

# HOUSE BILL No. 1167

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 7.1-3-27.

**Synopsis:** Artisan distillers. Removes a requirement that an artisan distiller's permit applicant hold a farm winery, brewer's, or distiller's permit (qualifying permit) for the three year period before the date of the application. Repeals an exception to the qualifying permit requirement for applicants meeting certain requirements on January 1, 2014. With the approval of the alcohol and tobacco commission, allows an artisan distiller to sell liquor, serve samples, and conduct business other than manufacturing, blending, and bottling of liquor at three additional locations that are separate from the distillery.

**Effective:** July 1, 2017.

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January 9, 2017, read first time and referred to Committee on Public Policy.

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First Regular Session of the 120th General Assembly (2017)

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 2016 Regular Session of the General Assembly.

# HOUSE BILL No. 1167

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 7.1-3-27-5, AS AMENDED BY P.L.144-2015,  
2 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
3 JULY 1, 2017]: Sec. 5. ~~(a) Except as provided in section 7 of this~~  
4 ~~chapter~~, An applicant for an artisan distiller's permit must meet all the  
5 following requirements to be eligible for an artisan distiller's permit:  
6 ~~(1) The permit applicant must hold one (1) of the following~~  
7 ~~permits for the three (3) year period immediately preceding the~~  
8 ~~date of the application:~~  
9 ~~(A) A farm winery permit under IC 7.1-3-12.~~  
10 ~~(B) A brewer's permit issued under IC 7.1-3-2-2(b).~~  
11 ~~(C) A distiller's permit under IC 7.1-3-7.~~  
12 ~~(2) (1) The permit applicant may not have more than one (1)~~  
13 ~~violation of this title during the three (3) year period immediately~~  
14 ~~preceding the date of the application.~~  
15 ~~(3) (2) The permit applicant may not have any violation of this~~  
16 ~~title during the twelve (12) month period immediately preceding~~  
17 ~~the date of the permit application.~~



1 (b) As used in this subsection, "qualifying permit" means a farm  
 2 winery, brewer's, or distiller's permit under subsection (a)(1)(A);  
 3 (a)(1)(B); or (a)(1)(C) that is required in order to hold an artisan  
 4 distiller's permit. The same persons must directly or indirectly own and  
 5 control more than fifty percent (50%) of the entity that holds the  
 6 qualifying permit and the artisan distiller's permit.

7 SECTION 2. IC 7.1-3-27-7 IS REPEALED [EFFECTIVE JULY 1,  
 8 2017]. Sec. 7. (a) This section applies only to a person that, on January  
 9 1, 2014:

10 (1) holds the necessary permit or license from the United States  
 11 to own or operate an establishment to manufacture liquor; and  
 12 (2) does not hold any of the permits listed in section 5(a)(1) of  
 13 this chapter.

14 (b) A person must meet all the following requirements to be eligible  
 15 for an artisan distiller's permit under this section:

16 (1) Any person (except for a person under subdivision (2)) who  
 17 sells or furnishes liquor by the bottle or glass on the premises of  
 18 the artisan distillery:

19 (A) must have held for at least three (3) years an employee  
 20 permit under IC 7.1-3-18-9 that authorizes the person to  
 21 perform bartending duties;

22 (B) must have completed any alcohol server program or  
 23 alcohol server training program refresher courses required  
 24 under IC 7.1-3-1.5; and

25 (C) may not have any violations under this title:

26 (2) The applicant for the artisan distiller's permit and any  
 27 management representative of the applicant must complete an  
 28 alcohol server program or a trainer program established or  
 29 approved under IC 7.1-3-1.5-5.5 or IC 7.1-3-1.5-6 not more than  
 30 one (1) year before the date of the application for the artisan  
 31 distiller's permit.

32 (c) Except as provided in subsection (f)(2), the person may not be  
 33 required to fulfill the requirements of section 5 of this chapter.

34 (d) If the person is issued an artisan distiller's permit under this  
 35 section, the person must meet the following requirements for the period  
 36 set forth in subsection (e):

37 (1) Any person selling or furnishing liquor on the premises of the  
 38 artisan distillery (except for a person under subsection (b)(2))  
 39 must meet the requirements of subsection (b)(1).

40 (2) The holder of the artisan distiller's permit and any  
 41 management representative of the holder of the artisan distiller's  
 42 permit must successfully complete refresher courses under



- 1 IC 7.1-3-1.5 not later than three (3) years after the date the holder  
 2 or representative completes the initial server program or trainer  
 3 program:
- 4 (e) A person who is issued an artisan distiller's permit under this  
 5 section must meet the requirements in subsection (d) until the later of:  
 6 (1) three (3) years after the date on which the initial artisan  
 7 distiller's permit is issued; or  
 8 (2) the date that the holder of the artisan distiller's permit has one  
 9 (1) twelve (12) month period without a violation of this title.
- 10 (f) Upon fulfilling the requirements of subsections (d) and (e); a  
 11 person who is issued an artisan distiller's permit under this section must  
 12 meet the following requirements for as long as the person holds the  
 13 permit:
- 14 (1) Any person who sells or furnishes liquor on the premises of  
 15 the artisan distillery (except for a person under subsection (b)(2))  
 16 must have an employee permit under IC 7.1-3-18-9 and be  
 17 otherwise authorized by the commission to perform bartending  
 18 duties. However, the person is not required to:
- 19 (A) hold an employee bartending permit for three (3) years  
 20 before selling or furnishing liquor; and  
 21 (B) not have any violations under this title.
- 22 (2) The holder of the artisan distiller's permit and any  
 23 management representative of the holder of the artisan distiller's  
 24 permit are subject to the same alcohol server training  
 25 requirements and refresher course requirements as the holder of  
 26 an artisan distiller's permit that meets the requirements of section  
 27 5 of this chapter.
- 28 SECTION 3. IC 7.1-3-27-8, AS AMENDED BY P.L.214-2016,  
 29 SECTION 28, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 30 JULY 1, 2017]: Sec. 8. (a) The holder of an artisan distiller's permit  
 31 may do only the following:
- 32 (1) Manufacture liquor, including blending liquor purchased from  
 33 another manufacturer with liquor the artisan distiller  
 34 manufactures under section 11 of this chapter.
- 35 (2) Bottle liquor manufactured by the artisan distiller.
- 36 (3) Store liquor manufactured by the artisan distiller.
- 37 (4) Transport, sell, and deliver liquor manufactured by the artisan  
 38 distiller to:
- 39 (A) places outside Indiana; or  
 40 (B) the holder of a liquor wholesaler's permit under IC 7.1-3-8.
- 41 (5) Sell liquor manufactured by the artisan distiller to consumers  
 42 by the drink, bottle, or case from the premises of the distillery



- 1 where the liquor was manufactured.
- 2 (6) Serve complimentary samples of the liquor manufactured by
- 3 the artisan distiller to consumers on the premises of the distillery
- 4 where the liquor was manufactured.
- 5 (7) Sell liquor as authorized by this section for carryout on
- 6 Sunday in a quantity at any one (1) time of not more than four and
- 7 five-tenths (4.5) liters.
- 8 (8) With the approval of the commission, participate:
- 9 (A) individually; or
- 10 (B) with other permit holders under this chapter, holders of
- 11 farm winery permits, holders of brewer's permits issued under
- 12 IC 7.1-3-2-2(b), or any combination of holders described in
- 13 this clause;
- 14 in a trade show or an exposition at which products of each permit
- 15 holder participant are displayed, promoted, and sold. The
- 16 commission may not grant to a holder of a permit under this
- 17 chapter approval under this subdivision to participate in a trade
- 18 show or exposition for more than forty-five (45) days in a
- 19 calendar year.
- 20 (b) The holder of an artisan distiller's permit who provides samples
- 21 or sells liquor by the glass must furnish the minimum food
- 22 requirements prescribed by the commission.
- 23 **(c) With the approval of the commission, a holder of an artisan**
- 24 **distiller's permit under this chapter may conduct business at not**
- 25 **more than three (3) additional locations that are separate from the**
- 26 **premises on which the artisan distiller manufactures liquor. At the**
- 27 **additional locations, the holder of a permit may conduct any**
- 28 **business that is authorized at the first location, except for the**
- 29 **manufacturing, including blending, or bottling of liquor.**
- 30 (e) **(d)** An artisan distiller who knowingly or intentionally violates
- 31 this section commits a Class B misdemeanor.

