

SENATE BILL No. 18

DIGEST OF INTRODUCED BILL

Citations Affected: IC 7.1-3-27; IC 7.1-5-9.

Synopsis: Artisan distiller permits. Allows an artisan distiller to produce, in a calendar year, a maximum of 30,000 gallons of liquor not sold through a wholesaler. (Current law allows an artisan distiller to produce, in a calendar year, a maximum of 10,000 gallons of liquor not sold through a wholesaler.) Allows the holder of an artisan distiller's permit to hold a farm winery permit, a microbrewery permit, and a distiller's permit. (Current law allows a holder of an artisan distiller's permit to hold only one of these permits.) Amends permit requirements for certain artisan distillers. Allows the holder of an artisan distiller's permit to: (1) sell liquor for carryout on Sunday; and (2) upon approval, conduct business at three additional locations that are separate from the premises on which the artisan distiller manufactures liquor.

Effective: July 1, 2014.

Steele, Boots

January 7, 2014, read first time and referred to Committee on Public Policy.



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. 18



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 7.1-3-27-3, AS ADDED BY P.L.109-2013,
- 2 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 3 JULY 1, 2014]: Sec. 3. An artisan distiller may produce not more than
- 4 ~~ten thirty~~ thousand ~~(10,000)~~ **(30,000)** gallons of liquor in any calendar
- 5 year. Liquor produced by an artisan distiller that is sold through a
- 6 wholesaler licensed under IC 7.1-3-8 may not be counted toward the
- 7 gallonage limit.
- 8 SECTION 2. IC 7.1-3-27-5, AS ADDED BY P.L.109-2013,
- 9 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 10 JULY 1, 2014]: Sec. 5. (a) Except as provided in section 7 of this
- 11 chapter, an applicant for an artisan distiller's permit must meet all the
- 12 following requirements to be eligible for an artisan distiller's permit:
- 13 (1) The permit applicant must hold **at least** one (1) of the
- 14 following permits for the three (3) year period immediately
- 15 preceding the date of the application:
- 16 (A) A farm winery permit under IC 7.1-3-12.



- 1 (B) A brewer's permit for a brewery described in
 2 IC 7.1-3-2-7(5).
 3 (C) A distiller's permit under IC 7.1-3-7.
 4 (2) The permit applicant may not have more than one (1) violation
 5 of this title during the three (3) year period immediately preceding
 6 the date of the application.
 7 (3) The permit applicant may not have any violation of this title
 8 during the twelve (12) month period immediately preceding the
 9 date of the permit application.
 10 (b) As used in this subsection, "qualifying permit" means a farm
 11 winery, brewer's, or distiller's permit under subsection (a)(1)(A),
 12 (a)(1)(B), or (a)(1)(C) that is required in order to hold an artisan
 13 distiller's permit. The same persons must directly or indirectly own and
 14 control one hundred percent (100%) of the entity that holds the
 15 qualifying permit and the artisan distiller's permit.
 16 SECTION 3. IC 7.1-3-27-6, AS ADDED BY P.L.109-2013,
 17 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 18 JULY 1, 2014]: Sec. 6. A holder of an artisan distiller's permit may also
 19 hold one (1) **or more** of the following:
 20 (1) A farm winery permit.
 21 (2) A brewer's permit for a brewery described in IC 7.1-3-2-7(5).
 22 (3) A distiller's permit under IC 7.1-3-7.
 23 SECTION 4. IC 7.1-3-27-7, AS ADDED BY P.L.109-2013,
 24 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 25 JULY 1, 2014]: Sec. 7. (a) This section applies only to a person that, on
 26 January 1, 2014:
 27 (1) holds the necessary permit or license from the United States
 28 to own or operate an establishment to manufacture liquor; and
 29 (2) does not hold any of the permits listed in section 5(a)(1) of
 30 this chapter.
 31 (b) A person must meet all the following requirements to be eligible
 32 for an artisan distiller's permit under this section:
 33 (1) Any person (except for a person under subdivision (2)) who
 34 sells or furnishes liquor ~~by the bottle or glass~~ **for consumption** on
 35 the premises of the artisan distillery:
 36 (A) must have ~~held for at least three (3) years~~ **an employee** a
 37 permit under IC 7.1-3-18-9 that authorizes the person to
 38 perform bartending duties;
 39 (B) must have completed any alcohol server program or
 40 alcohol server training program refresher courses required
 41 under IC 7.1-3-1.5; and
 42 (C) may not have any violations under this title.



- 1 (2) The applicant for the artisan distiller's permit and any
 2 management representative of the applicant must complete an
 3 alcohol server program or a trainer program established or
 4 approved under IC 7.1-3-1.5-5.5 or IC 7.1-3-1.5-6 not more than
 5 one (1) year before the date of the application for the artisan
 6 distiller's permit.
- 7 (c) Except as provided in subsection (f)(2), the person may not be
 8 required to fulfill the requirements of section 5 of this chapter.
- 9 (d) If the person is issued an artisan distiller's permit under this
 10 section, the person must meet the following requirements for the period
 11 set forth in subsection (e):
- 12 (1) Any person selling or furnishing liquor **for consumption** on
 13 the premises of the artisan distillery (except for a person under
 14 subsection (b)(2)) must meet the requirements of subsection
 15 (b)(1).
- 16 (2) The holder of the artisan distiller's permit and any
 17 management representative of the holder of the artisan distiller's
 18 permit must successfully complete refresher courses under
 19 IC 7.1-3-1.5 not later than three (3) years after the date the holder
 20 or representative completes the initial server program or trainer
 21 program.
- 22 (e) A person who is issued an artisan distiller's permit under this
 23 section must meet the requirements in subsection (d) until the later of:
- 24 (1) three (3) years after the date on which the initial artisan
 25 distiller's permit is issued; or
- 26 (2) the date that the holder of the artisan distiller's permit has one
 27 (1) twelve (12) month period without a violation of this title.
- 28 (f) Upon fulfilling the requirements of subsections (d) and (e), a
 29 person who is issued an artisan distiller's permit under this section must
 30 meet the following requirements for as long as the person holds the
 31 permit:
- 32 (1) Any person who sells or furnishes liquor **for consumption** on
 33 the premises of the artisan distillery (except for a person under
 34 subsection (b)(2)) must have an employee permit under
 35 IC 7.1-3-18-9 and be otherwise authorized by the commission to
 36 perform bartending duties. However, the person is not required to
 37 ~~(A) hold an employee bartending permit for three (3) years~~
 38 ~~before selling or furnishing liquor; and~~
 39 ~~(B) not have any violations under this title.~~
- 40 (2) The holder of the artisan distiller's permit and any
 41 management representative of the holder of the artisan distiller's
 42 permit are subject to the same alcohol server training



1 requirements and refresher course requirements as the holder of
 2 an artisan distiller's permit that meets the requirements of section
 3 5 of this chapter.

4 SECTION 5. IC 7.1-3-27-8, AS ADDED BY P.L.109-2013,
 5 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 6 JULY 1, 2014]: Sec. 8. (a) The holder of an artisan distiller's permit
 7 may do only the following:

8 (1) Manufacture liquor, including blending liquor purchased from
 9 another manufacturer with liquor the artisan distiller
 10 manufactures under section 11 of this chapter.

11 (2) Bottle liquor manufactured by the artisan distiller.

12 (3) Store liquor manufactured by the artisan distiller.

13 (4) Transport, sell, and deliver liquor manufactured by the artisan
 14 distiller to:

15 (A) places outside Indiana; or
 16 (B) the holder of a liquor wholesaler's permit under IC 7.1-3-8.

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

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

23 **(7) Sell liquor as authorized by this section for carryout on
 24 Sunday.**

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

28 **(c) With the approval of the commission, a holder of an artisan
 29 distiller's permit under this chapter may conduct business at not
 30 more than three (3) additional locations that are separate from the
 31 premises on which the artisan distiller manufactures liquor. At the
 32 additional locations, the holder of a permit may conduct any
 33 business that is authorized at the first location, except for the
 34 manufacturing, including blending, or bottling of liquor.**

35 SECTION 6. IC 7.1-5-9-7, AS AMENDED BY P.L.109-2013,
 36 SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 37 JULY 1, 2014]: Sec. 7. **Except as provided in IC 7.1-3-27-6,** it is
 38 unlawful for the holder of an artisan distiller's, a distiller's, or a
 39 rectifier's permit to own, acquire, possess or cause to be transferred to
 40 the holder shares of stock of a corporation that holds an Indiana permit
 41 to sell alcoholic beverages at retail, or in a permit to sell at retail in this
 42 state, or to own or acquire an interest in the business being conducted



1 under the permit, or in or to shares of stock in a corporation that owns
2 a permit to sell at retail.
3 SECTION 7. IC 7.1-5-9-8, AS AMENDED BY P.L.109-2013,
4 SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
5 JULY 1, 2014]: Sec. 8. The holder of an artisan distiller's permit, a
6 distiller's permit, or a rectifier's permit may not own, acquire, or
7 possess a permit to sell liquor at wholesale. **Except as provided in**
8 **IC 7.1-3-27-6**, a distiller or rectifier may not have an interest in the
9 business of a permittee who is authorized to sell beer, liquor, or wine
10 at wholesale or retail.

