

Second Regular Session of the 119th General Assembly (2016)

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 2015 Regular Session of the General Assembly.

HOUSE ENROLLED ACT No. 1386

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

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

SECTION 1. IC 7.1-2-3-33 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 33. The commission is authorized to:

- (1) investigate a violation of; and
- (2) enforce a penalty for a violation of;

IC 35-46-1-10, IC 35-46-1-10.2, **IC 35-46-1-11, IC 35-46-1-11.2, IC 35-46-1-11.5, or IC 35-46-1-11.7, or IC 35-46-1-11.8.**

SECTION 2. IC 7.1-3-2-7, AS AMENDED BY P.L.144-2015, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: 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 manufactures, at all of the brewer's breweries located in Indiana, an aggregate of not more than ninety thousand (90,000) barrels of beer in a calendar year for sale or distribution within Indiana, the permit holder may do the following:
 - (A) Sell and deliver a total of not more than thirty thousand

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(30,000) barrels of beer in a calendar year to a person holding a retailer or a dealer permit under this title. The total number of barrels of beer that the permit holder may sell and deliver under this clause in a calendar year may not exceed thirty thousand (30,000) barrels of beer.

(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 make food available for consumption on the premises. A brewer may comply with the requirements of this clause by doing any of the following:

(i) Allowing a vehicle of transportation that is a food establishment (as defined in IC 16-18-2-137) to serve food near the brewer's licensed premises.

(ii) Placing menus in the brewer's premises of restaurants that will deliver food to the brewery.

(iii) Providing food prepared at the brewery.

(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, **holders of artisan distiller's permits, holders of farm winery permits, or any combination of holders described in this item;**

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.

(K) Store or condition beer in a secure building that is:

- (i) separate from the brewery; and
- (ii) owned or leased by the permit holder.

A brewer may not sell or transfer beer directly to a permittee or consumer from a building described in this clause.

(6) If the brewer's brewery manufactures more than ninety thousand (90,000) 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 ninety thousand (90,000) 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.

SECTION 3. IC 7.1-3-5-2 IS AMENDED TO READ AS

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FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. **(a) As used in this section, "proprietor of a package liquor store" means the person that:**

- (1) holds the financial investment in; and**
 - (2) exercises the financial and operational oversight of;**
- a package liquor store.**

~~(a)~~ **(b)** The commission may issue a beer dealer's permit only to an applicant who is the proprietor of a drug store, grocery store, or package liquor store.

~~(b)~~ **(c) Subject to subsection (d)**, the commission may issue a beer dealer's permit to an applicant that is a foreign corporation if:

- (1) the applicant is duly admitted to do business in Indiana;
- (2) the sale of beer is within the applicant's corporate powers; and
- (3) the applicant is otherwise qualified under this title.

(d) Except as provided under IC 7.1-3-21-5.6, the commission may issue a beer dealer's permit under subsection (c) for the premises of a package liquor store only if the proprietor of the package liquor store satisfies the Indiana resident ownership requirements described in IC 7.1-3-21-5(b), IC 7.1-3-21-5.2(b), or IC 7.1-3-21-5.4(b).

~~(c)~~ **(e)** The commission shall not issue a beer dealer's permit to a person who is disqualified under the special disqualifications. However, the special disqualification listed in IC 7.1-3-4-2(a)(13) shall not apply to an applicant for a beer dealer's permit.

~~(d)~~ **(f)** Notwithstanding subsection ~~(a)~~; **(b)**, the commission may renew a beer dealer's permit for an applicant who:

- (1) held a permit before July 1, 1997; and
- (2) is the proprietor of a confectionery or a store that:
 - (A) is not a drug store, grocery store, or package liquor store;
 - (B) is in good repute; and
 - (C) in the judgment of the commission, deals in merchandise that is not incompatible with the sale of beer.

SECTION 4. IC 7.1-3-6-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 2. ~~Persons Eligible for Permits~~. The commission may issue a temporary beer permit to a person who is qualified to hold a beer retailer's permit and who has such other qualifications as the commission may prescribe by a provisional order until it adopts a rule or regulation on the matter. However, the special disqualifications listed in ~~IC 1971; 7.1-3-4-2(c); (h); and (m);~~ **IC 7.1-3-4-2(a)(3), IC 7.1-3-4-2(a)(8), and IC 7.1-3-4-2(a)(13)**, and the residency requirements provided in ~~IC 1971; IC 7.1-3-21-3,~~ shall not apply to an applicant for a temporary



beer permit.

SECTION 5. IC 7.1-3-6-3.6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3.6. (a) This section applies to a temporary beer permit for the sale of beer in a town park in a town having a population of less than ten thousand (10,000).

(b) The commission may not issue a temporary beer permit to a person unless:

(1) the person meets all of the requirements for a temporary beer permit under: ~~this chapter~~

(A) sections 1 through 3 of this chapter; or

(B) section 3.8 of this chapter; and

(2) the town council:

(A) holds a public hearing on the request for a permit; and

(B) approves the issuance of the temporary beer permit.

(c) If a person asks a town council to approve the issuance of a temporary beer permit, the town clerk-treasurer shall notify the commission of the town council's decision to approve or disapprove the permit not later than thirty (30) days after the person's request for approval.

(d) If a person who applies for a temporary beer permit from the commission demonstrates to the satisfaction of the commission that no action was taken on the person's request by the town council under subsection (c), the commission shall consider the request to be approved by the town council.

SECTION 6. IC 7.1-3-6-3.8 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 3.8. (a) Notwithstanding any other provision in this chapter, the commission may issue a temporary beer permit if all the following apply:**

(1) The temporary beer permit is issued for a festival or event that meets all the following:

(A) The festival or event promotes, at least in part, beer manufactured at a brewery described in IC 7.1-3-2-7(5).

(B) The anticipated attendance of the festival or event is at least seven thousand five hundred (7,500) people.

(C) Adequate security measures will be provided at the festival or event.

(D) Individuals less than twenty-one (21) years of age will not be allowed to attend the festival or event.

(2) The applicant for the temporary beer permit:

(A) has held a brewer's permit for a brewery described in IC 7.1-3-2-7(5) for at least three (3) years; and



(B) pays an application fee to the commission of two thousand five hundred dollars (\$2,500).

(b) The commission may issue a temporary beer permit only for an area at a festival or event that is enclosed by fencing, barricades, or structures. The area may be an outside area that is contiguous to a brewery described in IC 7.1-3-2-7(5) or restaurant or at another location that is not on or near the premises of a brewery or restaurant.

(c) The commission may issue a temporary beer permit under this section for a term, up to and including, three (3) days from its issuance.

(d) The commission may not issue a temporary beer permit under this section to any one (1) person more than two (2) times in a calendar year.

(e) Notwithstanding any other provision of this title, the holder of the temporary beer permit may allow an individual who attends the festival or event to carry beer, in a quantity that does not exceed a total of two hundred eighty-eight (288) ounces, into the permitted area. Beer carried in to a festival or event under this subsection may be consumed or traded only in the permitted area.

(f) An individual who attends the festival or event may carry out beer in sealed, unopened containers from the temporary beer permit area.

SECTION 7. IC 7.1-3-9-13 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 13. (a) This section applies to the holder of a three-way permit that is issued for a premises described in IC 7.1-3-1-14(c)(2).

(b) Notwithstanding any other provision of this title or rule adopted by the commission and subject to subsections (c) and (d), the holder of a three-way permit may sell sealed bottles of liquor or wine for consumption off the licensed premises:

(1) from one (1) or more locations on a premises described in IC 7.1-3-1-14(c)(2); and

(2) on the date of the Indianapolis 500 Race in the 2016 calendar year from 7 a.m., prevailing local time, to 7 p.m., prevailing local time.

(c) The holder of a three-way permit described under subsection (b) must disclose to the commission, at least fourteen (14) days before the date of the Indianapolis 500 Race, that the holder intends to sell bottles of liquor or wine under this section.

(d) The bottles of liquor or wine described in subsection (b)



must be decorative bottles commemorating the one hundredth anniversary of the Indianapolis 500 Race.

(e) This section expires January 1, 2017.

SECTION 8. IC 7.1-3-12-5, AS AMENDED BY P.L.186-2011, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: 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.

(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.

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(c) With the approval of the commission, a holder of a permit under this chapter may:

- (1) individually; or
- (2) with other permit holders under this chapter, **holders of artisan distiller's permits, holders of a brewer's permits issued under IC 7.1-3-2-2(b), or any combination of holders described in this subdivision;**

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.

SECTION 9. IC 7.1-3-16-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 6. ~~Persons Eligible for Permits~~. The commission may issue a temporary wine permit to a person who is qualified to hold a beer retailer's permit and who has such other qualifications as the commission may prescribe by a provisional order until it adopts a rule or regulation on the matter. However, the special disqualifications listed in ~~IC 1971, 7.1-3-4-2(c), (h), and (m);~~ **IC 7.1-3-4-2(a)(3), IC 7.1-3-4-2(a)(8), and IC 7.1-3-4-2(a)(13)**, and the residency requirements provided in ~~IC 1971;~~ **IC 7.1-3-21-3**, shall not apply to an applicant for a temporary wine permit.

SECTION 10. IC 7.1-3-17.8 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]:

Chapter 17.8. State Park Liquor Permits

Sec. 1. The department of natural resources may apply for a three-way permit for one (1) or more state parks. A three-way permit for a state park may be a single permit, even though more than one (1) area within the state park constitutes the licensed premises of the permit.

Sec. 2. A permit issued under this chapter is not subject to:

- (1) IC 7.1-3-21-1; and
- (2) 905 IAC 1-27-4.

Sec. 3. Separate areas within a state park are not subject to IC 7.1-5-5-7.

Sec. 4. Upon application, the commission shall issue a permit to the department of natural resources for a state park without:

- (1) publication of notice or investigation before a local board; and
- (2) regard to the quota provisions of IC 7.1-3-22.



Sec. 5. Except as provided in sections 2 and 3 of this chapter, an entity that operates on state park property under a permit issued by the commission to:

- (1) the department of natural resources under this chapter; or**
- (2) the entity under this article;**

shall operate within the park property in accordance with the provisions of this title that regulate the sale and use of alcoholic beverages, e-liquid (as defined in IC 7.1-7-2-10), and tobacco products (as defined in (IC 7.1-6-1-3).

SECTION 11. IC 7.1-3-18.5-5, AS AMENDED BY P.L.94-2008, SECTION 39, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 5. (a) Subject to subsection (b), the commission may suspend the certificate of a person who fails to pay a civil penalty imposed for violating IC 35-46-1-10, IC 35-46-1-10.2, **IC 35-46-1-11, IC 35-46-1-11.2, IC 35-46-1-11.5, or IC 35-46-1-11.7, or IC 35-46-1-11.8.**

(b) Before enforcing the imposition of a civil penalty or suspending or revoking a certificate under this chapter, the commission shall provide written notice of the alleged violation to the certificate holder and conduct a hearing. The commission shall provide written notice of the civil penalty or suspension or revocation of a certificate to the certificate holder.

(c) Subject to subsection (b), the commission shall revoke the certificate of a person upon a finding by a preponderance of the evidence that the person:

- (1) has violated IC 35-45-5-3, IC 35-45-5-3.5, or IC 35-45-5-4, IC 35-46-1-11, IC 35-46-1-11.2, or IC 35-46-1-11.8;**
- (2) has committed habitual illegal sale of tobacco as established under IC 35-46-1-10.2(h); or**
- (3) has committed habitual illegal entrance by a minor as established under IC 35-46-1-11.7(f).**

SECTION 12. IC 7.1-3-18.5-6, AS AMENDED BY P.L.231-2015, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 6. (a) If a certificate has:

- (1) expired; or**
- (2) been suspended;**

the commission may not reinstate or renew the certificate until all civil penalties imposed against the certificate holder for violating IC 35-46-1-10, IC 35-46-1-10.2, **IC 35-46-1-11, IC 35-46-1-11.2, IC 35-46-1-11.5, or IC 35-46-1-11.7, or IC 35-46-1-11.8** have been paid.

(b) The failure to pay a civil penalty described in subsection (a) is



a Class B infraction.

(c) If a certificate has been revoked, the commission may not reinstate or renew the certificate for at least one hundred eighty (180) days after the date of revocation. The commission may reinstate or renew the certificate only upon a reasonable showing by the applicant that the applicant shall:

- (1) exercise due diligence in the sale of tobacco products or electronic cigarettes on the applicant's premises where the tobacco products or electronic cigarettes are sold or distributed; and
- (2) properly supervise and train the applicant's employees or agents in the handling and sale of tobacco products or electronic cigarettes.

If a certificate is reinstated or renewed, the applicant of the certificate shall pay an application fee of one thousand dollars (\$1,000).

(d) Notwithstanding IC 34-28-5-5(c), civil penalties collected under this section must be deposited in the youth tobacco education and enforcement fund established under IC 7.1-6-2-6.

SECTION 13. IC 7.1-3-18.5-8, AS AMENDED BY P.L.231-2015, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 8. The commission may mitigate civil penalties imposed against a certificate holder for violating IC 35-46-1-10, IC 35-46-1-10.2, **IC 35-46-1-11, IC 35-46-1-11.2**, IC 35-46-1-11.5, IC 35-46-1-11.7, **IC 35-46-1-11.8**, or any of the provisions of this chapter if a certificate holder provides a training program for the certificate holder's employees that includes at least the following topics:

- (1) Laws governing the sale of tobacco products and electronic cigarettes.
- (2) Methods of recognizing and handling customers who are less than eighteen (18) years of age.
- (3) Procedures for proper examination of identification cards to verify that customers are under eighteen (18) years of age.

SECTION 14. IC 7.1-3-18.5-11 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: **Sec. 11. If a certificate holder sells or distributes tobacco products or electronic cigarettes at a location:**

- (1) determined to be a public nuisance; or**
- (2) at which conduct or acts that are crimes or infractions under IC 35 occur;**

the commission may impose sanctions against the certificate holder under IC 7.1-2-3-33 and section 5 of this chapter.

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SECTION 15. IC 7.1-3-19-17, AS AMENDED BY HEA 1035-2016, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 17. (a) This section applies to a permit issued under IC 7.1-3-20-16(d), IC 7.1-3-20-16(g), IC 7.1-3-20-16(k), ~~or~~ IC 7.1-3-20-16(l), **or IC 7.1-3-20-16.8** if a municipal legislative body has adopted an ordinance requiring a formal written commitment as a condition of eligibility for a permit, as described in subsection (b).

(b) As a condition of eligibility for a permit, the applicant must enter into a formal written commitment with the municipal legislative body regarding the character or type of business that will be conducted on the permit premises. The municipal legislative body must adopt an ordinance approving the formal written commitment. A formal written commitment is binding on the permit holder and on any lessee or proprietor of the permit premises. When an application for renewal of a permit is filed, the applicant shall forward a copy of the application to the municipal legislative body. The municipal legislative body shall receive notice of any filings, hearings, or other proceedings on the application for renewal from the applicant.

(c) A formal written commitment may be modified by the municipal legislative body with the agreement of the permit holder.

(d) Except as provided in subsection (f), the amount of time that a formal written commitment is valid may not be limited or restricted.

(e) A formal written commitment is terminated at the time a permit is revoked or not renewed.

(f) If the character or type of business violates the formal written commitments, the municipality may adopt a recommendation to the local board and the commission to:

- (1) deny the permit holder's application to renew the permit; or
- (2) revoke the permit holder's permit.

(g) The commission shall consider evidence at the hearing on the issue of whether the business violated the formal written commitments. If the commission determines there is sufficient evidence that the commitments have been violated by the permittee, the commission may:

- (1) deny the application to renew the permit; or
- (2) revoke the permit;

as applicable.

SECTION 16. IC 7.1-3-20-8.6, AS AMENDED BY P.L.196-2015, SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 8.6. The holder of a club permit may do the following:

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- (1) Designate one (1) ~~day each calendar week or more days each calendar month~~ as a guest day¹¹ **days, not to exceed a total of four (4) guest days in any calendar month.**
- (2) Keep a record of all designated guest days.
- (3) Invite guests who are not members of the club to attend the club on a guest day.
- (4) Sell or give alcoholic beverages to guests for consumption on the permit premises on a guest day.
- (5) Keep a guest book listing members and their nonmember guests, except on a designated guest day.

SECTION 17. IC 7.1-3-20-16, AS AMENDED BY P.L.121-2015, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 16. (a) A permit that is authorized by this section may be issued without regard to the quota provisions of IC 7.1-3-22.

(b) The commission may issue a three-way permit to sell alcoholic beverages for on-premises consumption only to an applicant who is the proprietor, as owner or lessee, or both, of a restaurant facility in the passenger terminal complex of a publicly owned airport. A permit issued under this subsection shall not be transferred to a location off the airport premises.

(c) **Except as provided in section 16.3 of this chapter**, the commission may issue a three-way, two-way, or one-way permit to sell alcoholic beverages for on-premises consumption only to an applicant who is the proprietor, as owner or lessee, or both, of a restaurant within a redevelopment project consisting of a building or group of buildings that:

- (1) was formerly used as part of a union railway station;
- (2) has been listed in or is within a district that has been listed in the federal National Register of Historic Places maintained pursuant to the National Historic Preservation Act of 1966, as amended; and
- (3) has been redeveloped or renovated, with the redevelopment or renovation being funded in part with grants from the federal, state, or local government.

A permit issued under this subsection shall not be transferred to a location outside of the redevelopment project.

(d) Subject to section 16.1 of this chapter **and except as provided in section 16.3 of this chapter**, the commission may issue a three-way, two-way, or one-way permit to sell alcoholic beverages for on-premises consumption only to an applicant who is the proprietor, as owner or lessee, or both, of a restaurant:

- (1) on land; or



(2) in a historic river vessel;
 within a municipal riverfront development project funded in part with state and city money. The ownership of a permit issued under this subsection and the location for which the permit was issued may not be transferred. The legislative body of the municipality in which the municipal riverfront development project is located shall recommend to the commission sites that are eligible to be permit premises. The commission shall consider, but is not required to follow, the municipal legislative body's recommendation in issuing a permit under this subsection. A permit holder and any lessee or proprietor of the permit premises are subject to the formal written commitment required under IC 7.1-3-19-17. Notwithstanding IC 7.1-3-1-3.5, if business operations cease at the permit premises for more than six (6) months, the permit shall revert to the commission. The permit holder is not entitled to any refund or other compensation.

(e) **Except as provided in section 16.3 of this chapter**, the commission may issue a three-way, two-way, or one-way permit to sell alcoholic beverages for on-premises consumption only to an applicant who is the proprietor, as owner or lessee, or both, of a restaurant within a renovation project consisting of a building that:

- (1) was formerly used as part of a passenger and freight railway station; and
- (2) was built before 1900.

The permit authorized by this subsection may be issued without regard to the proximity provisions of IC 7.1-3-21-11.

(f) **Except as provided in section 16.3 of this chapter**, the commission may issue a three-way permit for the sale of alcoholic beverages for on-premises consumption at a cultural center for the visual and performing arts to the following:

- (1) A town that:
 - (A) is located in a county having a population of more than four hundred thousand (400,000) but less than seven hundred thousand (700,000); and
 - (B) has a population of more than twenty thousand (20,000) but less than twenty-three thousand seven hundred (23,700).
- (2) A city that has an indoor theater as described in section 26 of this chapter.

(g) **Except as provided in section 16.3 of this chapter**, the commission may issue not more than ten (10) new three-way, two-way, or one-way permits to sell alcoholic beverages for on-premises consumption to applicants, each of whom must be the proprietor, as owner or lessee, or both, of a restaurant located within a district, or not



more than seven hundred (700) feet from a district, that meets the following requirements:

- (1) The district has been listed in the National Register of Historic Places maintained under the National Historic Preservation Act of 1966, as amended.
- (2) A county courthouse is located within the district.
- (3) A historic opera house listed on the National Register of Historic Places is located within the district.
- (4) A historic jail and sheriff's house listed on the National Register of Historic Places is located within the district.

The legislative body of the municipality in which the district is located shall recommend to the commission sites that are eligible to be permit premises. The commission shall consider, but is not required to follow, the municipal legislative body's recommendation in issuing a permit under this subsection. An applicant is not eligible for a permit if, less than two (2) years before the date of the application, the applicant sold a retailer's permit that was subject to IC 7.1-3-22 and that was for premises located within the district described in this section or within seven hundred (700) feet of the district. The ownership of a permit issued under this subsection and the location for which the permit was issued shall not be transferred. A permit holder and any lessee or proprietor of the permit premises is subject to the formal written commitment required under IC 7.1-3-19-17. Notwithstanding IC 7.1-3-1-3.5, if business operations cease at the permit premises for more than six (6) months, the permit shall revert to the commission. The permit holder is not entitled to any refund or other compensation. The total number of active permits issued under this subsection may not exceed ten (10) at any time. The cost of an initial permit issued under this subsection is six thousand dollars (\$6,000).

(h) **Except as provided in section 16.3 of this chapter**, the commission may issue a three-way permit for the sale of alcoholic beverages for on-premises consumption to an applicant who will locate as the proprietor, as owner or lessee, or both, of a restaurant within an economic development area under IC 36-7-14 in:

- (1) a town with a population of more than twenty thousand (20,000); or
- (2) a city with a population of more than forty-four thousand five hundred (44,500) but less than forty-five thousand (45,000);

located in a county having a population of more than one hundred ten thousand (110,000) but less than one hundred eleven thousand (111,000). The commission may issue not more than five (5) licenses under this section to premises within a municipality described in



subdivision (1) and not more than five (5) licenses to premises within a municipality described in subdivision (2). The commission shall conduct an auction of the permits under IC 7.1-3-22-9, except that the auction may be conducted at any time as determined by the commission. Notwithstanding any other law, the minimum bid for an initial license under this subsection is thirty-five thousand dollars (\$35,000), and the renewal fee for a license under this subsection is one thousand three hundred fifty dollars (\$1,350). Before the district expires, a permit issued under this subsection may not be transferred. After the district expires, a permit issued under this subsection may be renewed, and the ownership of the permit may be transferred, but the permit may not be transferred from the permit premises.

(i) After June 30, 2006, **and except as provided in section 16.3 of this chapter**, the commission may issue not more than five (5) new three-way, two-way, or one-way permits to sell alcoholic beverages for on-premises consumption to applicants, each of whom must be the proprietor, as owner or lessee, or both, of a restaurant located within a district, or not more than five hundred (500) feet from a district, that meets all of the following requirements:

- (1) The district is within an economic development area, an area needing redevelopment, or a redevelopment district as established under IC 36-7-14.
- (2) A unit of the National Park Service is partially located within the district.
- (3) An international deep water seaport is located within the district.

An applicant is not eligible for a permit under this subsection if, less than two (2) years before the date of the application, the applicant sold a retailers' permit that was subject to IC 7.1-3-22 and that was for premises located within the district described in this subsection or within five hundred (500) feet of the district. A permit issued under this subsection may not be transferred. If the commission issues five (5) new permits under this subsection, and a permit issued under this subsection is later revoked or is not renewed, the commission may issue another new permit, as long as the total number of active permits issued under this subsection does not exceed five (5) at any time. The commission shall conduct an auction of the permits under IC 7.1-3-22-9, except that the auction may be conducted at any time as determined by the commission.

(j) Subject to section 16.2 of this chapter **and except as provided in section 16.3 of this chapter**, the commission may issue not more than six (6) new three-way, two-way, or one-way permits to sell



alcoholic beverages for on-premises consumption only to an applicant who is the proprietor, as owner or lessee, or both, of a restaurant on land within a municipal lakefront development project funded in part with state, local, and federal money. A permit issued under this subsection may not be transferred. If the commission issues six (6) new permits under this subsection, and a permit issued under this subsection is later revoked or is not renewed, the commission may issue another new permit, as long as the total number of active permits issued under this subsection does not exceed six (6) at any time. The commission shall conduct an auction of the permits under IC 7.1-3-22-9, except that the auction may be conducted at any time as determined by the commission. Notwithstanding any other law, the minimum bid for an initial permit under this subsection is ten thousand dollars (\$10,000).

(k) **Except as provided in section 16.3 of this chapter**, the commission may issue not more than ~~eight (8)~~ **nine (9)** new three-way permits to sell alcoholic beverages for on-premises consumption to applicants, each of whom must be a proprietor, as owner or lessee, or both, of a restaurant located:

- (1) within a motorsports investment district (as defined in IC 5-1-17.5-11); or
- (2) not more than one thousand five hundred (1,500) feet from a motorsports investment district.

The ownership of a permit issued under this subsection and the location for which the permit was issued shall not be transferred. If the commission issues ~~eight (8)~~ **nine (9)** new permits under this subsection, and a permit issued under this subsection is later revoked or is not renewed, the commission may issue another new permit, as long as the total number of active permits issued under this subsection does not exceed ~~eight (8)~~ **nine (9)** at any time. A permit holder and any lessee or proprietor of the permit premises are subject to the formal written commitment required under IC 7.1-3-19-17. Notwithstanding IC 7.1-3-1-3.5, if business operations cease at the permit premises for more than six (6) months, the permit shall revert to the commission. The permit holder is not entitled to any refund or other compensation.

(l) **Except as provided in section 16.3 of this chapter**, the commission may issue not more than two (2) new three-way permits to sell alcoholic beverages for on-premises consumption for premises located within a qualified motorsports facility (as defined in IC 5-1-17.5-14). The ownership of a permit issued under this subsection and the location for which the permit was issued shall not be transferred. If the commission issues two (2) new permits under this subsection, and a permit issued under this subsection is later revoked



or is not renewed, the commission may issue another new permit, as long as the total number of active permits issued under this subsection does not exceed two (2) at any time. A permit holder and any lessee or proprietor of the permit premises are subject to the formal written commitment required under IC 7.1-3-19-17. Notwithstanding IC 7.1-3-1-3.5, if business operations cease at the permit premises for more than six (6) months, the permit shall revert to the commission. The permit holder is not entitled to any refund or other compensation.

SECTION 18. IC 7.1-3-20-16.3, AS ADDED BY SEA 169-2016, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 16.3. If the holder of a permit holds a:

- (1) permit issued under section 16(c) through 16(l) of this chapter **or section 16.8 of this chapter** to sell beer for on-premises consumption; and
- (2) permit for a brewery described in IC 7.1-3-2-7(5) that is located on or adjacent to the premises for which the permit holder holds a permit described in subdivision (1);

the permit holder may sell for carryout, at the premises for which the permit holder holds a permit described in subdivision (1), beer manufactured at the brewery.

SECTION 19. IC 7.1-3-20-16.8 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 16.8. (a) A permit that is authorized by this section may be issued without regard to the quota provisions of IC 7.1-3-22.**

(b) Except as provided in section 16.3 of this chapter, the commission may issue not more than four (4) new three-way permits to sell alcoholic beverages for on-premises consumption to applicants in each of the following municipalities:

- (1) Whitestown.
- (2) Lebanon.
- (3) Zionsville.
- (4) Westfield.
- (5) Carmel.
- (6) Fishers.

(c) The following apply to permits issued under this section:

- (1) **An applicant for a permit under this section must be a proprietor, as owner or lessee, or both, of a restaurant located within an economic development area, an area needing redevelopment, or a redevelopment district as established under IC 36-7-14 in a municipality's:**

- (A) **downtown redevelopment district; or**



(B) downtown economic revitalization area.

(2) The cost of an initial permit is forty thousand dollars (\$40,000).

(3) The total number of active permits issued under this section may not exceed twenty-four (24) permits at any time. If any of the permits issued under this section are revoked or not renewed, the commission may issue only enough new permits to bring the total number of permits to twenty-four (24) active permits, with not more than four (4) in each municipality listed in subsection (b)(1) through (b)(6).

(4) The municipality may adopt an ordinance under IC 7.1-3-19-17 requiring a permit holder to enter into a formal written commitment as a condition of eligibility for a permit. As set forth in IC 7.1-3-19-17(b), a formal written commitment is binding on the permit holder and on any lessee or proprietor of the permit premises.

(5) Notwithstanding IC 7.1-3-1-3.5, if business operations cease at the permit premises for more than six (6) months, the permit shall revert to the commission and the permit holder is not entitled to any refund or other compensation.

(6) Except as provided in subdivision (8), the ownership of a permit may not be transferred.

(7) A permit may not be transferred from the premises for which the permit was issued.

(8) If the area in which the permit premises is located is no longer designated an economic development area, an area needing redevelopment, or a redevelopment district, a permit issued under this section may be renewed, and the ownership of the permit may be transferred, but the permit may not be transferred from the permit premises.

SECTION 20. IC 7.1-3-20-17.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: **Sec. 17.5. (a) As used in this section, "banquet or gathering space" means a room or space in which social events are hosted that is located on the licensed premises of a hotel or restaurant.**

(b) As used in this section, "social event" means a party, banquet, wedding or other reception, or any other social event.

(c) Subject to subsection (d), the holder of a retailer's permit issued for the premises of a hotel or restaurant that has a banquet or gathering space without a permanent bar over which alcoholic beverages may be sold or dispensed may temporarily amend the



floor plans of the licensed premises to use the banquet or gathering space to sell or dispense alcoholic beverages from a temporary bar or service bar in the banquet or gathering space.

(d) The holder of a retailer's permit shall notify and submit the amended floor plans described in subsection (c) to the commission not later than twenty-four (24) hours before the date the holder intends to sell or dispense alcoholic beverages from a temporary bar or service bar.

(e) A holder of a retailer's permit who intends to sell or dispense alcoholic beverages from a temporary bar or service bar as described in this section remains subject to laws and rules requiring that the area in which minors are allowed be separate from the room or area in which the bar is located.

SECTION 21. IC 7.1-3-20-18 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 18. (a) In order to be considered a "hotel" within the meaning of this title and to be eligible to receive an appropriate hotel permit under this title, an establishment shall meet the following requirements:

(1) It shall be provided with special space and accommodations where, in consideration of payment, food and lodging are habitually furnished to travelers.

(2) It shall have at least twenty-five (25), adequately furnished and completely separate sleeping rooms with adequate facilities:

(A) under one (1) continuous roof; or

(B) under separate roofs if:

(i) each sleeping room is on the same parcel of land or contiguous parcels of land as the main building in which a room described in subdivision (4) is operated; and

(ii) the main building and sleeping rooms are operated by one (1) person, or under one (1) management.

(3) It shall be so disposed that persons usually apply for and receive overnight accommodations in it in the course of usual and regular travel or as a residence.

(4) It shall operate either a:

(A) regular dining room constantly frequented by customers each day; or

(B) room in which continental breakfasts and hors d'oeuvres are served in areas designated as dining rooms.

(b) This subsection applies to a hotel that qualifies under subsection (a)(4)(B). All laws and commission rules regarding legal serving for alcoholic beverages fully apply to the hotel. Rooms that qualify under subsection (a)(4)(B) qualify as rooms under IC 7.1-5-7-11(a)(16). The



commission may adopt rules under IC 4-22-2 concerning floor plans of the hotel.

SECTION 22. IC 7.1-3-20-18.6 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: **Sec. 18.6. (a) If the commission issues a hotel permit for a hotel that meets the requirements of section 18(a)(2)(B) of this chapter, the holder of the hotel permit shall submit a floor plan or design to the commission of the premises where alcoholic beverages will be served and consumed, including any sleeping rooms of the hotel.**

(b) If the commission approves a floor plan or design described in subsection (a), the holder of the hotel permit may serve alcoholic beverages, as provided under the permit, to any building included in the floor plan or design.

SECTION 23. IC 7.1-3-20-18.7 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: **Sec. 18.7. (a) This section applies to the premises of a hotel that is owned by an accredited college or university (as described in IC 24-4-11-2).**

(b) Subject to subsection (c), the holder of a retailer permit that is issued for the premises of a hotel may sell or dispense, for on premise consumption only, alcoholic beverages, for which the permittee holds the appropriate permit, from a:

- (1) nonpermanent bar located on an outside patio or terrace;**
- or**
- (2) service window located on the licensed premises that opens to an outside patio or terrace;**

that is contiguous to the main building of the licensed premises of the hotel.

(c) The holder of a retailer permit that is issued for the premises of a hotel may sell or dispense alcoholic beverages as provided under subsection (b) only if all the following conditions are met:

- (1) The patio or terrace area described in subsection (b) is:**
 - (A) part of the licensed premises; and**
 - (B) clearly delineated and completely enclosed on all sides by a fence, rail, wall, or hedge that is at least four (4) feet in height.**
- (2) Access to the nonpermanent bar or service window is limited by a barrier that reasonably deters free access by minors to the bar or window.**
- (3) A conspicuous sign is posted by the barrier described in subdivision (2) that states that minors are not allowed to cross**



the barrier to enter the area near the nonpermanent bar or service window.

SECTION 24. IC 7.1-3-21-5, AS AMENDED BY P.L.107-2015, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. (a) The commission shall not issue an alcoholic beverage retailer's ~~or dealer's~~ permit of any type to a corporation unless sixty percent (60%) of the outstanding common stock is owned by persons who have been continuous and bona fide residents of Indiana for five (5) years.

(b) The commission shall not issue an alcoholic beverage dealer's permit of any type for the premises of a package liquor store to a corporation unless:

- (1) sixty percent (60%) of the outstanding stock in the corporation is owned by persons who have been continuous and bona fide residents of Indiana for five (5) years; and**
- (2) the stock described in subdivision (1) constitutes a controlling interest in the corporation.**

~~(b)~~ (c) Each officer and stockholder of a corporation shall possess all other qualifications required of an individual applicant for that particular type of permit.

SECTION 25. IC 7.1-3-21-5.2, AS AMENDED BY P.L.107-2015, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5.2. (a) The commission shall not issue an alcoholic beverage retailer's ~~or dealer's~~ permit of any type to a limited partnership unless at least sixty percent (60%) of the partnership interest is owned by persons who have been continuous and bona fide residents of Indiana for five (5) years.

(b) The commission shall not issue an alcoholic beverage dealer's permit of any type for the premises of a package liquor store to a limited partnership unless:

- (1) at least sixty percent (60%) of the partnership interest is owned by persons who have been continuous and bona fide residents of Indiana for five (5) years; and**
- (2) the partnership interest described in subdivision (1) constitutes a controlling interest in the limited partnership.**

~~(b)~~ (c) Each general partner and limited partner of a limited partnership must possess all other qualifications required of an individual applicant for that particular type of permit.

SECTION 26. IC 7.1-3-21-5.4, AS AMENDED BY P.L.107-2015, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5.4. (a) The commission shall not issue an alcoholic beverage retailer's ~~or dealer's~~ permit of any type to a limited



liability company unless at least sixty percent (60%) of the membership interest is owned by persons who have been continuous and bona fide residents of Indiana for five (5) years.

(b) The commission shall not issue an alcoholic beverage dealer's permit of any type for the premises of a package liquor store to a limited liability company unless:

- (1) at least sixty percent (60%) of the outstanding membership interest in the limited liability company is owned by persons who have been continuous and bona fide residents of Indiana for five (5) years; and**
- (2) the membership interest described in subdivision (1) constitutes a controlling interest in the limited partnership.**

~~(b)~~ **(c) Each manager and member of a limited liability company must possess all other qualifications required of an individual applicant for that particular type of permit.**

SECTION 27. IC 7.1-3-21-5.6 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 5.6. (a) Notwithstanding section 5, 5.2, or 5.4 of this chapter, the commission may renew or transfer ownership of a dealer's permit of any type for the holder of a dealer's permit who:**

- (1) held the permit for the premises of a package liquor store before January 1, 2016; and**
- (2) does not qualify for the permit under section 5(b), 5.2(b), or 5.4(b) of this chapter.**

(b) The commission may transfer ownership of a dealer's permit under this section only to an applicant who satisfies the Indiana resident ownership requirements under this chapter.

SECTION 28. IC 7.1-3-27-8, AS AMENDED BY P.L.159-2014, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: **Sec. 8. (a) The holder of an artisan distiller's permit may do only the following:**

- (1) Manufacture liquor, including blending liquor purchased from another manufacturer with liquor the artisan distiller manufactures under section 11 of this chapter.**
- (2) Bottle liquor manufactured by the artisan distiller.**
- (3) Store liquor manufactured by the artisan distiller.**
- (4) Transport, sell, and deliver liquor manufactured by the artisan distiller to:**
 - (A) places outside Indiana; or**
 - (B) the holder of a liquor wholesaler's permit under IC 7.1-3-8.**



(5) Sell liquor manufactured by the artisan distiller to consumers by the drink, bottle, or case from the premises of the distillery where the liquor was manufactured.

(6) Serve complimentary samples of the liquor manufactured by the artisan distiller to consumers on the premises of the distillery where the liquor was manufactured.

(7) Sell liquor as authorized by this section for carryout on Sunday in a quantity at any one (1) time of not more than four and five-tenths (4.5) liters.

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

(A) individually; or

(B) with other permit holders under this chapter, holders of farm winery permits, holders of brewer's permits issued under IC 7.1-3-2-2(b), or any combination of holders described in this clause;

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 subdivision to participate in a trade show or exposition for more than forty-five (45) days in a calendar year.

(b) The holder of an artisan distiller's permit who provides samples or sells liquor by the glass must furnish the minimum food requirements prescribed by the commission.

(c) An artisan distiller who knowingly or intentionally violates this section commits a Class B misdemeanor.

SECTION 29. IC 7.1-4-4.1-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 5. (a) This section applies to the following permits:

(1) Temporary beer permit.

(2) Temporary wine permit.

(b) **Except as provided in subsection (d)**, a license fee for a temporary permit is the greater of the following:

(1) Two dollars (\$2) per day of operation.

(2) The amount per day set by the commission under subsection (c).

(c) Subject to any rates or schedules adopted by the commission, the commission may set a higher daily rate for a temporary beer permit under subsection (b)(2) if, in the judgment of the commission, the number of persons likely to be accommodated, or any other facts bearing on the value of the permit warrant the increase. However,



except as provided under subsection (d), the fee may not exceed one thousand dollars (\$1,000) per day.

(d) A license fee for a temporary permit issued under IC 7.1-3-6-3.8 is two thousand five hundred dollars (\$2,500).

SECTION 30. IC 7.1-4-4.1-9, AS AMENDED BY P.L.224-2005, SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 9. (a) This section applies to the following biennial permits:

- (1) Beer retailer's permit.
- (2) Liquor retailer's permit.
- (3) Wine retailer's permit.
- (4) One-way permit.
- (5) Two-way permit.
- (6) Three-way permit.
- (7) Airplane beer permit.
- (8) Airplane liquor permit.
- (9) Airplane wine permit.
- (10) Boat beer permit.
- (11) Boat liquor permit.
- (12) Boat wine permit.
- (13) Dining car beer permit.
- (14) Dining car liquor permit.
- (15) Dining car wine permit.
- (16) Hotel seasonal permit.

(b) The commission shall charge a single fee for the issuance of any combination of retailer's permits issued for the same location or conveyance.

(c) **Except as provided in subsection (d),** an annual permit fee in the following amount is imposed on a retailer:

- (1) Five hundred dollars (\$500), if the retailer serves only beer or only wine.
- (2) Seven hundred fifty dollars (\$750), if the retailer serves both beer and wine but no liquor.
- (3) One thousand dollars (\$1,000), if the retailer serves beer, wine, and liquor.

(d) An annual permit fee for a three-way permit issued to a state park under IC 7.1-3-17.8-1 is two hundred fifty dollars (\$250).

SECTION 31. IC 7.1-5-3-4, AS AMENDED BY SEA 177-2016, SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 4. (a) This section does not apply to the following:



(1) The necessary refilling of a container by a person holding a permit that authorizes the person to manufacture, rectify, or bottle liquor.

(2) An establishment where alcoholic beverages are sold that is owned, in whole or part, by an entity that holds a brewer's permit for a brewery described in IC 7.1-3-2-7(5).

(3) An establishment where alcoholic beverages are sold that is owned, in whole or part, by a statewide trade organization consisting of members, each of whom holds a brewer's permit ~~issued under IC 7.1-3-2-2(b).~~ **for a brewery described in IC 7.1-3-2-7(5).**

(4) The refilling of a bottle or container or possession of a refilled bottle or container if the refilling or possession is not for resale or another commercial purpose.

(5) The refilling of a bottle or container with hard cider in an establishment where alcoholic beverages are sold that is owned, in whole or in part, by an entity that manufactures hard cider under the appropriate permit issued under this title.

(6) The refilling of a bottle or container with a product from a farm winery in an establishment in which alcoholic beverages are sold that is owned, in whole or in part, by the holder of a farm winery permit.

(b) Except as provided in section 6 of this chapter, it is unlawful for a person to:

(1) refill a bottle or container, in whole or in part, with an alcoholic beverage; or

(2) knowingly possess a bottle or container that has been refilled, in whole or in part, with an alcoholic beverage;

after the container of liquor has been emptied in whole or in part.

(c) A person who knowingly or intentionally violates subsection (a) or (b) commits a Class B misdemeanor.

SECTION 32. IC 7.1-5-7-4.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: **Sec. 4.5. (a) As used in this section, "ID card" means any of the following:**

(1) A driver's license.

(2) A photographic identification card issued under IC 9-24-16-1 or a similar card issued under the laws of another state or the federal government.

(3) A government issued document bearing an individual's photograph.



(b) As used in this section, "permittee" means a person who holds a valid permit under this title, including an employee of a permittee.

(c) A permittee may retain an ID card that was provided to the permittee by a person as proof of age for making a purchase of an alcoholic beverage, if the permittee has:

- (1) received alcohol server training under IC 7.1-3-1.5; and
- (2) a reasonable belief that the ID card:
 - (A) has been altered or falsified; or
 - (B) was not issued to the person who provided the ID card to the permittee.

(d) If the permittee retains an ID card, the permittee shall do the following:

(1) Issue a receipt to the person who provided the ID card. The receipt must state the date and the hour that the permittee retained the ID card.

(2) Not later than twenty-four (24) hours after the ID card is retained, provide:

- (A) the ID card; and
- (B) a written statement of the facts and circumstances surrounding the permittee's retention of the ID card; to a state or local law enforcement agency that has jurisdiction where the permit premises is located.

(e) If the law enforcement agency does not:

- (1) initiate an investigation; or
- (2) find that probable cause exists;

as to any violation of section 1, 3, or 4 of this chapter, the law enforcement agency shall release the ID card to the person who was issued the ID card.

(f) A permittee is not subject to criminal liability or civil liability for retention of an ID card in accordance with this section.

(g) A permittee is not immune from civil or criminal liability for using force against a person in order to obtain an ID card.

SECTION 33. IC 7.1-7-4-1, AS AMENDED BY P.L.231-2015, SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. (a) A manufacturer of e-liquid shall obtain a permit from the commission before mixing, bottling, packaging, or selling e-liquid to retailers or distributors in Indiana.

(b) The commission shall accept initial applications and issue manufacturing permits until June 30, 2016.

(c) A manufacturing permit issued by the commission is valid for five (5) years.



(d) An initial application for a manufacturing permit must include the following:

(1) Plans for the construction and operation of the manufacturing facility that demonstrate that the facility design is:

(A) designed to include a clean room space where all mixing and bottling activities will occur; and

(B) capable of meeting all of the security requirements contained in this article.

(2) A service agreement that:

(A) the applicant has entered into with a security firm;

(B) is valid for a period of five (5) years after the date of the permit application;

(C) provides for the security firm to provide service and support to meet the security requirements established by this article;

(D) requires the security firm to certify that the manufacturer meets all requirements set forth in IC 7.1-7-4-6(10) through IC 7.1-7-4-6(15);

(E) prohibits the security firm from withholding its certification as described in clause (D) because the security equipment of the applicant is not sold by or proprietary to the security firm; and

(F) is renewable for the entire length of time that the applicant holds a permit issued by the commission.

(3) Verified documents satisfactory to the commission from the security firm demonstrating that the security firm meets the following requirements:

(A) The security firm has continuously employed, ~~not less than one (1) employee~~ **for not less than the previous one (1) year period, who is accredited or certified by both: both of the following:**

(i) **At least one (1) employee who is accredited or certified by the Door and Hardware Institute as an Architectural Hardware Consultant. and**

(ii) **At least one (1) employee who is accredited or certified the International Door Association as a certified Rolling Steel Fire Door Technician by the International Door Association or the Institute of Door Dealer Education and Accreditation.**

However, the security firm meets the requirements of this clause if the security firm continuously employed, for not less than the previous one (1) year period, one (1) employee



who is accredited or certified under both item (i) and item (ii).

(B) The security firm has at least one (1) year of commercial experience, in the preceding year, with the following:

(i) Video surveillance system design and installation with remote viewing capability from a secure facility.

(ii) Owning and operating a security monitoring station with ownership control and use of a redundant offsite backup security monitoring station.

(iii) Operating a facility that modifies commercial hollow metal doors, frames, and borrowed lights with authorization to apply the Underwriters Laboratories label.

(4) The name, telephone number, and address of the applicant.

(5) The name, telephone number, and address of the manufacturing facility.

(6) The projected output in liters per year of e-liquid of the manufacturing facility.

(7) The name, telephone number, title, and address of the person responsible for the manufacturing facility.

(8) Verification that the facility will comply with proper manufacturing processes.

(9) Written consent allowing the state police department to conduct a state or national criminal history background check on any person listed on the application.

(10) Written consent allowing the commission, after a permit is issued to the applicant, to enter during normal business hours the premises where the e-liquid is manufactured to conduct physical inspections, sample the product to ensure the e-liquid meets the requirements for e-liquid set forth in this article, and perform an audit.

(11) A nonrefundable initial application fee of one thousand dollars (\$1,000).

(12) Any other information required by the commission for purposes of administering this article.

SECTION 34. IC 34-30-2-20.8 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: **Sec. 20.8. IC 7.1-5-7-4.5 (Concerning an alcoholic beverage permittee or employee of a permittee who retains a person's identification card).**

SECTION 35. **An emergency is declared for this act.**



Speaker of the House of Representatives

President of the Senate

President Pro Tempore

Governor of the State of Indiana

Date: _____ Time: _____

HEA 1386 — Concur

