



March 29, 2021

ENGROSSED SENATE BILL No. 144

DIGEST OF SB 144 (Updated March 29, 2021 12:11 pm - DI 144)

Citations Affected: IC 7.1-3.

Synopsis: Alcohol matters. Provides that the bulk wine purchasing limits for farm wineries apply only to wine sold directly to a consumer in Indiana, and that no limit is imposed on the amount of bulk wine that may be used in producing wine sold through a wholesaler or sold outside of Indiana. Allows the holder of an artisan distiller permit to also hold a distiller's permit. Provides that a holder of an artisan distiller's permit that also holds an interest in a distiller's permit may manufacture and bottle liquor on the same equipment on the premises of the artisan distillery. Requires a permit holder to store liquor manufactured or bottled under an artisan distiller's permit in an area separate and distinct at all times from the liquor manufactured under a distiller's permit. Also requires that the manufacture, bottling, and storage of liquor under certain provisions must conform with federal laws, rules, and regulations.

Effective: July 1, 2021.

Messmer, Alting, Ford Jon, Grooms
(HOUSE SPONSOR — SMALTZ)

January 4, 2021, read first time and referred to Committee on Rules and Legislative Procedure.

February 11, 2021, amended; reassigned to Committee on Public Policy.

February 18, 2021, amended, reported favorably — Do Pass.

February 22, 2021, read second time, ordered engrossed. Engrossed.

February 23, 2021, read third time, passed. Yeas 42, nays 6.

HOUSE ACTION

March 4, 2021, read first time and referred to Committee on Public Policy.

March 29, 2021, amended, reported — Do Pass.

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March 29, 2021

First Regular Session of the 122nd General Assembly (2021)

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 2020 Regular Session of the General Assembly.

ENGROSSED SENATE BILL No. 144

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 7.1-3-12-7 IS AMENDED TO READ AS
2 FOLLOWS [EFFECTIVE JULY 1, 2021]: Sec. 7. (a) Except as
3 provided in ~~subsection~~ **subsections (b) and (c)**, a farm winery may
4 purchase annually a quantity of bulk wine that does not exceed the
5 greater of the following:
6 (1) Five thousand five hundred (5,500) gallons.
7 (2) Fifty percent (50%) of the quantity of wine produced by
8 fermentation by the winery during the previous year.
9 (b) This subsection applies to a farm winery that suffers a loss of
10 wine inventory due to natural or manmade disaster. If the farm winery
11 documents the inventory loss and obtains permission from the
12 commission, the winery may purchase a quantity of bulk wine not
13 greater than the sum of the following:
14 (1) The quantity of the winery's wine inventory loss.
15 (2) The quantity of bulk wine that may be purchased by the farm
16 winery annually under subsection (a).
17 **(c) The limits in subsections (a) and (b) apply only to wine sold**

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1 **directly to a consumer in Indiana. No limit is imposed on the**
 2 **amount of bulk wine that may be used in producing wine sold**
 3 **through a wholesaler or sold outside of Indiana.**

4 SECTION 2. IC 7.1-3-27-6, AS AMENDED BY P.L.285-2019,
 5 SECTION 47, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 6 JULY 1, 2021]: Sec. 6. (a) A holder of an artisan distiller's permit may
 7 also hold:

- 8 (1) one (1) or more farm winery permits; **or**
 9 (2) one (1) or more brewer's permits issued under IC 7.1-3-2-2(b).
 10 **or**
 11 ~~(3) one (1) or more distiller's permit under IC 7.1-3-7.~~

12 (b) A holder of an artisan distiller's permit may hold a beer retailer's
 13 permit, a wine retailer's permit, or a liquor retailer's permit for a
 14 restaurant.

15 **(c) A holder of an artisan distiller's permit may also hold a**
 16 **distiller's permit under IC 7.1-3-7.**

17 SECTION 3. IC 7.1-3-27-16 IS ADDED TO THE INDIANA CODE
 18 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 19 1, 2021]: Sec. 16. (a) **This section applies only to the holder of an**
 20 **artisan distiller's permit that also holds an interest in a distiller's**
 21 **permit under IC 7.1-3-7.**

22 (b) **Subject to the requirements in subsections (c) and (d), a**
 23 **holder of an artisan distiller's permit that also holds an interest in**
 24 **a distiller's permit may manufacture and bottle liquor on the same**
 25 **equipment on the premises of the artisan distillery.**

26 (c) **A holder must store liquor manufactured or bottled under**
 27 **subsection (b) under an artisan distiller's permit in an area**
 28 **separate and distinct at all times from the liquor manufactured**
 29 **under a distiller's permit.**

30 (d) **The manufacture, bottling, and storage of liquor under this**
 31 **section must conform with federal laws, rules, and regulations.**



COMMITTEE REPORT

Madam President: The Senate Committee on Rules and Legislative Procedure, to which was referred Senate Bill No. 144, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Delete everything after the enacting clause and insert the following:

(SEE TEXT OF BILL)

and when so amended that said bill be reassigned to the Senate Committee on Public Policy.

(Reference is to SB 144 as introduced.)

BRAY, Chairperson

COMMITTEE REPORT

Madam President: The Senate Committee on Public Policy, to which was referred Senate Bill No. 144, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 7.1-1-2-1.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2021]: **Sec. 1.5. If any provision, or application of any provision, of this title concerning the manufacture, importation, distribution, or retail sale of alcoholic beverages is deemed to be in conflict with federal law or unconstitutional, the remainder of this title concerning the manufacture, importation, distribution, or retail sale of alcoholic beverages shall be construed to limit rather than expand the manufacture, importation, distribution, and retail sale of alcoholic beverages through a three-tier system.**

SECTION 2. IC 7.1-1-3-46.8 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2021]: **Sec. 46.8. The term "three-tier system" means the legal and regulatory framework for the manufacture, importation, distribution, and retail sale of alcoholic beverages within Indiana. The term includes the real and substantial segregation of the interests, ownership, and operations**

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among the manufacture, importation, distribution, and retail sale of alcoholic beverages within Indiana."

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to SB 144 as printed February 12, 2021.)

ALTING, Chairperson

Committee Vote: Yeas 10, Nays 0.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Public Policy, to which was referred Senate Bill 144, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 1, delete lines 1 through 17.

Page 2, delete lines 1 through 2.

Page 2, after line 22, begin a new paragraph and insert:

"SECTION 2. IC 7.1-3-27-6, AS AMENDED BY P.L.285-2019, SECTION 47, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2021]: Sec. 6. (a) A holder of an artisan distiller's permit may also hold:

- (1) one (1) or more farm winery permits; **or**
- (2) one (1) or more brewer's permits issued under IC 7.1-3-2-2(b).
- or**
- (3) ~~one (1) or more distiller's permit under IC 7.1-3-7.~~

(b) A holder of an artisan distiller's permit may hold a beer retailer's permit, a wine retailer's permit, or a liquor retailer's permit for a restaurant.

(c) A holder of an artisan distiller's permit may also hold a distiller's permit under IC 7.1-3-7.

SECTION 3. IC 7.1-3-27-16 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2021]: **Sec. 16. (a) This section applies only to the holder of an artisan distiller's permit that also holds an interest in a distiller's permit under IC 7.1-3-7.**

(b) Subject to the requirements in subsections (c) and (d), a holder of an artisan distiller's permit that also holds an interest in a distiller's permit may manufacture and bottle liquor on the same

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equipment on the premises of the artisan distillery.

(c) A holder must store liquor manufactured or bottled under subsection (b) under an artisan distiller's permit in an area separate and distinct at all times from the liquor manufactured under a distiller's permit.

(d) The manufacture, bottling, and storage of liquor under this section must conform with federal laws, rules, and regulations."

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to SB 144 as printed February 19, 2021.)

SMALTZ

Committee Vote: yeas 10, nays 0.

