



Reprinted  
January 31, 2014

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## HOUSE BILL No. 1387

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DIGEST OF HB 1387 (Updated January 30, 2014 3:08 pm - DI 110)

**Citations Affected:** IC 7.1-3; IC 7.1-5.

**Synopsis:** Farm winery direct sales to a retailer or dealer. Allows a farm winery permittee to sell not more than a total of 5,000 gallons of wine during a permit year to a holder of a wine retailer's permit or a wine dealer's permit if the wine retailer's or wine dealer's licensed premises is located within the same county as the licensed premises of the farm winery or a county contiguous to that county. Requires that, if any provision of the law allowing farm winery permittees to sell to wine retailers and wine dealers is held invalid, the remaining provisions of that law must be construed in accordance with the intent of the legislature to further limit rather than to expand commerce in alcoholic beverages and to enhance strict regulatory control through the alcohol and tobacco commission and the three tier system of alcoholic beverage distribution

**Effective:** July 1, 2014.

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**Messmer, Koch, Austin, GiaQuinta,  
Dermody**

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January 15, 2014, read first time and referred to Committee on Public Policy.  
January 28, 2014, reported — Do Pass.  
January 30, 2014, read second time, amended, ordered engrossed.

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HB 1387—LS 6084/DI 87





Reprinted  
January 31, 2014

Second Regular Session 118th General Assembly (2014)

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 2013 Regular Session and 2013 First Regular Technical Session of the General Assembly.

## HOUSE BILL No. 1387

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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 7.1-3-12-5, AS AMENDED BY P.L.186-2011,  
2 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
3 JULY 1, 2014]: Sec. 5. (a) The holder of a farm winery permit:  
4 (1) is entitled to manufacture wine and to bottle wine produced by  
5 the permit holder's farm winery;  
6 (2) is entitled to serve complimentary samples of the winery's  
7 wine on the licensed premises or an outside area that is  
8 contiguous to the licensed premises as approved by the  
9 commission if each employee who serves wine on the licensed  
10 premises:  
11 (A) holds an employee permit under IC 7.1-3-18-9; and  
12 (B) completes a server training program approved by the  
13 commission;  
14 (3) is entitled to sell the winery's wine on the licensed premises to  
15 consumers either by the glass, or by the bottle, or both;  
16 (4) is entitled to sell the winery's wine to consumers by the bottle

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1 at a farmers' market that is operated on a nonprofit basis;  
 2 (5) is entitled to sell wine by the bottle or by the case to a person  
 3 who is the holder of a permit **issued under IC 7.1-3-13** to sell  
 4 wine at wholesale;

5 **(6) is entitled to sell not more than a total of five thousand**  
 6 **(5,000) gallons of wine, by the bottle or by the case, during a**  
 7 **permit year to a holder of a:**

8 **(A) wine retailer's permit issued under IC 7.1-3-14 if the**  
 9 **wine retailer's premises is located:**

10 **(i) within the same county as the licensed premises of the**  
 11 **farm winery where the wine is manufactured; or**

12 **(ii) within a county contiguous to the county described in**  
 13 **item (i); or**

14 **(B) wine dealer's permit issued under IC 7.1-3-15 if the**  
 15 **wine dealer's premises is located:**

16 **(i) within the same county as the licensed premises of the**  
 17 **farm winery where the wine is manufactured; or**

18 **(ii) within a county contiguous to the county described in**  
 19 **item (i);**

20 ~~(6)~~ (7) is exempt from the provisions of IC 7.1-3-14;

21 ~~(7)~~ (8) is entitled to advertise the name and address of any retailer  
 22 or dealer who sells wine produced by the permit holder's winery;

23 ~~(8)~~ (9) for wine described in IC 7.1-1-2-3(a)(4):

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

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

28 ~~(9)~~ (10) is entitled to purchase and sell bulk wine as set forth in  
 29 this chapter;

30 ~~(10)~~ (11) is entitled to sell wine as authorized by this section for  
 31 carryout on Sunday; and

32 ~~(11)~~ (12) is entitled to sell and ship the farm winery's wine to a  
 33 person located in another state in accordance with the laws of the  
 34 other state.

35 **(b) If any provision of subsection (a)(6) or its application to any**  
 36 **person or circumstance is held invalid, the remaining provisions of**  
 37 **subsection (a)(6) must be construed in accordance with the intent**  
 38 **of the general assembly to further limit rather than to expand**  
 39 **commerce in alcoholic beverages and to enhance strict regulatory**  
 40 **control through the commission and the three (3) tier system of**  
 41 **alcoholic beverage distribution.**

42 ~~(b)~~ (c) With the approval of the commission, a holder of a permit



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

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

13 SECTION 2. IC 7.1-5-11-1.5, AS AMENDED BY P.L.165-2006,  
14 SECTION 38, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
15 JULY 1, 2014]: Sec. 1.5. (a) Except as provided in **IC 7.1-3-12-5 and**  
16 **IC 7.1-3-26**, it is unlawful for a person in the business of selling  
17 alcoholic beverages in Indiana or outside Indiana to ship or cause to be  
18 shipped an alcoholic beverage directly to a person in Indiana who does  
19 not hold a valid wholesaler permit under this title. This includes the  
20 ordering and selling of alcoholic beverages over a computer network  
21 (as defined by IC 35-43-2-3(a)).

22 (b) Upon a determination by the commission that a person has  
23 violated subsection (a), a wholesaler may not accept a shipment of  
24 alcoholic beverages from the person for a period of up to one (1) year  
25 as determined by the commission.

26 (c) The commission shall adopt rules under IC 4-22-2 to implement  
27 this section.



## COMMITTEE REPORT

Mr. Speaker: Your Committee on Public Policy, to which was referred House Bill 1387, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

(Reference is to HB 1387 as introduced.)

Committee Vote: Yeas 9, Nays 2

Representative Dermody

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 HOUSE MOTION

Mr. Speaker: I move that House Bill 1387 be amended to read as follows:

Page 2, delete lines 5 through 9, begin a new line block indented and insert:

**"(6) is entitled to sell not more than a total of five thousand (5,000) gallons of wine, by the bottle or by the case, during a permit year to a holder of a:**

**(A) wine retailer's permit issued under IC 7.1-3-14 if the wine retailer's premises is located:**

**(i) within the same county as the licensed premises of the farm winery where the wine is manufactured; or**

**(ii) within a county contiguous to the county described in item (i); or**

**(B) wine dealer's permit issued under IC 7.1-3-15 if the wine dealer's premises is located:**

**(i) within the same county as the licensed premises of the farm winery where the wine is manufactured; or**

**(ii) within a county contiguous to the county described in item (i);".**

Page 2, between lines 24 and 25, begin a new paragraph and insert:

**"(b) If any provision of subsection (a)(6) or its application to any person or circumstance is held invalid, the remaining provisions of subsection (a)(6) must be construed in accordance with the intent of the general assembly to further limit rather than to expand commerce in alcoholic beverages and to enhance strict regulatory**



**control through the commission and the three (3) tier system of alcoholic beverage distribution."**

Page 2, line 25, strike "(b)" and insert "(c)".

Page 2, line 30, strike "(c)" and insert "(d)".

(Reference is to HB 1387 as printed January 28, 2014.)

DERMODY

