

HOUSE BILL No. 1510

DIGEST OF INTRODUCED BILL

Citations Affected: IC 7.1-3-2.

Synopsis: Beer in food production. Provides that certain brewers may sell or transfer beer to certain food manufacturers for the purpose of adding or integrating the beer into a product or recipe. Provides that a product that contains the transferred beer may not contain more than 0.5% of alcohol by volume when the product leaves the food manufacturer's facility. Requires the brewer to destroy a finished product that contains more alcohol by volume than is permitted.

Effective: July 1, 2023.

Johnson B, Moed

January 17, 2023, read first time and referred to Committee on Public Policy.



First Regular Session of the 123rd General Assembly (2023)

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 2022 Regular Session of the General Assembly.

HOUSE BILL No. 1510

A BILL FOR AN ACT to amend the Indiana Code concerning agriculture and animals.

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.194-2021,
2 SECTION 29, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2023]: 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 manufactures, at all of the brewer's breweries
12 located in Indiana, an aggregate of not more than ninety thousand
13 (90,000) barrels of beer in a calendar year for sale or distribution
14 within Indiana, the permit holder may do the following:
15 (A) Sell and deliver a total of not more than thirty thousand
16 (30,000) barrels of beer in a calendar year to a person holding
17 a retailer or a dealer permit under this title. The total number



- 1 of barrels of beer that the permit holder may sell and deliver
2 under this clause in a calendar year may not exceed thirty
3 thousand (30,000) barrels of beer.
- 4 (B) Be the proprietor of a restaurant that is not subject to the
5 minimum gross food sales or the minimum projected food
6 sales set forth in 905 IAC 1-41-2.
- 7 (C) Hold a beer retailer's permit, a wine retailer's permit, or a
8 liquor retailer's permit for a restaurant established under clause
9 (B).
- 10 (D) Transfer beer directly from the brewery to the restaurant
11 by means of:
12 (i) bulk containers; or
13 (ii) a continuous flow system.
- 14 (E) Install a window between the brewery and an adjacent
15 restaurant that allows the public and the permittee to view both
16 premises.
- 17 (F) Install a doorway or other opening between the brewery
18 and an adjacent restaurant that provides the public and the
19 permittee with access to both premises.
- 20 (G) Sell the brewery's beer by the glass for consumption on the
21 premises. Brewers permitted to sell beer by the glass under
22 this clause must make food available for consumption on the
23 premises. A brewer may comply with the requirements of this
24 clause by doing any of the following:
25 (i) Allowing a vehicle of transportation that is a food
26 establishment (as defined in IC 16-18-2-137) to serve food
27 near the brewer's licensed premises.
28 (ii) Placing menus in the brewer's premises of restaurants
29 that will deliver food to the brewery.
30 (iii) Providing food prepared at the brewery.
- 31 (H) Sell and deliver beer to a consumer at the licensed
32 premises of the brewer or at the residence of the consumer.
33 Notwithstanding IC 7.1-1-3-20, the licensed premises may
34 include the brewery parking lot or an area adjacent to the
35 brewery that may only be used for the purpose of conveying
36 alcoholic beverages and other nonalcoholic items to a
37 customer subject to section 10 of this chapter, and may not be
38 used for point of sale purposes or any other purpose. The
39 delivery to a consumer may be made only in a quantity at any
40 one (1) time of not more than one-half (1/2) barrel, but the
41 beer may be contained in bottles or other permissible
42 containers.



- 1 (I) Sell the brewery's beer as authorized by this section for
 2 carryout on Sunday in a quantity at any one (1) time of not
 3 more than five hundred seventy-six (576) ounces. A brewer's
 4 beer may be sold under this clause at any address for which the
 5 brewer holds a brewer's permit issued under this chapter if the
 6 address is located within the same city boundaries in which the
 7 beer was manufactured.
- 8 (J) With the approval of the commission, participate:
 9 (i) individually; or
 10 (ii) with other permit holders under this chapter, holders of
 11 artisan distiller's permits, holders of farm winery permits, or
 12 any combination of holders described in this item;
 13 in a trade show or an exposition at which products of each
 14 permit holder participant are displayed, promoted, and sold.
 15 All of the permit holders may occupy the same tent, structure,
 16 or building. The commission may not grant to a holder of a
 17 permit under this chapter approval under this clause to
 18 participate in a trade show or exposition for more than
 19 forty-five (45) days in a calendar year.
- 20 (K) Store or condition beer in a secure building that is:
 21 (i) separate from the brewery; and
 22 (ii) owned or leased by the permit holder.
- 23 (L) Transfer beer from a building described in clause (K) back
 24 to the brewery.
- 25 (M) Sell or transfer beer directly to a beer wholesaler from a
 26 building described in clause (K), but may not sell or transfer
 27 beer from the building to any other permittee or a consumer.
 28 The brewer shall maintain an adequate written record of the
 29 beer transferred:
 30 (i) between the brewery and the separate building; and
 31 (ii) from the separate building to the wholesaler.
- 32 (N) Sell the brewery's beer to the holder of a supplemental
 33 caterer's permit issued under IC 7.1-3-9.5 for on-premises
 34 consumption only at an event that is held outdoors on property
 35 that is contiguous to the brewery as approved by the
 36 commission.
- 37 (O) Receive liquor from the holder of a distiller's permit issued
 38 under IC 7.1-3-7 or the holder of an artisan distiller's permit
 39 under IC 7.1-3-27 that is located in the same county as the
 40 brewery for the purpose of carbonating and canning the liquor.
 41 Upon the completion of canning of the liquor, the product
 42 must be returned to the original production facility within



- 1 forty-eight (48) hours. The activity under this clause is not an
 2 interest under IC 7.1-5-9.
 3 **(P) Sell or transfer beer directly to a food manufacturer**
 4 **located in Indiana that is registered with the federal Food**
 5 **and Drug Administration for the purpose of adding or**
 6 **integrating the beer into a product or recipe.**
 7 (6) If the brewer's brewery manufactures more than ninety
 8 thousand (90,000) barrels of beer in a calendar year for sale or
 9 distribution within Indiana, the permit holder may own a portion
 10 of the corporate stock of another brewery that:
 11 (A) is located in the same county as the brewer's brewery;
 12 (B) manufactures less than ninety thousand (90,000) barrels of
 13 beer in a calendar year; and
 14 (C) is the proprietor of a restaurant that operates under
 15 subdivision (5).
 16 (7) Provide complimentary samples of beer that are:
 17 (A) produced by the brewer; and
 18 (B) offered to consumers for consumption on the brewer's
 19 premises.
 20 (8) Own a portion of the corporate stock of a sports corporation
 21 that:
 22 (A) manages a minor league baseball stadium located in the
 23 same county as the brewer's brewery; and
 24 (B) holds a beer retailer's permit, a wine retailer's permit, or a
 25 liquor retailer's permit for a restaurant located in that stadium.
 26 (9) For beer described in IC 7.1-1-2-3(a)(4):
 27 (A) may allow transportation to and consumption of the beer
 28 on the licensed premises; and
 29 (B) may not sell, offer to sell, or allow sale of the beer on the
 30 licensed premises.

31 SECTION 2. IC 7.1-3-2-11 IS ADDED TO THE INDIANA CODE
 32 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 33 1, 2023]: **Sec. 11. (a) A finished product of a food manufacturer**
 34 **that contains beer transferred to the food manufacturer under**
 35 **section 7(5)(P) of this chapter may not contain more than one-half**
 36 **of one percent (0.5%) of alcohol by volume when the product**
 37 **leaves the food manufacturer's facility.**

38 **(b) If a finished product of a food manufacturer that contains**
 39 **beer transferred to the food manufacturer under section 7(5)(P) of**
 40 **this chapter contains more than one-half of one percent (0.5%) of**
 41 **alcohol by volume, the food manufacturer must transfer the**
 42 **finished product back to the brewer. The brewer must destroy the**



1 finished product in compliance with 27 CFR 25.
2 (c) Beer that is sold or transferred to a food manufacturer
3 under section 7(5)(P) of this chapter shall be included within the
4 barrels of beer limits set forth in section 7(5)(A) of this chapter.

