



Reprinted  
February 20, 2015

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## HOUSE BILL No. 1203

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DIGEST OF HB 1203 (Updated February 19, 2015 3:01 pm - DI 109)

**Citations Affected:** IC 7.1-3; IC 14-18.

**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. Allows the department of natural resources to permit, in the terms of a lease or contract, the retail sale of alcoholic beverages for consumption on the licensed premises of a marina located within the Newton-Stewart State Recreational Area and within Orange County if the lessee or concessionaire applies for and secures the necessary permits.

**Effective:** July 1, 2015.

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**Arnold L, Lucas, Dermody**

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January 13, 2015, read first time and referred to Committee on Public Policy.  
February 17, 2015, amended, reported — Do Pass.  
February 19, 2015, read second time, amended, ordered engrossed.

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HB 1203—LS 7085/DI 87





Reprinted  
February 20, 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

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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

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- 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.**

27 SECTION 5. IC 14-18-2-3, AS AMENDED BY P.L.70-2014,  
 28 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 29 JULY 1, 2015]: Sec. 3. (a) As used in this section, "inn" means a public  
 30 facility that has the following:

31 (1) At least twenty (20) rooms for the accommodation of  
 32 overnight guests.

33 (2) A dining room that offers table service for at least forty (40)  
 34 individuals at one (1) time during normal dining hours.

35 (b) A lease and contract authorized by this chapter must include in  
 36 its terms the following provisions and conditions:

37 (1) The legal description of the leasehold. A survey for the  
 38 description is not required.

39 (2) The term of the lease. The term may not exceed forty (40)  
 40 years with two (2) additional options to renew of thirty (30) years  
 41 each.

42 (3) Provision for the submission of complete plans and



1 specifications to the department for review and written approval  
 2 before beginning any construction.

3 (4) The manner of payment of rental.

4 (5) The facilities provided will be available to the public without  
 5 discrimination and at charges designed to make the facilities  
 6 available to a maximum number of the citizens of Indiana.

7 (6) That the rates and fees charged for goods and services on the  
 8 leased area will be in accord with those charged at similar  
 9 developments in the area.

10 (7) The disposition of the leasehold and improvements at the  
 11 termination of the lease.

12 (8) Except as provided in subsections (c) and (e), if the lease and  
 13 contract concerns state owned land under the management and  
 14 control of the department, including state parks, a prohibition on  
 15 the sale or public display of alcoholic beverages on the premises.

16 (c) A lease and contract authorized by this chapter may permit in its  
 17 terms the retail sale of alcoholic beverages for consumption on the  
 18 licensed premises of an inn if the lessee or concessionaire applies for  
 19 and secures the necessary permits required by IC 7.1.

20 (d) A lease and contract authorized by this chapter may permit in its  
 21 terms the retail sale of alcoholic beverages for consumption on the  
 22 licensed premises of a public golf course if:

23 (1) the lease and contract concerns federally owned land that is:

24 (A) under the control and management of the department; and

25 (B) located on Brookville Reservoir; and

26 (2) the lessee or concessionaire applies for and secures the  
 27 necessary permits required by IC 7.1.

28 (e) A lease and contract authorized by this chapter may permit in its  
 29 terms the retail sale of alcoholic beverages for consumption on the  
 30 licensed premises of:

31 (1) a pavilion located within Indiana Dunes State Park; or

32 (2) a marina located:

33 (A) within the Newton-Stewart State Recreational Area;  
 34 and

35 (B) within Orange County;

36 if the lessee or concessionaire applies for and secures the necessary  
 37 permits required by IC 7.1.

38 (f) The retail sale of alcoholic beverages on licensed premises  
 39 described in subsections (c), (d), and (e) is subject to any other  
 40 applicable alcoholic beverage provisions under the Indiana Code and  
 41 any rule adopted to implement any other applicable alcoholic beverage  
 42 provisions under the Indiana Code.





- 1 (g) A lease and contract may prescribe other terms and conditions
- 2 that the department considers necessary and advisable to carry out the
- 3 intent and purposes of this chapter.



## 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;**".

Re-number 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.



## HOUSE MOTION

Mr. Speaker: I move that House Bill 1203 be amended to read as follows:

Page 5, after line 26, begin a new paragraph and insert:

"SECTION 5. IC 14-18-2-3, AS AMENDED BY P.L.70-2014, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 3. (a) As used in this section, "inn" means a public facility that has the following:

(1) At least twenty (20) rooms for the accommodation of overnight guests.

(2) A dining room that offers table service for at least forty (40) individuals at one (1) time during normal dining hours.

(b) A lease and contract authorized by this chapter must include in its terms the following provisions and conditions:

(1) The legal description of the leasehold. A survey for the description is not required.

(2) The term of the lease. The term may not exceed forty (40) years with two (2) additional options to renew of thirty (30) years each.

(3) Provision for the submission of complete plans and specifications to the department for review and written approval before beginning any construction.

(4) The manner of payment of rental.

(5) The facilities provided will be available to the public without discrimination and at charges designed to make the facilities available to a maximum number of the citizens of Indiana.

(6) That the rates and fees charged for goods and services on the leased area will be in accord with those charged at similar developments in the area.

(7) The disposition of the leasehold and improvements at the termination of the lease.

(8) Except as provided in subsections (c) and (e), if the lease and contract concerns state owned land under the management and control of the department, including state parks, a prohibition on the sale or public display of alcoholic beverages on the premises.

(c) A lease and contract authorized by this chapter may permit in its terms the retail sale of alcoholic beverages for consumption on the licensed premises of an inn if the lessee or concessionaire applies for and secures the necessary permits required by IC 7.1.

(d) A lease and contract authorized by this chapter may permit in its terms the retail sale of alcoholic beverages for consumption on the



licensed premises of a public golf course if:

- (1) the lease and contract concerns federally owned land that is:
  - (A) under the control and management of the department; and
  - (B) located on Brookville Reservoir; and
- (2) the lessee or concessionaire applies for and secures the necessary permits required by IC 7.1.

(e) A lease and contract authorized by this chapter may permit in its terms the retail sale of alcoholic beverages for consumption on the licensed premises of:

- (1) a pavilion located within Indiana Dunes State Park; **or**
- (2) **a marina located:**
  - (A) **within the Newton-Stewart State Recreational Area;**
  - and**
  - (B) **within Orange County;**

if the lessee or concessionaire applies for and secures the necessary permits required by IC 7.1.

(f) The retail sale of alcoholic beverages on licensed premises described in subsections (c), (d), and (e) is subject to any other applicable alcoholic beverage provisions under the Indiana Code and any rule adopted to implement any other applicable alcoholic beverage provisions under the Indiana Code.

(g) A lease and contract may prescribe other terms and conditions that the department considers necessary and advisable to carry out the intent and purposes of this chapter."

Renumber all SECTIONS consecutively.

(Reference is to HB 1203 as printed February 17, 2015.)

DAVISSON

