



January 28, 2014

HOUSE BILL No. 1387

DIGEST OF HB 1387 (Updated January 28, 2014 9:15 am - DI 84)

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 holders of wine retailer's permits or wine dealer's permits.

Effective: July 1, 2014.

Messmer, Koch, Austin, GiaQuinta

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

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January 28, 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

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 holders of:**

8 **(A) wine retailer's permits issued under IC 7.1-3-14; or**

9 **(B) wine dealer's permits issued under IC 7.1-3-15;**

10 ~~(6)~~ (7) is exempt from the provisions of IC 7.1-3-14;

11 ~~(7)~~ (8) is entitled to advertise the name and address of any retailer
 12 or dealer who sells wine produced by the permit holder's winery;

13 ~~(8)~~ (9) for wine described in IC 7.1-1-2-3(a)(4):

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

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

18 ~~(9)~~ (10) is entitled to purchase and sell bulk wine as set forth in
 19 this chapter;

20 ~~(10)~~ (11) is entitled to sell wine as authorized by this section for
 21 carryout on Sunday; and

22 ~~(11)~~ (12) is entitled to sell and ship the farm winery's wine to a
 23 person located in another state in accordance with the laws of the
 24 other state.

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

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

37 SECTION 2. IC 7.1-5-11-1.5, AS AMENDED BY P.L.165-2006,
 38 SECTION 38, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 39 JULY 1, 2014]: Sec. 1.5. (a) Except as provided in **IC 7.1-3-12-5** and
 40 IC 7.1-3-26, it is unlawful for a person in the business of selling
 41 alcoholic beverages in Indiana or outside Indiana to ship or cause to be
 42 shipped an alcoholic beverage directly to a person in Indiana who does



1 not hold a valid wholesaler permit under this title. This includes the
2 ordering and selling of alcoholic beverages over a computer network
3 (as defined by IC 35-43-2-3(a)).

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

8 (c) The commission shall adopt rules under IC 4-22-2 to implement
9 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

