



February 17, 2015

HOUSE BILL No. 1203

DIGEST OF HB 1203 (Updated February 17, 2015 12:33 pm - DI 107)

Citations Affected: IC 7.1-3.

Synopsis: Wine and beer sales at trade shows or expositions. Allows a microbrewery and a farm winery to participate in a trade show or exposition in or on the same premises or enclosed area.

Effective: July 1, 2015.

Arnold L, Lucas, Dermody

January 13, 2015, read first time and referred to Committee on Public Policy.
February 17, 2015, amended, reported — Do Pass.

HB 1203—LS 7085/DI 87



February 17, 2015

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. 1203

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 7.1-3-2-7, AS AMENDED BY P.L.71-2012,
2 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2015]: Sec. 7. The holder of a brewer's permit or an
4 out-of-state brewer holding either a primary source of supply permit or
5 an out-of-state brewer's permit may do the following:
6 (1) Manufacture beer.
7 (2) Place beer in containers or bottles.
8 (3) Transport beer.
9 (4) Sell and deliver beer to a person holding a beer wholesaler's
10 permit issued under IC 7.1-3-3.
11 (5) If the brewer's brewery manufactures not more than thirty
12 thousand (30,000) barrels of beer in a calendar year for sale or
13 distribution within Indiana, the permit holder may do the
14 following:
15 (A) Sell and deliver beer to a person holding a retailer or a

HB 1203—LS 7085/DI 87



- 1 dealer permit under this title.
- 2 (B) Be the proprietor of a restaurant.
- 3 (C) Hold a beer retailer's permit, a wine retailer's permit, or a
- 4 liquor retailer's permit for a restaurant established under clause
- 5 (B).
- 6 (D) Transfer beer directly from the brewery to the restaurant
- 7 by means of:
- 8 (i) bulk containers; or
- 9 (ii) a continuous flow system.
- 10 (E) Install a window between the brewery and an adjacent
- 11 restaurant that allows the public and the permittee to view both
- 12 premises.
- 13 (F) Install a doorway or other opening between the brewery
- 14 and an adjacent restaurant that provides the public and the
- 15 permittee with access to both premises.
- 16 (G) Sell the brewery's beer by the glass for consumption on the
- 17 premises. Brewers permitted to sell beer by the glass under
- 18 this clause must furnish the minimum food requirements
- 19 prescribed by the commission.
- 20 (H) Sell and deliver beer to a consumer at the permit premises
- 21 of the brewer or at the residence of the consumer. The delivery
- 22 to a consumer may be made only in a quantity at any one (1)
- 23 time of not more than one-half (1/2) barrel, but the beer may
- 24 be contained in bottles or other permissible containers.
- 25 (I) Sell the brewery's beer as authorized by this section for
- 26 carryout on Sunday in a quantity at any one (1) time of not
- 27 more than five hundred seventy-six (576) ounces. A brewer's
- 28 beer may be sold under this clause at any address for which the
- 29 brewer holds a brewer's permit issued under this chapter if the
- 30 address is located within the same city boundaries in which the
- 31 beer was manufactured.
- 32 **(J) With the approval of the commission, participate:**
- 33 **(i) individually; or**
- 34 **(ii) with other permit holders under this chapter;**
- 35 **in a trade show or an exposition at which products of each**
- 36 **permit holder participant are displayed, promoted, and**
- 37 **sold. The commission may not grant to a holder of a permit**
- 38 **under this chapter approval under this clause to**
- 39 **participate in a trade show or exposition for more than**
- 40 **forty-five (45) days in a calendar year.**
- 41 (6) If the brewer's brewery manufactures more than thirty
- 42 thousand (30,000) barrels of beer in a calendar year for sale or



1 distribution within Indiana, the permit holder may own a portion
2 of the corporate stock of another brewery that:

- 3 (A) is located in the same county as the brewer's brewery;
4 (B) manufactures less than thirty thousand (30,000) barrels of
5 beer in a calendar year; and
6 (C) is the proprietor of a restaurant that operates under
7 subdivision (5).

8 (7) Provide complimentary samples of beer that are:

- 9 (A) produced by the brewer; and
10 (B) offered to consumers for consumption on the brewer's
11 premises.

12 (8) Own a portion of the corporate stock of a sports corporation
13 that:

- 14 (A) manages a minor league baseball stadium located in the
15 same county as the brewer's brewery; and
16 (B) holds a beer retailer's permit, a wine retailer's permit, or a
17 liquor retailer's permit for a restaurant located in that stadium.

18 (9) For beer described in IC 7.1-1-2-3(a)(4):

- 19 (A) may allow transportation to and consumption of the beer
20 on the licensed premises; and
21 (B) may not sell, offer to sell, or allow sale of the beer on the
22 licensed premises.

23 SECTION 2. IC 7.1-3-2-7.5 IS ADDED TO THE INDIANA CODE
24 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
25 1, 2015]: **Sec. 7.5. (a) The commission may issue:**

26 **(1) a permit to the owner of a brewery under section 7(5)(J)**
27 **of this chapter to sell beer by the glass at a trade show or**
28 **exposition; and**

29 **(2) a permit to the owner of a farm winery under**
30 **IC 7.1-3-12-5(a)(12) to sell wine by the glass at a trade show**
31 **or exposition;**

32 **so that each permit licenses the same premises, enclosure, or**
33 **defined area within which the brewery may sell and serve beer and**
34 **the farm winery may sell and serve wine without a partition, wall,**
35 **or any other separation between the brewery's beer sales and**
36 **service and the farm winery's wine sales and service.**

37 **(b) The commission may allow a brewery and a farm winery to**
38 **share the same premises under this section, regardless of whether**
39 **the brewery and the farm winery are owned by the same or**
40 **different persons.**

41 SECTION 3. IC 7.1-3-12-5, AS AMENDED BY P.L.186-2011,
42 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE



- 1 JULY 1, 2015]: Sec. 5. (a) The holder of a farm winery permit:
- 2 (1) is entitled to manufacture wine and to bottle wine produced by
- 3 the permit holder's farm winery;
- 4 (2) is entitled to serve complimentary samples of the winery's
- 5 wine on the licensed premises or an outside area that is
- 6 contiguous to the licensed premises as approved by the
- 7 commission if each employee who serves wine on the licensed
- 8 premises:
- 9 (A) holds an employee permit under IC 7.1-3-18-9; and
- 10 (B) completes a server training program approved by the
- 11 commission;
- 12 (3) is entitled to sell the winery's wine on the licensed premises to
- 13 consumers either by the glass, or by the bottle, or both;
- 14 (4) is entitled to sell the winery's wine to consumers by the bottle
- 15 at a farmers' market that is operated on a nonprofit basis;
- 16 (5) is entitled to sell wine by the bottle or by the case to a person
- 17 who is the holder of a permit to sell wine at wholesale;
- 18 (6) is exempt from the provisions of IC 7.1-3-14;
- 19 (7) is entitled to advertise the name and address of any retailer or
- 20 dealer who sells wine produced by the permit holder's winery;
- 21 (8) for wine described in IC 7.1-1-2-3(a)(4):
- 22 (A) may allow transportation to and consumption of the wine
- 23 on the licensed premises; and
- 24 (B) may not sell, offer to sell, or allow the sale of the wine on
- 25 the licensed premises;
- 26 (9) is entitled to purchase and sell bulk wine as set forth in this
- 27 chapter;
- 28 (10) is entitled to sell wine as authorized by this section for
- 29 carryout on Sunday; ~~and~~
- 30 (11) is entitled to sell and ship the farm winery's wine to a person
- 31 located in another state in accordance with the laws of the other
- 32 state; **and**
- 33 **(12) is entitled:**
- 34 **(A) to serve complimentary samples of the winery's wine;**
- 35 **and**
- 36 **(B) sell the winery's wine;**
- 37 **at a trade show or exposition.**
- 38 (b) With the approval of the commission, a holder of a permit under
- 39 this chapter may conduct business at not more than three (3) additional
- 40 locations that are separate from the winery. At the additional locations,
- 41 the holder of a permit may conduct any business that is authorized at
- 42 the first location, except for the manufacturing or bottling of wine.



1 (c) With the approval of the commission, a holder of a permit under
2 this chapter may, individually or with other permit holders under this
3 chapter, participate in a trade show or an exposition at which products
4 of each permit holder participant are displayed, promoted, and sold.
5 The commission may not grant approval under this subsection to a
6 holder of a permit under this chapter for more than forty-five (45) days
7 in a calendar year.

8 SECTION 4. IC 7.1-3-12-5.5 IS ADDED TO THE INDIANA
9 CODE AS A NEW SECTION TO READ AS FOLLOWS
10 [EFFECTIVE JULY 1, 2015]: **Sec. 5.5. (a) The commission may**
11 **issue:**

12 (1) a permit to the owner of a brewery under
13 IC 7.1-3-2-7(5)(J) to sell beer by the glass at a trade show or
14 exposition; and

15 (2) a permit to the owner of a farm winery under section
16 5(a)(12) of this chapter to sell wine by the glass at a trade
17 show or exposition;

18 so that each permit licenses the same premises, enclosure, or
19 defined area within which the brewery may sell and serve beer and
20 the farm winery may sell and serve wine without a partition, wall,
21 or any other separation between the brewery's beer sales and
22 service and the farm winery's wine sales and service.

23 (b) The commission may allow a brewery and a farm winery to
24 share the same premises under this section, regardless of whether
25 the brewery and the farm winery are owned by the same or
26 different persons.



COMMITTEE REPORT

Mr. Speaker: Your Committee on Public Policy, to which was referred House Bill 1203, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 7.1-3-2-7, AS AMENDED BY P.L.71-2012, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 7. The holder of a brewer's permit or an out-of-state brewer holding either a primary source of supply permit or an out-of-state brewer's permit may do the following:

- (1) Manufacture beer.
- (2) Place beer in containers or bottles.
- (3) Transport beer.
- (4) Sell and deliver beer to a person holding a beer wholesaler's permit issued under IC 7.1-3-3.
- (5) If the brewer's brewery manufactures not more than thirty thousand (30,000) barrels of beer in a calendar year for sale or distribution within Indiana, the permit holder may do the following:
 - (A) Sell and deliver beer to a person holding a retailer or a dealer permit under this title.
 - (B) Be the proprietor of a restaurant.
 - (C) Hold a beer retailer's permit, a wine retailer's permit, or a liquor retailer's permit for a restaurant established under clause (B).
 - (D) Transfer beer directly from the brewery to the restaurant by means of:
 - (i) bulk containers; or
 - (ii) a continuous flow system.
 - (E) Install a window between the brewery and an adjacent restaurant that allows the public and the permittee to view both premises.
 - (F) Install a doorway or other opening between the brewery and an adjacent restaurant that provides the public and the permittee with access to both premises.
 - (G) Sell the brewery's beer by the glass for consumption on the premises. Brewers permitted to sell beer by the glass under this clause must furnish the minimum food requirements prescribed by the commission.



(H) Sell and deliver beer to a consumer at the permit premises of the brewer or at the residence of the consumer. The delivery to a consumer may be made only in a quantity at any one (1) time of not more than one-half (1/2) barrel, but the beer may be contained in bottles or other permissible containers.

(I) Sell the brewery's beer as authorized by this section for carryout on Sunday in a quantity at any one (1) time of not more than five hundred seventy-six (576) ounces. A brewer's beer may be sold under this clause at any address for which the brewer holds a brewer's permit issued under this chapter if the address is located within the same city boundaries in which the beer was manufactured.

(J) With the approval of the commission, participate:

(i) individually; or

(ii) with other permit holders under this chapter; in a trade show or an exposition at which products of each permit holder participant are displayed, promoted, and sold. The commission may not grant to a holder of a permit under this chapter approval under this clause to participate in a trade show or exposition for more than forty-five (45) days in a calendar year.

(6) If the brewer's brewery manufactures more than thirty thousand (30,000) barrels of beer in a calendar year for sale or distribution within Indiana, the permit holder may own a portion of the corporate stock of another brewery that:

(A) is located in the same county as the brewer's brewery;

(B) manufactures less than thirty thousand (30,000) barrels of beer in a calendar year; and

(C) is the proprietor of a restaurant that operates under subdivision (5).

(7) Provide complimentary samples of beer that are:

(A) produced by the brewer; and

(B) offered to consumers for consumption on the brewer's premises.

(8) Own a portion of the corporate stock of a sports corporation that:

(A) manages a minor league baseball stadium located in the same county as the brewer's brewery; and

(B) holds a beer retailer's permit, a wine retailer's permit, or a liquor retailer's permit for a restaurant located in that stadium.

(9) For beer described in IC 7.1-1-2-3(a)(4):

(A) may allow transportation to and consumption of the beer



on the licensed premises; and

(B) may not sell, offer to sell, or allow sale of the beer on the licensed premises."

Page 1, line 4, delete "7(5)" and insert "**7(5)(J)**".

Page 1, line 5, delete "festival;" and insert "**trade show or exposition;**".

Page 1, line 7, delete "IC 7.1-3-12-5" and insert "**IC 7.1-3-12-5(a)(12)**".

Page 1, line 7, delete "festival;" and insert "**trade show or exposition;**".

Page 2, between lines 1 and 2, begin a new paragraph and insert:

"SECTION 4. IC 7.1-3-12-5, AS AMENDED BY P.L.186-2011, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 5. (a) The holder of a farm winery permit:

(1) is entitled to manufacture wine and to bottle wine produced by the permit holder's farm winery;

(2) is entitled to serve complimentary samples of the winery's wine on the licensed premises or an outside area that is contiguous to the licensed premises as approved by the commission if each employee who serves wine on the licensed premises:

(A) holds an employee permit under IC 7.1-3-18-9; and

(B) completes a server training program approved by the commission;

(3) is entitled to sell the winery's wine on the licensed premises to consumers either by the glass, or by the bottle, or both;

(4) is entitled to sell the winery's wine to consumers by the bottle at a farmers' market that is operated on a nonprofit basis;

(5) is entitled to sell wine by the bottle or by the case to a person who is the holder of a permit to sell wine at wholesale;

(6) is exempt from the provisions of IC 7.1-3-14;

(7) is entitled to advertise the name and address of any retailer or dealer who sells wine produced by the permit holder's winery;

(8) for wine described in IC 7.1-1-2-3(a)(4):

(A) may allow transportation to and consumption of the wine on the licensed premises; and

(B) may not sell, offer to sell, or allow the sale of the wine on the licensed premises;

(9) is entitled to purchase and sell bulk wine as set forth in this chapter;

(10) is entitled to sell wine as authorized by this section for carryout on Sunday; ~~and~~



(11) is entitled to sell and ship the farm winery's wine to a person located in another state in accordance with the laws of the other state; **and**

(12) is entitled:

(A) to serve complimentary samples of the winery's wine;
and

(B) sell the winery's wine;
at a trade show or exposition.

(b) With the approval of the commission, a holder of a permit under this chapter may conduct business at not more than three (3) additional locations that are separate from the winery. At the additional locations, the holder of a permit may conduct any business that is authorized at the first location, except for the manufacturing or bottling of wine.

(c) With the approval of the commission, a holder of a permit under this chapter may, individually or with other permit holders under this chapter, participate in a trade show or an exposition at which products of each permit holder participant are displayed, promoted, and sold. The commission may not grant approval under this subsection to a holder of a permit under this chapter for more than forty-five (45) days in a calendar year."

Page 2, line 6, delete "IC 7.1-3-2-7(5)" and insert "IC 7.1-3-2-7(5)(J)".

Page 2, line 7, delete "festival;" and insert "**trade show or exposition;**".

Page 2, line 8, delete "5" and insert "**5(a)(12)**".

Page 2, line 9, delete "festival;" and insert "**trade show or exposition;**".

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1203 as introduced.)

DERMODY

Committee Vote: yeas 9, nays 0.

