

# SENATE BILL No. 16

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 7.1-3; IC 7.1-5-9.

**Synopsis:** Microbreweries and artisan distilleries. Requires that, for a brewery to qualify as a microbrewery, the entire brewing process of the beer must occur in Indiana. Allows a small brewer to sell the brewer's beer to consumers for carryout at a farmers' market that is operated on a nonprofit basis, in a quantity of not more than 576 ounces per consumer at any one time. Allows a microbrewery, with the approval of the alcohol and tobacco commission, to participate in a trade show or an exposition for not more than 45 days in a calendar year. Allows the holder of an artisan distiller's permit that also holds a microbrewery permit to hold a retailer permit for a restaurant. Makes an exception to a provision that prohibits the holder of an artisan distiller's, a distiller's, or a rectifier's permit to own, acquire, possess, or cause to be transferred to the holder shares of stock of a corporation that holds an Indiana permit to sell alcoholic beverages at retail, or in a permit to sell at retail in Indiana, or to own or acquire an interest in the business being conducted under the permit, or in or to shares of stock in a corporation that owns a permit to sell at retail.

**Effective:** July 1, 2014.

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## Banks, Alting, Yoder

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January 6, 2014, read first time and referred to Committee on Public Policy.

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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.

# SENATE BILL No. 16



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, 2014]: 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 **and the entire brewing process of**
- 14 **that beer occurs in Indiana**, the permit holder may do the
- 15 following:
- 16 (A) Sell and deliver beer to a person holding a retailer or a



- 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) Sell the brewer's beer to consumers for carryout at a**
- 33 **farmers' market that is operated on a nonprofit basis. The**
- 34 **delivery to a consumer may be made only in a quantity of**
- 35 **not more than five hundred seventy-six (576) ounces at any**
- 36 **one (1) time, but the beer must be contained in bottles or**
- 37 **other permissible containers. The beer sold under this**
- 38 **clause must be placed in the bottle or container at the**
- 39 **brewer's permit premises.**
- 40 **(K) With the approval of the commission, participate:**
- 41 **(i) individually; or**
- 42 **(ii) with other permit holders under this chapter;**



1           **in a trade show or an exposition at which products of each**  
 2           **permit holder participant are displayed, promoted, and**  
 3           **sold. The commission may not grant to a holder of a permit**  
 4           **under this chapter approval under this clause to**  
 5           **participate in a trade show or exposition for more than**  
 6           **forty-five (45) days in a calendar year.**

7           (6) If the brewer's brewery manufactures more than thirty  
 8           thousand (30,000) 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 thirty thousand (30,000) 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 7.1-3-27-6, AS ADDED BY P.L.109-2013,  
 32          SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 33          JULY 1, 2014]: Sec. 6. (a) A holder of an artisan distiller's permit may  
 34          also hold one (1) of the following:

35           (1) A farm winery permit.

36           (2) A brewer's permit for a brewery described in IC 7.1-3-2-7(5).

37           (3) A distiller's permit under IC 7.1-3-7.

38          **(b) A holder of an artisan distiller's permit who also holds a**  
 39          **permit described under subsection (a)(2) may hold a beer retailer's**  
 40          **permit, a wine retailer's permit, or a liquor retailer's permit for a**  
 41          **restaurant as described in IC 7.1-3-2-7(5)(C).**

42          SECTION 3. IC 7.1-5-9-7, AS AMENDED BY P.L.109-2013,



1 SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 2 JULY 1, 2014]: Sec. 7. **Except as provided in IC 7.1-3-27-6**, it is  
 3 unlawful for the holder of an artisan distiller's, a distiller's, or a  
 4 rectifier's permit to own, acquire, possess or cause to be transferred to  
 5 the holder shares of stock of a corporation that holds an Indiana permit  
 6 to sell alcoholic beverages at retail, or in a permit to sell at retail in this  
 7 state, or to own or acquire an interest in the business being conducted  
 8 under the permit, or in or to shares of stock in a corporation that owns  
 9 a permit to sell at retail.

10 SECTION 4. IC 7.1-5-9-10, AS AMENDED BY P.L.71-2012,  
 11 SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 12 JULY 1, 2014]: Sec. 10. (a) Except as provided in subsection (b), it is  
 13 unlawful for a holder of a retailer's permit of any type to acquire, hold,  
 14 own, or possess an interest of any type in a manufacturer's or  
 15 wholesaler's permit of any type.

16 (b) It is lawful for a holder of a retailer's permit of any type to  
 17 acquire, hold, own, or possess an interest of any type in:

18 (1) a brewer's permit for a brewery that manufactures not more  
 19 than thirty thousand (30,000) barrels of beer in a calendar year for  
 20 sale or distribution within Indiana; **and**

21 (2) **an artisan distiller's permit if the holder of the retailer's**  
 22 **permit also holds a brewer's permit described in subdivision**  
 23 **(1).**

