

HOUSE BILL No. 1103

DIGEST OF INTRODUCED BILL

Citations Affected: IC 7.1-3-12-5; IC 7.1-5-11-1.5.

Synopsis: Farm winery sales. Allows a holder of a farm winery permit to sell and ship, by the bottle or by the case, not more than 5,000 gallons of wine that is priced at less than \$301 per gallon during a permit year to a holder of a wine retailer's permit or a holder of a wine dealer's permit.

Effective: July 1, 2015.

Koch

January 8, 2015, read first time and referred to Committee on Public Policy.



First Regular Session of the 119th General Assembly (2015)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2014 Regular Session and 2014 Second Regular Technical Session of the General Assembly.

HOUSE BILL No. 1103



A BILL FOR AN ACT to amend the Indiana Code concerning alcohol and tobacco.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 7.1-3-12-5, AS AMENDED BY P.L.186-2011,
2 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2015]: Sec. 5. (a) The holder of a farm winery permit:
4 (1) is entitled to manufacture wine and to bottle wine produced by
5 the permit holder's farm winery;
6 (2) is entitled to serve complimentary samples of the winery's
7 wine on the licensed premises or an outside area that is
8 contiguous to the licensed premises as approved by the
9 commission if each employee who serves wine on the licensed
10 premises:
11 (A) holds an employee permit under IC 7.1-3-18-9; and
12 (B) completes a server training program approved by the
13 commission;
14 (3) is entitled to sell the winery's wine on the licensed premises to
15 consumers either by the glass, or by the bottle, or both;



- 1 (4) is entitled to sell the winery's wine to consumers by the bottle
 2 at a farmers' market that is operated on a nonprofit basis;
 3 (5) is entitled to sell wine by the bottle or by the case to a person
 4 who is the holder of a permit **issued under IC 7.1-3-13** to sell
 5 wine at wholesale;
 6 **(6) is entitled to sell and ship, by the bottle or by the case, not**
 7 **more than a total of five thousand (5,000) gallons of wine that**
 8 **is priced at less than three hundred one dollars (\$301) per**
 9 **gallon during a permit year to a holder of a:**
 10 (A) wine retailer's permit issued under IC 7.1-3-14; or
 11 (B) wine dealer's permit issued under IC 7.1-3-15;
 12 ~~(6)~~ (7) is exempt from the provisions of IC 7.1-3-14;
 13 ~~(7)~~ (8) is entitled to advertise the name and address of any retailer
 14 or dealer who sells wine produced by the permit holder's winery;
 15 ~~(8)~~ (9) for wine described in IC 7.1-1-2-3(a)(4):
 16 (A) may allow transportation to and consumption of the wine
 17 on the licensed premises; and
 18 (B) may not sell, offer to sell, or allow the sale of the wine on
 19 the licensed premises;
 20 ~~(9)~~ (10) is entitled to purchase and sell bulk wine as set forth in
 21 this chapter;
 22 ~~(10)~~ (11) is entitled to sell wine as authorized by this section for
 23 carryout on Sunday; and
 24 ~~(11)~~ (12) is entitled to sell and ship the farm winery's wine to a
 25 person located in another state in accordance with the laws of the
 26 other state.
 27 (b) With the approval of the commission, a holder of a permit under
 28 this chapter may conduct business at not more than three (3) additional
 29 locations that are separate from the winery. At the additional locations,
 30 the holder of a permit may conduct any business that is authorized at
 31 the first location, except for the manufacturing or bottling of wine.
 32 (c) With the approval of the commission, a holder of a permit under
 33 this chapter may, individually or with other permit holders under this
 34 chapter, participate in a trade show or an exposition at which products
 35 of each permit holder participant are displayed, promoted, and sold.
 36 The commission may not grant approval under this subsection to a
 37 holder of a permit under this chapter for more than forty-five (45) days
 38 in a calendar year.
 39 SECTION 2. IC 7.1-5-11-1.5, AS AMENDED BY P.L.159-2014,
 40 SECTION 87, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 41 JULY 1, 2015]: Sec. 1.5. (a) Except as provided in **IC 7.1-3-12-5** and
 42 IC 7.1-3-26, it is unlawful for a person in the business of selling



1 alcoholic beverages in Indiana or outside Indiana to ship or cause to be
2 shipped an alcoholic beverage directly to a person in Indiana who does
3 not hold a valid wholesaler permit under this title. This includes the
4 ordering and selling of alcoholic beverages over a computer network
5 (as defined by IC 35-43-2-3(a)).

6 (b) An in-state or an out-of-state vintner, distiller, brewer, rectifier,
7 or importer that:

8 (1) holds a basic permit from the federal Bureau of Alcohol,
9 Tobacco, Firearms and Explosives; and

10 (2) knowingly violates subsection (a);
11 commits a Class A misdemeanor.

12 (c) A person who is not an in-state or an out-of-state vintner,
13 distiller, brewer, rectifier, or importer that holds a basic permit from the
14 federal Bureau of Alcohol, Tobacco, Firearms and Explosives who
15 knowingly violates subsection (a) commits a Level 6 felony.

16 (d) Upon a determination by the commission that a person has
17 violated subsection (a), a wholesaler may not accept a shipment of
18 alcoholic beverages from the person for a period of up to one (1) year
19 as determined by the commission.

20 (e) If the chairman of the alcohol and tobacco commission or the
21 attorney general determines that a vintner, distiller, brewer, rectifier, or
22 importer that holds a basic permit from the federal Bureau of Alcohol,
23 Tobacco, Firearms and Explosives has made an illegal shipment of an
24 alcoholic beverage to consumers in Indiana, the chairman shall:

25 (1) notify the federal Bureau of Alcohol, Tobacco, Firearms and
26 Explosives in writing and by certified mail of the official
27 determination that state law has been violated; and

28 (2) request the federal bureau to take appropriate action.

29 (f) The commission shall adopt rules under IC 4-22-2 to implement
30 this section.

