



March 29, 2021

ENGROSSED SENATE BILL No. 175

DIGEST OF SB 175 (Updated March 29, 2021 11:53 am - DI 144)

Citations Affected: IC 7.1-1; IC 7.1-3; IC 7.1-5.

Synopsis: Alcoholic beverages. Requires a primary source of supply (primary source) that wants to amend, cancel, terminate, or refuse to renew a distribution agreement entered into with a beer wholesaler to: (1) act in good faith, with good cause, and with due regard for the equities of the beer wholesaler; and (2) provide written notice. Provides that a primary source has a right to amend, cancel, terminate, or refuse to renew distribution agreements with all beer wholesalers that have entered into the same distribution agreement with the primary source and are located in the United States. Also makes the following changes to IC 7.1: (1) Allows the holder of a food hall vendor's permit and a retailer's permit who also holds a permit for a small brewery, a farm winery, or an artisan distillery (craft manufacturer) to sell carryout alcoholic beverages at the retailer's permit premises that are produced under the craft manufacturer's permit. (2) Amends the definition of "entertainment complex" to include a venue with permanent seating for at least 600 (instead of 800) persons. Also amends the requirements for an entertainment complex to include, in part, a premises: (A) located entirely within a two mile radius of the center of a consolidated city;

(Continued next page)

Effective: Upon passage; July 1, 2021.

**Messmer, Alting, Grooms,
Niezgodski, Randolph Lonnie M**
(HOUSE SPONSORS — STEUERWALD, LEHMAN, CLERE, MOED)

January 5, 2021, read first time and referred to Committee on Public Policy.
January 28, 2021, reported favorably — Do Pass.
February 1, 2021, read second time, ordered engrossed. Engrossed.
February 2, 2021, read third time, passed. Yeas 47, nays 0.

HOUSE ACTION

March 1, 2021, read first time and referred to Committee on Public Policy.
March 29, 2021, amended, reported — Do Pass.

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and (B) used by a nonprofit organization primarily as a fine arts theater or for the professional performance of musical or theatrical entertainment. (3) Establishes requirements in order for a liquor to be advertised or labeled Indiana rye whiskey. (4) Allows a craft manufacturer to locate near a school or church if the church or school does not object. (5) Provides for "grab and go stores" that are accessible only by ticketed event attendees and provide self-service sales of alcoholic beverages in addition to sales of food and nonalcoholic beverages. (6) Allows a retailer, small brewery, farm winery, or artisan distillery to deliver alcoholic beverages to a customer in the parking lot or an adjacent area. (7) Allows a small brewery, farm winery, and artisan distillery to sell and deliver alcoholic beverages to a wholesaler directly from a separate storage building. (8) Allows a farm winery that: (A) does not distribute through an Indiana wine wholesaler to self distribute to a retailer or dealer up to 3,000 gallons in a calendar year, depending upon the amount of wine the farm winery takes out of bond the previous calendar year; or (B) distributes through an Indiana wholesaler, to self distribute the greater of 1,000 gallons or 50% of the amount the farm winery distributed through the wholesaler the previous calendar year, not to exceed 3,000 gallons. Also allows an artisan distillery that: (A) does not distribute through an Indiana wholesaler, to self distribute to a retailer or dealer up to 300 proof gallons in a calendar year, depending upon the amount of liquor the artisan distillery takes out of bond the previous calendar year; or (B) distributes through an Indiana wholesaler to self distribute the greater of 100 proof gallons or 50% of the amount the permit holder distributed through an Indiana wholesaler the previous calendar year, not to exceed 300 proof gallons. (9) Provides that a farm winery may sell wine in any container permitted by federal law. (10) Amends the definition of "flavored malt beverage" to include canned beverages. (11) Provides that upon written request, the local board must provide to an individual by electronic mail a copy of the local board hearing schedule, and all subsequent monthly hearing schedules, not later than 24 hours after the schedule is posted. (12) Provides that an employee who makes curbside delivery of alcoholic beverages to a consumer must be at least 21 years of age. (13) Repeals provisions that require an artisan distiller's permit applicant to hold another manufacturer's permit and that establish requirements for applicants who, as of January 1, 2014, do not hold another manufacturer's permit.



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. 175

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 7.1-1-3-16.5, AS AMENDED BY P.L.285-2019,
2 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2021]: Sec. 16.5. The term "entertainment complex" means a
4 premises that complies with one (1) or more of the following
5 requirements:
6 (1) The premises:
7 (A) is a site for the performance of musical, theatrical, or other
8 entertainment; and
9 (B) includes an area where at least ~~eight six~~ hundred ~~(800)~~
10 **(600)** individuals may be seated at one (1) time in permanent
11 seating.
12 (2) The premises:
13 (A) is located entirely within a ~~one (1)~~ **two (2)** mile radius of
14 the center of a consolidated city;
15 (B) is used by a nonprofit organization primarily **as a fine arts**
16 **theater or** for the professional performance of musical or
17 theatrical entertainment; and

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1 (C) has audience seating in one (1) or more performance
2 spaces for at least two hundred (200) individuals.

3 SECTION 2. IC 7.1-1-3-16.7 IS AMENDED TO READ AS
4 FOLLOWS [EFFECTIVE JULY 1, 2021]: Sec. 16.7. The term
5 "flavored malt beverage" means an alcoholic beverage that has all of
6 the following attributes:

7 (1) The alcoholic beverage is made from a malt beverage base
8 that is flavored with aromatic essences or other flavorings in
9 quantities and proportions that result in a product that possesses
10 a character and flavor distinctive from the malt beverage base and
11 is distinguishable from other malt beverages.

12 (2) The label, packaging, container, and any advertising or
13 depiction of the alcoholic beverage disseminated, broadcast, or
14 available in Indiana do not contain any of the following words, or
15 a derivative, version, or non-English translation of the following
16 words:

- 17 (A) Beer.
- 18 (B) Lager.
- 19 (C) Pilsner.
- 20 (D) Stout.
- 21 (E) Porter.
- 22 (F) Ale.
- 23 (G) Cider.
- 24 (H) Framboise.
- 25 (I) Lambic.
- 26 (J) Draft.
- 27 (K) Liquor.
- 28 (L) Bitter.
- 29 (M) Brew.

30 However, the label and packaging may contain in only one (1)
31 location the words "flavored beer" placed adjacent to each other
32 in type not to exceed two (2) millimeters in height.

33 ~~(3) The alcoholic beverage is not distributed in aluminum or other~~
34 ~~metal containers.~~

35 ~~(4)~~ (3) The alcoholic beverage creates no foam that gives the
36 appearance of beer when the alcoholic beverage is poured from
37 its container.

38 SECTION 3. IC 7.1-3-1-5.5, AS AMENDED BY P.L.10-2010,
39 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
40 JULY 1, 2021]: Sec. 5.5. (a) This section applies only in a county
41 having a consolidated city.

42 (b) As used in this section, "contiguous property owner" refers to a



property owner who has real property that is geographically adjacent to or in contact with any point on the border of the property of a person who seeks a permit to sell alcoholic beverages for consumption on the licensed premises.

(c) As used in this section, "neighboring property owner" means:

(1) a contiguous property owner; or

(2) a property owner who has real property that:

(A) is geographically adjacent to or in contact with any point on the border of the property of a contiguous property owner; and

(B) some portion of which is within five hundred (500) feet of the property of a person who seeks a permit to sell alcoholic beverages for consumption on the licensed premises.

(d) As used in this section, "principal owner" means any person or entity holding at least a fifteen percent (15%) interest in the business for which a permit is sought to sell alcoholic beverages.

(e) As used in this section, "property owner" means any person whose name and address appears in the county assessor's real property tax assessment records as a person responsible for the payment of property taxes on a parcel of real property.

(f) Except as provided in section 28(d) of this chapter, subsection (g) applies to a location in the consolidated city only if (1) the application is for a liquor dealer's permit for a location within the boundaries of the special fire service district, as determined in conformity with IC 7.1-3-22-8; or (2) the local alcoholic beverage board requires the applicant to comply with subsection (g).

(g) In addition to the notice required by section 5 of this chapter, the applicant for a new permit, or a transfer of a permit to sell alcoholic beverages of any type or at any location must, at least fifteen (15) days before the date of the local alcoholic beverage board hearing, mail notice of the hearing at the applicant's expense to the following:

(1) Each neighboring property owner.

(2) The department of metropolitan development of the consolidated city.

(3) The following entities that have registered with the department of metropolitan development of the consolidated city:

(A) The principal, headmaster, or other primary administrator of each public, private, or parochial elementary or secondary school located less than one thousand (1,000) feet from the property line of the applicant's property.

(B) Each church that is located less than one thousand (1,000) feet from the property line of the applicant's property.



1 (C) Each neighborhood association that represents the area in
 2 which the applicant's property is located.

3 (h) The notice that the applicant mails must provide the following
 4 information:

5 (1) The name and address of the applicant, or if the applicant is
 6 a corporation, a club, an association, or an organization, the name
 7 and address of the applicant's president, secretary, and principal
 8 owners who will be responsible to the public for the sale of
 9 alcoholic beverages.

10 (2) A statement that the applicant has filed an application with the
 11 alcohol and tobacco commission for the sale of alcoholic
 12 beverages.

13 (3) The specific address where alcoholic beverages are asked to
 14 be sold.

15 (4) The type of alcoholic beverage permit applied for.

16 (5) The date, time, and location of the public hearing before the
 17 local alcoholic beverage board regarding the application.

18 (6) That if there is a desire to remonstrate against the application,
 19 the recipient of the notice may attend this public hearing.

20 (i) The applicant shall furnish evidence of the applicant's
 21 compliance with this section by filing an affidavit with the local
 22 alcoholic beverage board at the public hearing on the application. The
 23 affidavit must list the names and addresses of the individuals or other
 24 entities to which notice was mailed by the applicant.

25 (j) In addition to the information required by subsection (i), the
 26 applicant shall file with the local alcoholic beverage board at the public
 27 hearing the following information:

28 (1) Verification from a department of the consolidated city
 29 designated by ordinance that the applicant is in compliance with
 30 zoning requirements for the premises to be licensed.

31 (2) Verification from the department of state revenue that the
 32 applicant does not have any outstanding income tax, excise tax,
 33 or sales tax liabilities.

34 (3) Verification from the county treasurer that the applicant does
 35 not have any outstanding property tax liability.

36 (k) Subsection (j)(1) does not apply to a permit holder that received
 37 and held a permit before September 1, 1987.

38 (l) Notwithstanding subsection (f)(1), an applicant seeking a transfer
 39 of a permit from a permit holder to a new permit holder when the new
 40 permit holder does not intend to change the nature of the business
 41 operated under the permit may apply to the local board for a waiver of
 42 the notice requirement in subsection (g). The local board may consider



any information the local board considers relevant in making a determination to approve or deny the waiver request. The local board must approve or deny a waiver request at the first regularly scheduled meeting that occurs at least fifteen (15) days after the local board receives the waiver request from the applicant.

(m) Upon written request, the local board must provide to an individual by electronic mail a copy of the local board monthly hearing schedule. After an individual first requests the monthly hearing schedule, the local board must provide that individual with all subsequent monthly hearing schedules, unless the individual requests to no longer receive the monthly schedules. The hearing schedule must be provided to the requesting individual not later than twenty-four (24) hours after the schedule is posted.

SECTION 4. IC 7.1-3-1-30 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2021]: **Sec. 30. (a) This section applies to a permittee that sells and delivers alcoholic beverages to a consumer's residence, regardless of whether the delivery is made by the permittee, permittee's employees, or (if allowed under the permittee's permit) a third party delivery service.**

(b) A person delivering alcoholic beverages to a customer's residence must require the customer to provide proof of age in accordance with IC 7.1-5-10-23.

SECTION 5. IC 7.1-3-2-7, AS AMENDED BY P.L.285-2019, SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2021]: **Sec. 7.** The holder of a brewer's permit or an out-of-state brewer holding either a primary source of supply permit or an out-of-state brewer's permit may do the following:

- (1) Manufacture beer.
- (2) Place beer in containers or bottles.
- (3) Transport beer.
- (4) Sell and deliver beer to a person holding a beer wholesaler's permit issued under IC 7.1-3-3.
- (5) If the brewer manufactures, at all of the brewer's breweries located in Indiana, an aggregate of not more than ninety thousand (90,000) barrels of beer in a calendar year for sale or distribution within Indiana, the permit holder may do the following:
 - (A) Sell and deliver a total of not more than thirty thousand (30,000) barrels of beer in a calendar year to a person holding a retailer or a dealer permit under this title. The total number of barrels of beer that the permit holder may sell and deliver under this clause in a calendar year may not exceed thirty



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



more than five hundred seventy-six (576) ounces. A brewer's beer may be sold under this clause at any address for which the brewer holds a brewer's permit issued under this chapter if the address is located within the same city boundaries in which the beer was manufactured.

(J) With the approval of the commission, participate:

(i) individually; or

(ii) with other permit holders under this chapter, holders of artisan distiller's permits, holders of farm winery permits, or any combination of holders described in this item;

in a trade show or an exposition at which products of each permit holder participant are displayed, promoted, and sold. All of the permit holders may occupy the same tent, structure, or building. The commission may not grant to a holder of a permit under this chapter approval under this clause to participate in a trade show or exposition for more than forty-five (45) days in a calendar year.

(K) Store or condition beer in a secure building that is:

(i) separate from the brewery; and

(ii) owned or leased by the permit holder.

(L) Transfer beer from a building described in clause (K) back to the brewery.

(M) A brewer may not Sell or transfer beer directly to a permittee or consumer beer wholesaler from a building described in this clause (K), **but may not sell or transfer beer from the building to any other permittee or a consumer. The brewer shall maintain an adequate written record of the beer transferred:**

(i) between the brewery and the separate building; and

(ii) from the separate building to the wholesaler.

~~(N)~~ (N) Sell the brewery's beer to the holder of a supplemental caterer's permit issued under IC 7.1-3-9.5 for on-premises consumption only at an event that is held outdoors on property that is contiguous to the brewery as approved by the commission.

~~(M)~~ (O) Receive liquor from the holder of a distiller's permit issued under IC 7.1-3-7 or the holder of an artisan distiller's permit under IC 7.1-3-27 that is located in the same county as the brewery for the purpose of carbonating and canning the liquor. Upon the completion of canning of the liquor, the product must be returned to the original production facility within forty-eight (48) hours. The activity under this clause is



- 1 not an interest under IC 7.1-5-9.
- 2 (6) If the brewer's brewery manufactures more than ninety
- 3 thousand (90,000) barrels of beer in a calendar year for sale or
- 4 distribution within Indiana, the permit holder may own a portion
- 5 of the corporate stock of another brewery that:
- 6 (A) is located in the same county as the brewer's brewery;
- 7 (B) manufactures less than ninety thousand (90,000) barrels of
- 8 beer in a calendar year; and
- 9 (C) is the proprietor of a restaurant that operates under
- 10 subdivision (5).
- 11 (7) Provide complimentary samples of beer that are:
- 12 (A) produced by the brewer; and
- 13 (B) offered to consumers for consumption on the brewer's
- 14 premises.
- 15 (8) Own a portion of the corporate stock of a sports corporation
- 16 that:
- 17 (A) manages a minor league baseball stadium located in the
- 18 same county as the brewer's brewery; and
- 19 (B) holds a beer retailer's permit, a wine retailer's permit, or a
- 20 liquor retailer's permit for a restaurant located in that stadium.
- 21 (9) For beer described in IC 7.1-1-2-3(a)(4):
- 22 (A) may allow transportation to and consumption of the beer
- 23 on the licensed premises; and
- 24 (B) may not sell, offer to sell, or allow sale of the beer on the
- 25 licensed premises.
- 26 SECTION 6. IC 7.1-3-2-10 IS ADDED TO THE INDIANA CODE
- 27 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
- 28 1, 2021]: **Sec. 10. (a) This section applies to a permittee that**
- 29 **conveys alcoholic beverages to a customer in a parking lot or an**
- 30 **area adjacent to the brewery as provided under section 7(5)(H) of**
- 31 **this chapter.**
- 32 **(b) Alcoholic beverages must be:**
- 33 **(1) in sealed containers; and**
- 34 **(2) placed by an employee of the permittee who is at least**
- 35 **twenty-one (21) years of age:**
- 36 **(A) in the trunk of the motor vehicle; or**
- 37 **(B) behind the last upright seat of the motor vehicle, if the**
- 38 **motor vehicle is not equipped with a trunk.**
- 39 **(c) The employee of the permittee that conveys the alcoholic**
- 40 **beverages to the customer must require the customer to provide**
- 41 **proof of age in accordance with IC 7.1-5-10-23.**
- 42 **(d) The parking lot or area where the alcoholic beverages are**



conveyed to the customer must be:

(1) well lit; and

(2) within clear view of the main entrance of the brewery building premises.

SECTION 7. IC 7.1-3-4-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2021]: Sec. 6. (a) The holder of a beer retailer's permit shall be entitled to purchase beer for sale under his permit only from a permittee entitled to sell to him under this title. A beer retailer shall be entitled to possess beer and sell it at retail to a customer for consumption on the licensed premises. A beer retailer also shall be entitled to sell beer to a customer and deliver it in permissible containers to the customer on the licensed premises, or to the customer's house.

(b) A beer retailer shall not be entitled to sell beer at wholesale. He shall not be entitled to sell and deliver beer on the street or at the curb outside the licensed premises, nor shall he be entitled to sell beer at a place other than the licensed premises. However, a beer retailer may offer food service (excluding alcoholic beverages) to a patron who is outside the licensed premises by transacting business through a window in the licensed premises.

(c) A beer retailer shall be entitled to sell and deliver warm or cold beer for carry out, or for at-home delivery, in barrels or other commercial containers in a quantity that does not exceed fifteen and one-half (15 1/2) gallons at any one (1) time. **A beer retailer that delivers beer to a customer's residence must require the customer to provide proof of age in accordance with IC 7.1-5-10-23.**

(d) Notwithstanding IC 7.1-1-3-20, the licensed premises of the beer retailer may include the beer retailer parking lot or an area adjacent to the beer retailer that may only be used for the purpose of conveying alcoholic beverages and other nonalcoholic items to a customer, and may not be used for point of sale purposes or any other purpose. Any alcoholic beverages conveyed to the customer must be:

(1) in the sealed original containers and placed in a bag that is stamped, printed, or labeled on the outside: "CONTAINS ALCOHOLIC BEVERAGES"; and

(2) placed by an employee of the permittee who is at least twenty-one (21) years of age:

(A) in the trunk of the motor vehicle; or

(B) behind the last upright seat of the motor vehicle, if the motor vehicle is not equipped with a trunk.

A retailer permittee may only convey a customer's order of



1 alcoholic beverages to the customer, if the customer has also
 2 purchased a meal from the retailer permittee that is conveyed to
 3 the customer at the same time as the alcoholic beverages.

4 (e) The employee of the permittee that conveys the alcoholic
 5 beverages to the customer must require the customer to provide
 6 proof of age in accordance with IC 7.1-5-10-23.

7 (f) The parking lot or area where the alcoholic beverages are
 8 conveyed to the customer must be:

9 (1) well lit; and

10 (2) within clear view of the main entrance to the building of
 11 the retailer premises.

12 SECTION 8. IC 7.1-3-9-9 IS AMENDED TO READ AS
 13 FOLLOWS [EFFECTIVE JULY 1, 2021]: Sec. 9. (a) The holder of a
 14 liquor retailer's permit shall be entitled to purchase liquor only from a
 15 permittee entitled to sell to him under this title. A liquor retailer shall
 16 be entitled to possess liquor and sell it at retail to a customer for
 17 consumption on the licensed premises. A liquor retailer also shall be
 18 entitled to sell liquor to a customer and deliver it in permissible
 19 containers to the customer on the licensed premises, or to the
 20 customer's house.

21 (b) A liquor retailer shall not be entitled to sell liquor at wholesale.
 22 He shall not be entitled to sell and deliver liquor on the street or at the
 23 curb outside the licensed premises, nor shall he be entitled to sell liquor
 24 at a place other than the licensed premises. However, a liquor retailer
 25 may offer food service (excluding alcoholic beverages) to a patron who
 26 is outside the licensed premises by transacting business through a
 27 window in the licensed premises.

28 (c) A liquor retailer shall not be entitled to sell and deliver liquor for
 29 carry out, or for at-home delivery, in a quantity that exceeds four (4)
 30 quarts at any one (1) time. **A liquor retailer that delivers liquor to a**
 31 **customer's residence must require the customer to provide proof**
 32 **of age in accordance with IC 7.1-5-10-23.**

33 (d) Notwithstanding IC 7.1-1-3-20, the licensed premises of the
 34 liquor retailer may include the liquor retailer parking lot or an
 35 area adjacent to the liquor retailer that may only be used for the
 36 purpose of conveying alcoholic beverages and other nonalcoholic
 37 items to a customer, and may not be used for point of sale purposes
 38 or any other purpose. Any alcoholic beverages conveyed to the
 39 customer must be:

40 (1) in the sealed original containers and placed in a bag that
 41 is stamped, printed, or labeled on the outside: "CONTAINS
 42 ALCOHOLIC BEVERAGES"; and



1 (2) placed by an employee of the permittee who is at least
2 twenty-one (21) years of age:

3 (A) in the trunk of the motor vehicle; or

4 (B) behind the last upright seat of the motor vehicle, if the
5 motor vehicle is not equipped with a trunk.

6 A retailer permittee may only convey a customer's order of
7 alcoholic beverages to the customer, if the customer has also
8 purchased a meal from the retailer permittee that is conveyed to
9 the customer at the same time as the alcoholic beverages.

10 (e) The employee of the permittee that conveys the alcoholic
11 beverages to the customer must require the customer to provide
12 proof of age in accordance with IC 7.1-5-10-23.

13 (f) The parking lot or area where the alcoholic beverages are
14 conveyed to the customer must be:

15 (1) well lit; and

16 (2) within clear view of the main entrance to the building of
17 the retailer premises.

18 SECTION 9. IC 7.1-3-9-12, AS AMENDED BY P.L.1-2018,
19 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
20 UPON PASSAGE]: Sec. 12. (a) This section applies to:

21 (1) the holder of a three-way permit that is issued to a civic
22 center, a sports arena, a stadium, an exhibition hall, an
23 auditorium, a theater, a tract that contains a premises that is
24 described in IC 7.1-3-1-14(d)(2), or a convention center; or

25 (2) the holder of a catering permit while catering alcoholic
26 beverages at a civic center, a sports arena, a stadium, an
27 exhibition hall, an auditorium, a theater, a tract that contains a
28 premises that is described in IC 7.1-3-1-14(d)(2), or a convention
29 center.

30 (b) As used in this section, "grab and go store" means an area
31 in a building or facility referred to in subsection (a) that satisfies
32 all of the following:

33 (1) The area customarily offers food, alcoholic beverages,
34 nonalcoholic beverages, and other items for sale.

35 (2) The area is:

36 (A) within a tract that contains a premises that is described
37 in IC 7.1-3-1-14(d)(2);

38 (B) in close proximity or adjacent to the concourse of or
39 within the building or facility; or

40 (C) within a restricted access club area of or within the
41 building or facility.

42 (3) The area is:



(A) delineated by nonpermanent stanchions or some other barrier providing for clear entrance and exit points; and
 (B) indicated on the floor plan approved by the commission.

(4) The area is accessible only by persons who possess a ticket to an event held in the building or facility.

The term does not include a suite, restaurant, lounge, or concession area, even if access to the suite, restaurant, lounge, or concession area is limited to certain ticket holders. However, a grab and go store may operate within a restricted access club area that is in close proximity, adjacent to, or within a restaurant or lounge.

~~(b)~~ (c) As used in this section, "suite" means an area in a building or facility referred to in subsection (a) that:

- (1) is not accessible to the general public;
- (2) has accommodations for not more than seventy-five (75) persons per suite; and
- (3) is accessible only to persons who possess a ticket:
 - (A) to an event in a building or facility referred to in subsection (a); and
 - (B) that entitles the person to occupy the area while viewing the event described in clause (A).

The term does not include a restaurant, lounge, or concession area, even if access to the restaurant, lounge, or concession area is limited to certain ticket holders.

~~(c)~~ (d) A permittee may allow the self-service of individual servings of alcoholic beverages in a suite **or grab and go store**.

~~(d)~~ (e) A person who:

- (1) possesses a ticket described in subsection ~~(b)(3)~~ **(b)(4) or (c)(3)**; and
- (2) is at least twenty-one (21) years of age;

may obtain an alcoholic beverage in a suite **or grab and go store** by self-service.

~~(e)~~ (f) A permittee may do any of the following:

- (1) Demand that a person occupying a suite provide:
 - (A) a written statement under IC 7.1-5-7-4; **and or**
 - (B) identification indicating that the person is at least twenty-one (21) years of age.
- (2) Supervise the self-service of alcoholic beverages **in the suite**.
- (3) Have an employee in the suite who **has a valid server certificate under IC 7.1-3-1.5** and holds an employee permit under IC 7.1-3-18-9 to serve ~~some or all~~ of the alcoholic beverages.



(g) In a grab and go store, a permittee shall do the following:

(1) Require a purchaser to provide proof of age in accordance with IC 7.1-5-10-23.

(2) Ensure all employees are at least twenty-one (21) years of age.

(3) Have employees supervise the self-service of alcoholic beverages.

(4) Have an employee present during the store's business hours who has a valid server certificate under IC 7.1-3-1.5 and holds an employee permit under IC 7.1-3-18-9 to sell alcoholic beverages to ensure compliance with this title, including compliance with IC 7.1-5-7-8 and IC 7.1-5-10-15.

(5) Sell a purchaser not more than two (2) servings of alcoholic beverages at one (1) time.

SECTION 10. IC 7.1-3-9.5-3, AS AMENDED BY P.L.285-2019, SECTION 24, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2021]: Sec. 3. (a) The holder of a supplemental caterer's permit is entitled to purchase alcoholic beverages only from:

(1) a brewery as described in ~~IC 7.1-3-2-7(5)(L);~~ IC 7.1-3-2-7(5)(N);

(2) a farm winery as described in IC 7.1-3-12-5(a)(12); and

(3) any other permittee entitled to sell to the holder under this title.

Except as provided in IC 7.1-3-6.1, and IC 7.1-3-6.2, the holder of a supplemental caterer's permit is entitled to sell alcoholic beverages only for on-premises consumption at those locations approved by the commission and at times lawful under the holder's retailers' permits. Except as provided, IC 7.1-3-6.1 and IC 7.1-3-6.2, the holder of a supplemental caterer's permit is not entitled to sell alcoholic beverages at wholesale, nor for carry-out or at-home delivery.

(b) If permitted by the state fair commission under IC 7.1-3-21-14, a brewery under IC 7.1-3-2-7(5), a farm winery under IC 7.1-3-12, or an artisan distillery under IC 7.1-3-27 may sell their own products to consumers for consumption off the state fair grounds under IC 7.1-3-21-14(b)(3), including at a location on the property of the state fair grounds for which a supplemental caterer's permit has been approved.

SECTION 11. IC 7.1-3-12-5, AS AMENDED BY P.L.285-2019, SECTION 29, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2021]: Sec. 5. (a) The following apply to the holder of a farm winery permit:

(1) A holder is entitled to manufacture wine and to bottle place



wine produced by the permit holder's farm winery **in bottles or other permissible containers.**

(2) A holder is entitled to serve complimentary samples of the winery's wine on the licensed premises or an outside area that is contiguous to the licensed premises, as approved by the commission if each employee who serves wine on the licensed premises:

(A) holds an employee's permit under IC 7.1-3-18-9; and

(B) completes a server training program approved by the commission.

(3) A holder is entitled to sell the winery's wine on the licensed premises to consumers either by:

(A) the glass;

(B) the bottle;

(C) a box that contains a bag designed for storing and dispensing wine; ~~or~~

(D) any combination of receptacles listed in clauses (A) through (C); **or**

(E) any other container permissible under federal law.

Notwithstanding IC 7.1-1-3-20, the licensed premises may include the farm winery parking lot or an area adjacent to the farm winery. The parking lot or an adjacent area may only be used for the purpose of conveying alcoholic beverages and other nonalcoholic items to a customer subject to section 5.5 of this chapter, and may not be used for point of sale purposes or any other purpose.

(4) A holder is entitled to sell the winery's wine to consumers by the bottle at a farmers' market that is operated on a nonprofit basis.

(5) A holder is entitled to sell wine by:

(A) the bottle;

(B) the can;

~~(B)~~ (C) a box that contains a bag designed for storing and dispensing wine;

~~(C)~~ (D) bulk container;

~~(D)~~ (E) the case; or

~~(E)~~ (F) any combination of receptacles listed in clauses (A) through ~~(D)~~; **(E);**

to a person who is the holder of a permit to sell wine at wholesale.

(6) A holder is exempt from the provisions of IC 7.1-3-14.

(7) A holder is entitled to advertise the name and address of any retailer or dealer who sells wine produced by the permit holder's



winery.

(8) A holder for wine described in IC 7.1-1-2-3(a)(4):

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

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

(9) A holder is entitled to purchase and sell bulk wine as set forth in this chapter.

(10) A holder is entitled to sell wine as authorized by this section for carryout on Sunday.

(11) A holder is entitled to sell and ship the farm winery's wine to a person located in another state in accordance with the laws of the other state.

(12) A holder is entitled to sell the farm winery's wine to the holder of a supplemental caterer's permit issued under IC 7.1-3-9.5 for on-premises consumption only at an event that is held outdoors on property that is contiguous to the farm winery as approved by the commission.

(13) A holder is entitled to be the proprietor of a restaurant that is not subject to the minimum gross food sales or the minimum projected food sales set forth in 905 IAC 1-41-2 and the gross retail income requirements to sell carryout under IC 7.1-3-20-9.5.

A holder is entitled to conduct the following activities:

(A) Hold a beer retailer's permit, a wine retailer's permit, or a liquor retailer's permit for a restaurant.

(B) Transfer wine directly from the farm winery to a restaurant that the farm winery has an interest in by means of:

(i) bottles **or cans**;

(ii) bulk containers; or

(iii) a continuous flow system.

(C) Install a window between the farm winery and an adjacent restaurant that allows the public and the holder of the permit to view both premises.

(D) Install a doorway or other opening between the farm winery and an adjacent restaurant that provides the public and the holder of the permit with access to both the farm winery and restaurant.

(14) A holder that:

(A) does not distribute through an Indiana wine wholesaler is entitled under the farm winery permit to sell and deliver to a person holding a wine retailer or wine dealer permit under this title:



(i) a total of not more than one thousand (1,000) gallons of the farm winery's wine in a calendar year, if the farm winery has taken not more than five thousand (5,000) gallons out of bond the previous calendar year;

(ii) a total of not more than two thousand (2,000) gallons of the farm winery's wine in a calendar year, if the farm winery has taken more than five thousand (5,000) gallons out of bond and not more than ten thousand (10,000) gallons out of bond the previous calendar year; or

(iii) a total of not more than three thousand (3,000) gallons of the farm winery's wine in a calendar year, if the farm winery has taken more than ten thousand (10,000) gallons out of bond and not more than fifteen thousand (15,000) gallons out of bond the previous calendar year; or

(B) distributes through an Indiana wine wholesaler is entitled under the farm winery permit to sell and deliver to a person holding a wine retailer or wine dealer permit under this title the greater of:

(i) one thousand (1,000) gallons; or

(ii) fifty percent (50%) of the amount the permit holder distributed through an Indiana wholesaler the previous calendar year, not to exceed three thousand (3,000) gallons.

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

(c) A farm winery may transfer wine from a storage facility or an additional location described in subsection (b). A farm winery may sell or transfer wine directly to a wine wholesaler from a storage facility separate from the farm winery or an additional location described in subsection (b). A farm winery may not sell or transfer wine from a storage facility to any other permittee or a consumer. The farm winery shall maintain an adequate written record of wine transferred:

(1) between the farm winery and the storage facility; and

(2) from the storage facility to the wholesaler.

(d) With the approval of the commission, a holder of a permit under this chapter may:



(1) individually; or

(2) with other permit holders under this chapter, holders of artisan distiller's permits, holders of brewer's permits issued under IC 7.1-3-2-2(b), or any combination of holders described in this subdivision;

participate in a trade show or an exposition at which products of each permit holder participant are displayed, promoted, and sold. All of the permit holders may occupy the same tent, structure, or building. The commission may not grant approval under this subsection to a holder of a permit under this chapter for more than forty-five (45) days in a calendar year.

SECTION 12. IC 7.1-3-12-5.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2021]: **Sec. 5.5. (a) This section applies to a farm winery that conveys alcoholic beverages to a customer in a parking lot or an area adjacent to the farm winery as provided under section 5 of this chapter.**

(b) Wine must be:

(1) in the sealed original containers; and

(2) placed by an employee of the permittee who is at least twenty-one (21) years of age:

(A) in the trunk of the motor vehicle; or

(B) behind the last upright seat of the motor vehicle, if the motor vehicle is not equipped with a trunk.

(c) The employee of the permittee that conveys the alcoholic beverages to the customer must require the customer to provide proof of age in accordance with IC 7.1-5-10-23.

(d) The parking lot or area where the alcoholic beverages are conveyed to the customer must be:

(1) well lit; and

(2) within clear view of the main entrance to the building of the farm winery premises.

SECTION 13. IC 7.1-3-14-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2021]: **Sec. 4. (a) The holder of a wine retailer's permit is entitled to purchase wine only from a permittee entitled to sell to the wine retailer under this title. A wine retailer is entitled to possess wine and sell it at retail to a customer for consumption on the licensed premises. A wine retailer is also entitled to sell wine to a customer and deliver it in permissible containers to the customer on the licensed premises or to the customer's house.**

(b) A wine retailer is not entitled to sell wine at wholesale. A wine retailer is not entitled to sell and deliver wine on the street or at the



1 curb outside the licensed premises, nor is the wine retailer entitled to
 2 sell wine at a place other than the licensed premises. However, a wine
 3 retailer may offer food service (excluding alcoholic beverages) to a
 4 patron who is outside the licensed premises by transacting business
 5 through a window in the licensed premises.

6 (c) A wine retailer is entitled to sell and deliver wine for carry out,
 7 or for at-home delivery. **A wine retailer that delivers wine to a**
 8 **customer's residence must require the customer to provide proof**
 9 **of age in accordance with IC 7.1-5-10-23.**

10 (d) Notwithstanding IC 7.1-1-3-20, the licensed premises of the
 11 wine retailer may include the wine retailer parking lot or an area
 12 adjacent to the wine retailer that may only be used for the purpose
 13 of conveying alcoholic beverages and other nonalcoholic items to
 14 a customer, and may not be used for point of sale purposes or any
 15 other purpose. Any alcoholic beverages conveyed to the customer
 16 must be:

17 (1) in the sealed original containers and placed in a bag that
 18 is stamped, printed, or labeled on the outside: "CONTAINS
 19 ALCOHOLIC BEVERAGES"; and

20 (2) placed by an employee of the permittee who is at least
 21 twenty-one (21) years of age:

22 (A) in the trunk of the motor vehicle; or

23 (B) behind the last upright seat of the motor vehicle, if the
 24 motor vehicle is not equipped with a trunk.

25 A retailer permittee may only convey a customer's order of
 26 alcoholic beverages to the customer, if the customer has also
 27 purchased a meal from the retailer permittee that is conveyed to
 28 the customer at the same time as the alcoholic beverages.

29 (e) The employee of the permittee that conveys the alcoholic
 30 beverages to the customer must require the customer to provide
 31 proof of age in accordance with IC 7.1-5-10-23.

32 (f) The parking lot or area where the alcoholic beverages are
 33 conveyed to the customer must be:

34 (1) well lit; and

35 (2) within clear view of the main entrance to the building of
 36 the retailer premises.

37 SECTION 14. IC 7.1-3-20-30, AS ADDED BY P.L.285-2019,
 38 SECTION 41, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 39 JULY 1, 2021]: Sec. 30. (a) The definitions in section 29 of this
 40 chapter apply to this section.

41 (b) As used in this section, "vendor's permit" means a food hall
 42 vendor's permit issued to an individual vendor operating within the



premises of a food hall for which a master permit is issued under section 29 of this chapter.

(c) The commission may issue a one-, two-, or three-way retailer's permit for on-premises consumption only to an applicant for a vendor's permit that has been approved by the commission to operate within a food hall. **However, a vendor to which section 31 of this chapter applies may also sell the alcoholic beverages set forth in section 31(c) of this chapter for off the premises consumption.** Each vendor that sells alcoholic beverages within the food hall must obtain a vendor's permit.

(d) Each vendor permittee must satisfy the following requirements:

(1) Each vendor permittee shall:

(A) maintain the vendor permittee's own retail merchant's certificate; and

(B) be responsible for the payment of the vendor permittee's own state gross retail taxes under IC 6-2.5 and withholding taxes required to be remitted under IC 6-3-4.

(2) Each vendor permittee shall conform to all health and safety requirements of local and state agencies.

(3) Each vendor permittee shall comply with all requirements under IC 7.1-5-9-15.

(4) Each vendor permittee shall comply with IC 7.1-5-10-20 with regard to the vendor permittee's own food and beverage vending space. However, IC 7.1-5-10-20 does not prohibit a vendor permittee from establishing sale prices for drinks that are different from the sale prices for comparable drinks that are set by other vendor permittees.

(5) Each vendor permittee is not required to comply with section 9(b) of this chapter.

(6) Each vendor permittee is responsible to the commission for any and all violations of alcohol laws and rules associated with the vendor's permit.

(7) Each applicant for a vendor's permit must comply with 905 IAC 1-36-1 and 905 IAC 1-36-2 and appear before the local alcohol board in the county in which the food hall vendor's permit will be situated. The local board shall only hear evidence on and determine the vendor's permit applicant's eligibility to hold a vendor's permit.

(8) Any vendor permittee that desires to relocate its food and beverage space within the food hall premises may relocate upon the commission's approval of a floor plan change.

(e) A vendor's permit authorized by this section may be issued



without regard to the proximity provisions of IC 7.1-3-21-11 or the quota provisions of IC 7.1-3-22.

(f) A vendor's permit may not be transferred to a location outside the permit premises of the food hall. A vendor's permit that is inactive for more than six (6) months shall revert back to the commission or may be deposited with the commission subject to the approval of the commission.

SECTION 15. IC 7.1-3-20-31 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2021]: **Sec. 31. (a) This section applies to the holder of a vendor's permit that owns in whole or in part:**

(1) a retailer's permit described in section 30(c) of this chapter; and

(2) one (1) of the following:

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

(B) A farm winery permit described in IC 7.1-3-12-3.

(C) An artisan distiller's permit described in IC 7.1-3-27.

(b) The definitions in sections 29 and 30 of this chapter apply to this section.

(c) A holder of a vendor's permit may sell for carryout at the premises for which the retailer's permit was issued:

(1) beer manufactured under the brewer's permit, if the vendor's permit holder has a one-, two-, or three-way retailer's permit;

(2) wine manufactured under the farm winery permit, if the vendor's permit holder has a two- or three-way retailer's permit; or

(3) liquor manufactured under the artisan distiller's permit, if the vendor's permit holder has a three-way retailer's permit.

SECTION 16. IC 7.1-3-21-11, AS AMENDED BY P.L.285-2019, SECTION 42, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2021]: **Sec. 11. (a) As used in this section "craft manufacturer" means:**

(1) a small brewery under IC 7.1-3-2-7(5);

(2) a farm winery under IC 7.1-3-12, including any additional locations of the farm winery operated under IC 7.1-3-12-5(b); or

(3) an artisan distillery under IC 7.1-3-27.

(a) (b) As used in this section, "wall" means a wall of a building. The term does not include a boundary wall.

(b) (c) Except as provided in subsections (c), (g), and (h), (d), (h),



1 **and (i)**, the commission may not issue a permit for a premises if:

2 (1) a wall of the premises is situated within two hundred (200)
3 feet from a wall of a school or church; **and**

4 (2) if ~~no~~ a permit has **not** been issued for the premises under the
5 provisions of Acts 1933, Chapter 80.

6 ~~(c)~~ **(d)** This section does not apply to the premises of a:

7 (1) grocery store, drug store, restaurant, hotel, catering hall, **craft**
8 **manufacturer**, or location for which the use of a supplemental
9 catering permit has been approved if:

10 (A) a wall of the premises is situated within two hundred (200)
11 feet from a wall of a church or school;

12 (B) the commission receives a written statement from the
13 authorized representative of the church or school stating
14 expressly that the church or school does not object to the
15 issuance of the permit for the premises; and

16 (C) the commission determines that the church or school does
17 not object to the issuance of the permit for the premises; or

18 (2) church or school that applies for a temporary beer or wine
19 permit.

20 ~~(d)~~ **(e)** The commission shall base its determination under
21 subsection ~~(c)(1)(C)~~ **(d)(1)(C)** solely on the written statement of the
22 authorized representative of the church or school.

23 ~~(e)~~ **(f)** If the commission does not receive the written statement of
24 the authorized representative of the church or school, the premises of
25 the grocery store, drug store, restaurant, hotel, catering hall, **craft**
26 **manufacturer**, or location for which the use of a supplemental catering
27 permit has been approved may not obtain the waiver allowed under this
28 section.

29 ~~(f)~~ **(g)** If the commission determines that the church or school does
30 not object, this section and IC 7.1-3-21-10 do not apply to the permit
31 premises of the grocery store, drug store, restaurant, hotel, **craft**
32 **manufacturer**, or catering hall on a subsequent renewal or transfer of
33 ownership.

34 ~~(g)~~ **(h)** If the commission:

35 (1) receives a written statement from the authorized
36 representative of a church or school as described in subsection

37 ~~(c)(1)(B)~~; **(d)(1)(B)**; and

38 (2) determines the church or school does not object as described
39 in subsection ~~(c)(1)(C)~~; **(d)(1)(C)**;

40 the commission may not consider subsequent objections from the
41 church or school to the issuance of the same permit type at the same
42 premises location.



(i) The commission may issue a permit for a premises if the wall of the premises and the wall of a church are separated by at least eighty-five (85) feet, including a two (2) lane road of at least thirty (30) feet in width.

SECTION 17. IC 7.1-3-25-15, AS ADDED BY P.L.224-2005, SECTION 19, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2021]: Sec. 15. Nothing in this chapter shall be construed to give the existing wholesaler or a successor wholesaler any right to compensation if the existing wholesaler or successor wholesaler is terminated by the primary source of supply or predecessor source supplier: ~~either~~:

(1) for failure to comply with any provision in the agreement to distribute the product;

(2) for good cause as provided in IC 7.1-3-25.5; or

(3) in accordance with IC 7.1-5-5-9.

SECTION 18. IC 7.1-3-25.5 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2021]:

Chapter 25.5. Distribution Agreements Between a Beer Wholesaler and a Primary Source of Supply

Sec. 1. A primary source of supply's amendment, cancellation, termination, or refusal to renew a distribution agreement with a beer wholesaler is not effective unless the requirements of this chapter are satisfied.

Sec. 2. (a) As used in this section, "good cause" means any of the following:

(1) A beer wholesaler's failure to pay a primary source of supply for products in accordance with the approved terms of the distribution agreement.

(2) A failure by a beer wholesaler to substantially comply, without reasonable excuse or justification, with any reasonable and material provision of the distribution agreement.

(3) A failure by an owner of the beer wholesaler to sell the person's ownership interest not later than one hundred twenty (120) days after the later of the following dates:

(A) The date judgment is entered against the owner of the beer wholesaler for a felony conviction that, in the reasonable judgment of the primary source of supply, may adversely affect the goodwill or interests of the beer wholesaler or primary source of supply.

(B) The date the primary source of supply learns of the



- 1 felony conviction described in clause (A).
- 2 (b) A primary source of supply that intends to amend, cancel,
- 3 terminate, or refuse to renew a distribution agreement may do so
- 4 only if the primary source of supply:
- 5 (1) acts:
- 6 (A) with good cause;
- 7 (B) in good faith; and
- 8 (C) with due regard of the equities of the beer wholesaler;
- 9 (2) gives the beer wholesaler written notice:
- 10 (A) in accordance with section 5 of this chapter; and
- 11 (B) at least one hundred twenty (120) days before the date
- 12 the primary source of supply intends to amend, cancel,
- 13 terminate, or refuse to renew the distribution agreement;
- 14 and
- 15 (3) gives the beer wholesaler the opportunity to substantially
- 16 cure any deficiency in the beer wholesaler's performance that
- 17 constitutes good cause not later than one hundred twenty
- 18 (120) days after the date that notice is given under subdivision
- 19 (2).
- 20 Sec. 3. (a) For purposes of this section, "good cause" means any
- 21 of the following:
- 22 (1) A revocation or suspension of a beer wholesaler's:
- 23 (A) federal basic permit; or
- 24 (B) permit issued under this title;
- 25 for more than fourteen (14) days.
- 26 (2) The assignment or attempted assignment by a beer
- 27 wholesaler for the benefit of creditors.
- 28 (3) Any:
- 29 (A) attempted transfer of:
- 30 (i) business assets;
- 31 (ii) voting stock; or
- 32 (iii) voting stock of any parent corporation;
- 33 of the wholesaler; or
- 34 (B) change in the beneficial ownership or control of any
- 35 wholesaler entity;
- 36 without obtaining the prior approval of the primary source of
- 37 supply.
- 38 (4) The institution of bankruptcy proceedings by or against a
- 39 beer wholesaler.
- 40 (5) The dissolution or liquidation of a beer wholesaler.
- 41 (6) The insolvency of a beer wholesaler.
- 42 (7) Fraudulent conduct by a beer wholesaler in any dealings



with a primary source of supply or the primary source of supply's products, including an intentional sale of beer that an owner or senior manager of the wholesaler knows or should know is outside the primary source of supply's established standards.

(b) A primary source of supply may cancel, terminate, or refuse to renew a distribution agreement with a beer wholesaler without providing prior notice of the cancellation, termination, or refusal, if the primary source of supply:

(1) acts:

(A) with good cause;

(B) in good faith; and

(C) with due regard of the equities of the beer wholesaler; and

(2) provides the beer wholesaler with written notice in accordance with section 5 of this chapter, not later than five (5) days after the date of the cancellation, termination, or refusal to renew the distribution agreement.

Sec. 4. (a) This section applies to a primary source of supply that intends to amend, cancel, terminate, or refuse to renew distribution agreements with all beer wholesalers who:

(1) have entered into the same distribution agreement with the primary source of supply; and

(2) are located in the United States.

(b) A primary source of supply has the right to amend, cancel, terminate, or refuse to renew the distribution agreements, if the primary source of supply provides written notice to each beer wholesaler:

(1) in accordance with section 5 of this chapter; and

(2) at least ninety (90) days before the intended effective date of the amendment, cancellation, termination, or refusal to renew each beer wholesaler's distribution agreement.

Sec. 5. A written notice under this chapter must comply with the following:

(1) The notice must be sent by certified mail.

(2) The notice must state the following:

(A) The effective date of the amendment, cancellation, termination, or refusal to renew the distribution agreement.

(B) The:

(i) nature of; and

(ii) reason for;



the amendment, cancellation, termination, or refusal to renew the distribution agreement. In the case of a notice provided by a primary source of supply under section 2 or 3 of this chapter, the notice must state the reason that constitutes good cause for purposes of those sections.

Sec. 6. (a) A primary source of supply or a beer wholesaler may not waive any provision of this chapter in a distribution agreement or other agreement.

(b) If a beer wholesaler enters into a distribution agreement, supplemental agreement, amendment, or any other agreement with a primary source of supply that waives a law, the beer wholesaler does not waive the rights provided to a beer wholesaler under this chapter.

SECTION 19. IC 7.1-3-27-5 IS REPEALED [EFFECTIVE JULY 1, 2021]. Sec. 5: (a) Except as provided in section 7 of this chapter, an applicant for an artisan distiller's permit must meet all the following requirements to be eligible for an artisan distiller's permit:

(1) The permit applicant must hold one (1) of the following permits for the eighteen (18) months immediately preceding the date of the application:

(A) A farm winery permit under IC 7.1-3-12;

(B) A brewer's permit issued under IC 7.1-3-2-2(b);

(C) A distiller's permit under IC 7.1-3-7;

(2) The permit applicant may not have more than one (1) violation of this title during the eighteen (18) months immediately preceding the date of the application;

(3) The permit applicant may not have any violation of this title during the twelve (12) month period immediately preceding the date of the permit application;

(b) As used in this subsection, "qualifying permit" means a farm winery, brewer's, or distiller's permit under subsection (a)(1)(A), (a)(1)(B), or (a)(1)(C) that is required in order to hold an artisan distiller's permit. The same persons must directly or indirectly own and control more than fifty percent (50%) of the entity that holds the qualifying permit and the artisan distiller's permit.

SECTION 20. IC 7.1-3-27-7 IS REPEALED [EFFECTIVE JULY 1, 2021]. Sec. 7: (a) This section applies only to a person that, on January 1, 2014:

(1) holds the necessary permit or license from the United States to own or operate an establishment to manufacture liquor; and

(2) does not hold any of the permits listed in section 5(a)(1) of this chapter.



(b) A person must meet all the following requirements to be eligible for an artisan distiller's permit under this section:

(1) Any person (except for a person under subdivision (2)) who sells or furnishes liquor by the bottle or glass on the premises of the artisan distillery:

(A) must have held for at least three (3) years an employee permit under IC 7.1-3-18-9 that authorizes the person to perform bartending duties;

(B) must have completed any alcohol server program or alcohol server training program refresher courses required under IC 7.1-3-1.5; and

(C) may not have any violations under this title:

(2) The applicant for the artisan distiller's permit and any management representative of the applicant must complete an alcohol server program or a trainer program established or approved under IC 7.1-3-1.5-5.5 or IC 7.1-3-1.5-6 not more than one (1) year before the date of the application for the artisan distiller's permit.

(c) Except as provided in subsection (f)(2); the person may not be required to fulfill the requirements of section 5 of this chapter:

(d) If the person is issued an artisan distiller's permit under this section, the person must meet the following requirements for the period set forth in subsection (e):

(1) Any person selling or furnishing liquor on the premises of the artisan distillery (except for a person under subsection (b)(2)) must meet the requirements of subsection (b)(1):

(2) The holder of the artisan distiller's permit and any management representative of the holder of the artisan distiller's permit must successfully complete refresher courses under IC 7.1-3-1.5 not later than three (3) years after the date the holder or representative completes the initial server program or trainer program.

(e) A person who is issued an artisan distiller's permit under this section must meet the requirements in subsection (d) until the later of:

(1) three (3) years after the date on which the initial artisan distiller's permit is issued; or

(2) the date that the holder of the artisan distiller's permit has one

(1) twelve (12) month period without a violation of this title:

(f) Upon fulfilling the requirements of subsections (d) and (e); a person who is issued an artisan distiller's permit under this section must meet the following requirements for as long as the person holds the permit:



(1) Any person who sells or furnishes liquor on the premises of the artisan distillery (except for a person under subsection (b)(2)) must have an employee permit under IC 7.1-3-18-9 and be otherwise authorized by the commission to perform bartending duties. However, the person is not required to:

(A) hold an employee bartending permit for three (3) years before selling or furnishing liquor; and

(B) not have any violations under this title.

(2) The holder of the artisan distiller's permit and any management representative of the holder of the artisan distiller's permit are subject to the same alcohol server training requirements and refresher course requirements as the holder of an artisan distiller's permit that meets the requirements of section 5 of this chapter.

SECTION 21. IC 7.1-3-27-8, AS AMENDED BY P.L.285-2019, SECTION 48, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2021]: Sec. 8. (a) The holder of an artisan distiller's permit may do only the following:

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

(2) Bottle liquor manufactured by the artisan distiller.

(3) Store liquor manufactured by the artisan distiller, including at a facility **located** within ten (10) miles of the artisan distiller's distillery.

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

(A) places outside Indiana; or

(B) the holder of a liquor wholesaler's permit under IC 7.1-3-8.

(5) Sell liquor manufactured by the artisan distiller to consumers by the drink, bottle, or case from the **licensed** premises of the distillery where the liquor was manufactured. **Notwithstanding IC 7.1-1-3-20, the licensed premises may include the distillery parking lot or an area adjacent to the artisan distillery. The parking lot or adjacent area may only be used for the purpose of conveying alcoholic beverages and other nonalcoholic items to a customer subject to section 8.1 of this chapter and may not be used for point of sale purposes or any other purpose.**

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

(7) Sell liquor as authorized by this section for carryout on



Sunday in a quantity at any one (1) time of not more than four and five-tenths (4.5) liters.

(8) With the approval of the commission, participate:

(A) individually; or

(B) with other permit holders under this chapter, holders of farm winery permits, holders of brewer's permits issued under IC 7.1-3-2-2(b), or any combination of holders described in this clause;

in a trade show or an exposition at which products of each permit holder participant are displayed, promoted, and sold. All of the permit holders may occupy the same tent, structure, or building. The commission may not grant to a holder of a permit under this chapter approval under this subdivision to participate in a trade show or exposition for more than forty-five (45) days in a calendar year.

(9) Be the proprietor of a restaurant that is not subject to the minimum gross food sales or the minimum projected food sales set forth in 905 IAC 1-41-2 and the gross retail income requirements to sell carryout under IC 7.1-3-20-9.5. A holder is entitled to conduct the following activities:

(A) Hold a beer retailer's permit, a wine retailer's permit, or a liquor retailer's permit for a restaurant.

(B) Transfer liquor directly from the artisan distillery to a restaurant that the artisan distiller has an interest in by means of:

(i) bottles;

(ii) bulk containers; or

(iii) a continuous flow system.

(C) Install a window between the artisan distillery and an adjacent restaurant that allows the public and the holder of the permit to view both premises.

(D) Install a doorway or other opening between the artisan distillery and an adjacent restaurant that provides the public and the holder of the permit with access to both the artisan distillery and restaurant.

(10) A holder that:

(A) does not distribute through an Indiana liquor wholesaler is entitled under the artisan distiller's permit to sell and deliver to a person holding a liquor retailer or liquor dealer permit under this title:

(i) a total of not more than one hundred (100) proof gallons of the artisan distillery's liquor in a calendar



year, if the artisan distillery has taken not more than five hundred (500) proof gallons out of bond the previous calendar year;

(ii) a total of not more than two hundred (200) proof gallons of the artisan distillery's liquor in a calendar year, if the artisan distillery has taken more than five hundred (500) proof gallons out of bond and not more than one thousand (1,000) proof gallons out of bond the previous calendar year; or

(iii) a total of not more than three hundred (300) proof gallons of the artisan distillery's liquor in a calendar year, if the artisan distillery has taken more than one thousand (1,000) proof gallons out of bond and not more than one thousand five hundred (1,500) proof gallons out of bond the previous calendar year; or

(B) distributes through an Indiana liquor wholesaler is entitled under the artisan distiller's permit to sell and deliver to a person holding a liquor retailer or liquor dealer permit under this title the greater of:

(i) one hundred (100) proof gallons; or

(ii) fifty percent (50%) of the amount the permit holder distributed through an Indiana liquor wholesaler the previous calendar year, not to exceed three hundred (300) proof gallons.

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

(c) A storage facility used by an artisan distiller under subsection ~~(a)(3)(1)~~ **(a)(3)** must conform with federal laws, rules, and regulations. ~~and (2) must not be used for any purposes except for the storage of liquor.~~ **An artisan distiller may transfer liquor from a separate storage facility back to the artisan distillery. An artisan distiller may sell or transfer liquor directly to a liquor wholesaler from a storage facility that is separate from the artisan distillery. An artisan distiller may not sell or transfer liquor from a storage facility to any other permittee or a consumer. The artisan distiller shall maintain an adequate written record of the liquor transferred:**

(1) between the artisan distillery and the storage facility; and

(2) from the storage facility to the liquor wholesaler.

(d) The holder of an artisan distiller's permit may transport liquor to and from a brewery located within the same county for the purposes of



carbonating and canning by the brewery. The activity under this subsection is not an interest under IC 7.1-5-9.

(e) An artisan distiller who knowingly or intentionally violates this section commits a Class B misdemeanor.

SECTION 22. IC 7.1-3-27-8.1 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2021]: **Sec. 8.1. (a) This section applies to an artisan distillery that conveys alcoholic beverages to a customer in a parking lot or an area adjacent to the artisan distillery as provided under section 8(a)(5) of this chapter.**

(b) Liquor must be:

(1) in the sealed original containers; and

(2) placed by an employee of the permittee who is at least twenty-one (21) years of age:

(A) in the trunk of the motor vehicle; or

(B) behind the last upright seat of the motor vehicle, if the motor vehicle is not equipped with a trunk.

(c) The employee of the permittee that conveys the alcoholic beverages to the customer must require the customer to provide proof of age in accordance with IC 7.1-5-10-23.

(d) The parking lot or area where the alcoholic beverages are conveyed to the customer must be:

(1) well lit; and

(2) within clear view of the main entrance to the building of the artisan distillery premises.

SECTION 23. IC 7.1-3-28 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2021]:

Chapter 28. Rye Whiskey

Sec. 1. As used in this chapter, "Indiana rye whiskey" means a liquor that was:

(1) manufactured in Indiana;

(2) produced with a mash bill that is at least fifty-one percent (51%) rye;

(3) distilled to not more than one hundred sixty (160) proof or eighty percent (80%) alcohol by volume;

(4) aged in new, charred white oak barrels;

(5) placed in a barrel at not more than one hundred twenty-five (125) proof or sixty-two and one-half percent (62 1/2%) alcohol by volume;

(6) rested in a rack house for at least two (2) years in Indiana; and



(7) bottled at not less than eighty (80) proof or forty percent (40%) alcohol by volume.

Sec. 2. A person may not advertise, label, sell, or refer for marketing or sales purposes to liquor as:

- (1) Indiana rye;
- (2) Indiana rye whiskey;
- (3) Indiana rye whisky;
- (4) Indiana sweet mash rye whiskey;
- (5) Indiana sweet mash rye whisky;
- (6) Indiana sour mash rye whiskey; or
- (7) Indiana sour mash rye whisky;

unless the liquor meets the requirements of Indiana rye whiskey as set forth in section 1 of this chapter.

SECTION 24. IC 7.1-5-5-9, AS AMENDED BY P.L.159-2014, SECTION 38, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2021]: Sec. 9. (a) This section does not apply to product management (as described in 905 IAC 1-5.2-15) by a permittee.

(b) It is unlawful for a permittee to coerce, or attempt to coerce, or persuade another permittee to enter into an agreement, or to take an action, which would violate a provision of this title or of the rules and regulations of the commission.

(c) **This subsection does not apply to the cancellation or termination of an agreement under IC 7.1-3-25.5-4.** It is unlawful for a beer wholesaler or a primary source of supply to cancel or terminate an agreement or contract between a beer wholesaler and a primary source of supply for the sale of beer, unfairly and without due regard for the equities of the other party.

(d) A person who knowingly or intentionally violates subsection (b) or (c) commits a Class B misdemeanor.

SECTION 25. IC 7.1-5-7-13, AS AMENDED BY P.L.270-2017, SECTION 20, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2021]: Sec. 13. (a) Section 12 of this chapter does not prohibit the following:

(1) The employment of a person at least eighteen (18) years of age but less than twenty-one (21) years of age on or about licensed premises where alcoholic beverages are sold, furnished, or given away for consumption either on or off the licensed premises, for a purpose other than:

- (A) selling;
- (B) furnishing, other than serving;
- (C) consuming; or
- (D) otherwise dealing in;



alcoholic beverages.

(2) A person at least nineteen (19) years of age but less than twenty-one (21) years of age from ringing up a sale of alcoholic beverages in the course of the person's employment.

(3) A person who is at least nineteen (19) years of age but less than twenty-one (21) years of age and who has successfully completed an alcohol server training program certified under IC 7.1-3-1.5 from serving alcoholic beverages in a dining area or family room of a restaurant or hotel:

(A) in the course of a person's employment as a waiter, waitress, or server; and

(B) under the supervision of a person who:

(i) is at least twenty-one (21) years of age;

(ii) is present at the restaurant or hotel; and

(iii) has successfully completed an alcohol server training program certified under IC 7.1-3-1.5 by the commission.

This subdivision does not allow a person at least nineteen (19) years of age but less than twenty-one (21) years of age to be a bartender.

(4) The employment of a person at least eighteen (18) years of age but less than twenty-one (21) years of age on or about licensed premises where alcoholic beverages are sold, furnished, or given away for consumption either on or off the licensed premises if all the following apply:

(A) The person is employed as an assistant on a delivery truck.

(B) The person's duties with respect to alcoholic beverages are limited to handling alcoholic beverages in connection with the loading, unloading, stowing, or storing of alcoholic beverages that are being delivered or picked up.

(C) The person does not sell, furnish, or deal in alcoholic beverages in any manner except as expressly permitted under clause (B).

(D) The person acts under the supervision of a driver holding a salesman's permit.

(E) The person does not collect money for the delivery or pick up.

(b) This chapter does not prohibit a person less than twenty-one (21) years of age from being on the premises of a brewery under IC 7.1-3-2-7(5), a farm winery, including any additional locations of the farm winery under IC 7.1-3-12-5, or an artisan distillery under ~~IC 7.1-3-27-5~~, **IC 7.1-3-27-8**, if the person is:

(1) the child, stepchild, grandchild, nephew, or niece of an owner



- 1 of the:
2 (A) brewery;
3 (B) farm winery; or
4 (C) artisan distiller; and
5 (2) employed on the premises for a purpose other than:
6 (A) selling;
7 (B) furnishing, other than serving;
8 (C) consuming; or
9 (D) otherwise dealing in;
10 alcoholic beverages.
11 A minor described in this subsection is not required to be accompanied
12 by a parent, legal guardian or custodian, or family member who is at
13 least twenty-one (21) years of age while on the premises of the brewery
14 or farm winery.
15 **SECTION 26. An emergency is declared for this act.**



COMMITTEE REPORT

Madam President: The Senate Committee on Public Policy, to which was referred Senate Bill No. 175, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill DO PASS.

(Reference is to SB 175 as introduced.)

ALTING, Chairperson

Committee Vote: Yeas 10, Nays 0

COMMITTEE REPORT

Mr. Speaker: Your Committee on Public Policy, to which was referred Senate Bill 175, 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, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 7.1-1-3-16.5, AS AMENDED BY P.L.285-2019, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2021]: Sec. 16.5. The term "entertainment complex" means a premises that complies with one (1) or more of the following requirements:

(1) The premises:

(A) is a site for the performance of musical, theatrical, or other entertainment; and

(B) includes an area where at least ~~eight~~ **six** hundred ~~(800)~~ **(600)** individuals may be seated at one (1) time in permanent seating.

(2) The premises:

(A) is located entirely within a ~~one (1)~~ **two (2)** mile radius of the center of a consolidated city;

(B) is used by a nonprofit organization primarily **as a fine arts theater or** for the professional performance of musical or theatrical entertainment; and

(C) has audience seating in one (1) or more performance spaces for at least two hundred (200) individuals.

SECTION 2. IC 7.1-1-3-16.7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2021]: Sec. 16.7. The term

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"flavored malt beverage" means an alcoholic beverage that has all of the following attributes:

(1) The alcoholic beverage is made from a malt beverage base that is flavored with aromatic essences or other flavorings in quantities and proportions that result in a product that possesses a character and flavor distinctive from the malt beverage base and is distinguishable from other malt beverages.

(2) The label, packaging, container, and any advertising or depiction of the alcoholic beverage disseminated, broadcast, or available in Indiana do not contain any of the following words, or a derivative, version, or non-English translation of the following words:

- (A) Beer.
- (B) Lager.
- (C) Pilsner.
- (D) Stout.
- (E) Porter.
- (F) Ale.
- (G) Cider.
- (H) Framboise.
- (I) Lambic.
- (J) Draft.
- (K) Liquor.
- (L) Bitter.
- (M) Brew.

However, the label and packaging may contain in only one (1) location the words "flavored beer" placed adjacent to each other in type not to exceed two (2) millimeters in height.

~~(3) The alcoholic beverage is not distributed in aluminum or other metal containers.~~

~~(4)~~ (3) The alcoholic beverage creates no foam that gives the appearance of beer when the alcoholic beverage is poured from its container.

SECTION 3. IC 7.1-3-1-5.5, AS AMENDED BY P.L.10-2010, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2021]: Sec. 5.5. (a) This section applies only in a county having a consolidated city.

(b) As used in this section, "contiguous property owner" refers to a property owner who has real property that is geographically adjacent to or in contact with any point on the border of the property of a person who seeks a permit to sell alcoholic beverages for consumption on the licensed premises.



(c) As used in this section, "neighboring property owner" means:

- (1) a contiguous property owner; or
- (2) a property owner who has real property that:
 - (A) is geographically adjacent to or in contact with any point on the border of the property of a contiguous property owner; and
 - (B) some portion of which is within five hundred (500) feet of the property of a person who seeks a permit to sell alcoholic beverages for consumption on the licensed premises.

(d) As used in this section, "principal owner" means any person or entity holding at least a fifteen percent (15%) interest in the business for which a permit is sought to sell alcoholic beverages.

(e) As used in this section, "property owner" means any person whose name and address appears in the county assessor's real property tax assessment records as a person responsible for the payment of property taxes on a parcel of real property.

(f) Except as provided in section 28(d) of this chapter, subsection (g) applies to a location in the consolidated city only if (1) the application is for a liquor dealer's permit for a location within the boundaries of the special fire service district, as determined in conformity with IC 7.1-3-22-8; or (2) the local alcoholic beverage board requires the applicant to comply with subsection (g).

(g) In addition to the notice required by section 5 of this chapter, the applicant for a new permit, or a transfer of a permit to sell alcoholic beverages of any type or at any location must, at least fifteen (15) days before the date of the local alcoholic beverage board hearing, mail notice of the hearing at the applicant's expense to the following:

- (1) Each neighboring property owner.
- (2) The department of metropolitan development of the consolidated city.
- (3) The following entities that have registered with the department of metropolitan development of the consolidated city:
 - (A) The principal, headmaster, or other primary administrator of each public, private, or parochial elementary or secondary school located less than one thousand (1,000) feet from the property line of the applicant's property.
 - (B) Each church that is located less than one thousand (1,000) feet from the property line of the applicant's property.
 - (C) Each neighborhood association that represents the area in which the applicant's property is located.

(h) The notice that the applicant mails must provide the following information:



- (1) The name and address of the applicant, or if the applicant is a corporation, a club, an association, or an organization, the name and address of the applicant's president, secretary, and principal owners who will be responsible to the public for the sale of alcoholic beverages.
- (2) A statement that the applicant has filed an application with the alcohol and tobacco commission for the sale of alcoholic beverages.
- (3) The specific address where alcoholic beverages are asked to be sold.
- (4) The type of alcoholic beverage permit applied for.
- (5) The date, time, and location of the public hearing before the local alcoholic beverage board regarding the application.
- (6) That if there is a desire to remonstrate against the application, the recipient of the notice may attend this public hearing.
- (i) The applicant shall furnish evidence of the applicant's compliance with this section by filing an affidavit with the local alcoholic beverage board at the public hearing on the application. The affidavit must list the names and addresses of the individuals or other entities to which notice was mailed by the applicant.
- (j) In addition to the information required by subsection (i), the applicant shall file with the local alcoholic beverage board at the public hearing the following information:
 - (1) Verification from a department of the consolidated city designated by ordinance that the applicant is in compliance with zoning requirements for the premises to be licensed.
 - (2) Verification from the department of state revenue that the applicant does not have any outstanding income tax, excise tax, or sales tax liabilities.
 - (3) Verification from the county treasurer that the applicant does not have any outstanding property tax liability.
- (k) Subsection (j)(1) does not apply to a permit holder that received and held a permit before September 1, 1987.
- (l) Notwithstanding subsection (f)(1), an applicant seeking a transfer of a permit from a permit holder to a new permit holder when the new permit holder does not intend to change the nature of the business operated under the permit may apply to the local board for a waiver of the notice requirement in subsection (g). The local board may consider any information the local board considers relevant in making a determination to approve or deny the waiver request. The local board must approve or deny a waiver request at the first regularly scheduled meeting that occurs at least fifteen (15) days after the local board



receives the waiver request from the applicant.

(m) Upon written request, the local board must provide to an individual by electronic mail a copy of the local board monthly hearing schedule. After an individual first requests the monthly hearing schedule, the local board must provide that individual with all subsequent monthly hearing schedules, unless the individual requests to no longer receive the monthly schedules. The hearing schedule must be provided to the requesting individual not later than twenty-four (24) hours after the schedule is posted.

SECTION 4. IC 7.1-3-1-30 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2021]: **Sec. 30. (a) This section applies to a permittee that sells and delivers alcoholic beverages to a consumer's residence, regardless of whether the delivery is made by the permittee, permittee's employees, or (if allowed under the permittee's permit) a third party delivery service.**

(b) A person delivering alcoholic beverages to a customer's residence must require the customer to provide proof of age in accordance with IC 7.1-5-10-23.

SECTION 5. IC 7.1-3-2-7, AS AMENDED BY P.L.285-2019, SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2021]: **Sec. 7.** The holder of a brewer's permit or an out-of-state brewer holding either a primary source of supply permit or an out-of-state brewer's permit may do the following:

- (1) Manufacture beer.
- (2) Place beer in containers or bottles.
- (3) Transport beer.
- (4) Sell and deliver beer to a person holding a beer wholesaler's permit issued under IC 7.1-3-3.
- (5) If the brewer manufactures, at all of the brewer's breweries located in Indiana, an aggregate of not more than ninety thousand (90,000) barrels of beer in a calendar year for sale or distribution within Indiana, the permit holder may do the following:
 - (A) Sell and deliver a total of not more than thirty thousand (30,000) barrels of beer in a calendar year to a person holding a retailer or a dealer permit under this title. The total number of barrels of beer that the permit holder may sell and deliver under this clause in a calendar year may not exceed thirty thousand (30,000) barrels of beer.
 - (B) Be the proprietor of a restaurant that is not subject to the minimum gross food sales or the minimum projected food sales set forth in 905 IAC 1-41-2.



(C) Hold a beer retailer's permit, a wine retailer's permit, or a liquor retailer's permit for a restaurant established under clause (B).

(D) Transfer beer directly from the brewery to the restaurant by means of:

- (i) bulk containers; or
- (ii) a continuous flow system.

(E) Install a window between the brewery and an adjacent restaurant that allows the public and the permittee to view both premises.

(F) Install a doorway or other opening between the brewery and an adjacent restaurant that provides the public and the permittee with access to both premises.

(G) Sell the brewery's beer by the glass for consumption on the premises. Brewers permitted to sell beer by the glass under this clause must make food available for consumption on the premises. A brewer may comply with the requirements of this clause by doing any of the following:

- (i) Allowing a vehicle of transportation that is a food establishment (as defined in IC 16-18-2-137) to serve food near the brewer's licensed premises.
- (ii) Placing menus in the brewer's premises of restaurants that will deliver food to the brewery.
- (iii) Providing food prepared at the brewery.

(H) Sell and deliver beer to a consumer at the ~~permit~~ **licensed** premises of the brewer or at the residence of the consumer. **Notwithstanding IC 7.1-1-3-20, the licensed premises may include the brewery parking lot or an area adjacent to the brewery that may only be used for the purpose of conveying alcoholic beverages and other nonalcoholic items to a customer subject to section 10 of this chapter, and may not be used for point of sale purposes or any other purpose.** The delivery to a consumer may be made only in a quantity at any one (1) time of not more than one-half (1/2) barrel, but the beer may be contained in bottles or other permissible containers.

(I) Sell the brewery's beer as authorized by this section for carryout on Sunday in a quantity at any one (1) time of not more than five hundred seventy-six (576) ounces. A brewer's beer may be sold under this clause at any address for which the brewer holds a brewer's permit issued under this chapter if the address is located within the same city boundaries in which the



beer was manufactured.

(J) With the approval of the commission, participate:

- (i) individually; or
- (ii) with other permit holders under this chapter, holders of artisan distiller's permits, holders of farm winery permits, or any combination of holders described in this item;

in a trade show or an exposition at which products of each permit holder participant are displayed, promoted, and sold. All of the permit holders may occupy the same tent, structure, or building. The commission may not grant to a holder of a permit under this chapter approval under this clause to participate in a trade show or exposition for more than forty-five (45) days in a calendar year.

(K) Store or condition beer in a secure building that is:

- (i) separate from the brewery; and
- (ii) owned or leased by the permit holder.

(L) Transfer beer from a building described in clause (K) back to the brewery.

(M) A brewer may not Sell or transfer beer directly to a ~~permittee or consumer beer wholesaler~~ from a building described in this clause **(K)**, **but may not sell or transfer beer from the building to any other permittee or a consumer. The brewer shall maintain an adequate written record of the beer transferred:**

- (i) between the brewery and the separate building; and**
- (ii) from the separate building to the wholesaler.**

~~(N)~~ **(N)** Sell the brewery's beer to the holder of a supplemental caterer's permit issued under IC 7.1-3-9.5 for on-premises consumption only at an event that is held outdoors on property that is contiguous to the brewery as approved by the commission.

~~(O)~~ **(O)** Receive liquor from the holder of a distiller's permit issued under IC 7.1-3-7 or the holder of an artisan distiller's permit under IC 7.1-3-27 that is located in the same county as the brewery for the purpose of carbonating and canning the liquor. Upon the completion of canning of the liquor, the product must be returned to the original production facility within forty-eight (48) hours. The activity under this clause is not an interest under IC 7.1-5-9.

(6) If the brewer's brewery manufactures more than ninety thousand (90,000) barrels of beer in a calendar year for sale or distribution within Indiana, the permit holder may own a portion



of the corporate stock of another brewery that:

- (A) is located in the same county as the brewer's brewery;
 - (B) manufactures less than ninety thousand (90,000) barrels of beer in a calendar year; and
 - (C) is the proprietor of a restaurant that operates under subdivision (5).
- (7) Provide complimentary samples of beer that are:
- (A) produced by the brewer; and
 - (B) offered to consumers for consumption on the brewer's premises.
- (8) Own a portion of the corporate stock of a sports corporation that:
- (A) manages a minor league baseball stadium located in the same county as the brewer's brewery; and
 - (B) holds a beer retailer's permit, a wine retailer's permit, or a liquor retailer's permit for a restaurant located in that stadium.
- (9) For beer described in IC 7.1-1-2-3(a)(4):
- (A) may allow transportation to and consumption of the beer on the licensed premises; and
 - (B) may not sell, offer to sell, or allow sale of the beer on the licensed premises.

SECTION 6. IC 7.1-3-2-10 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2021]: **Sec. 10. (a) This section applies to a permittee that conveys alcoholic beverages to a customer in a parking lot or an area adjacent to the brewery as provided under section 7(5)(H) of this chapter.**

(b) Alcoholic beverages must be:

- (1) in sealed containers; and**
- (2) placed by an employee of the permittee who is at least twenty-one (21) years of age:**
 - (A) in the trunk of the motor vehicle; or**
 - (B) behind the last upright seat of the motor vehicle, if the motor vehicle is not equipped with a trunk.**

(c) The employee of the permittee that conveys the alcoholic beverages to the customer must require the customer to provide proof of age in accordance with IC 7.1-5-10-23.

(d) The parking lot or area where the alcoholic beverages are conveyed to the customer must be:

- (1) well lit; and**
- (2) within clear view of the main entrance of the brewery building premises.**



SECTION 7. IC 7.1-3-4-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2021]: Sec. 6. (a) The holder of a beer retailer's permit shall be entitled to purchase beer for sale under his permit only from a permittee entitled to sell to him under this title. A beer retailer shall be entitled to possess beer and sell it at retail to a customer for consumption on the licensed premises. A beer retailer also shall be entitled to sell beer to a customer and deliver it in permissible containers to the customer on the licensed premises, or to the customer's house.

(b) A beer retailer shall not be entitled to sell beer at wholesale. He shall not be entitled to sell and deliver beer on the street or at the curb outside the licensed premises, nor shall he be entitled to sell beer at a place other than the licensed premises. However, a beer retailer may offer food service (excluding alcoholic beverages) to a patron who is outside the licensed premises by transacting business through a window in the licensed premises.

(c) A beer retailer shall be entitled to sell and deliver warm or cold beer for carry out, or for at-home delivery, in barrels or other commercial containers in a quantity that does not exceed fifteen and one-half (15 1/2) gallons at any one (1) time. **A beer retailer that delivers beer to a customer's residence must require the customer to provide proof of age in accordance with IC 7.1-5-10-23.**

(d) Notwithstanding IC 7.1-1-3-20, the licensed premises of the beer retailer may include the beer retailer parking lot or an area adjacent to the beer retailer that may only be used for the purpose of conveying alcoholic beverages and other nonalcoholic items to a customer, and may not be used for point of sale purposes or any other purpose. Any alcoholic beverages conveyed to the customer must be:

- (1) in the sealed original containers and placed in a bag that is stamped, printed, or labeled on the outside: "CONTAINS ALCOHOLIC BEVERAGES"; and
- (2) placed by an employee of the permittee who is at least twenty-one (21) years of age:
 - (A) in the trunk of the motor vehicle; or
 - (B) behind the last upright seat of the motor vehicle, if the motor vehicle is not equipped with a trunk.

A retailer permittee may only convey a customer's order of alcoholic beverages to the customer, if the customer has also purchased a meal from the retailer permittee that is conveyed to the customer at the same time as the alcoholic beverages.

(e) The employee of the permittee that conveys the alcoholic



beverages to the customer must require the customer to provide proof of age in accordance with IC 7.1-5-10-23.

(f) The parking lot or area where the alcoholic beverages are conveyed to the customer must be:

- (1) well lit; and**
- (2) within clear view of the main entrance to the building of the retailer premises.**

SECTION 8. IC 7.1-3-9-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2021]: Sec. 9. (a) The holder of a liquor retailer's permit shall be entitled to purchase liquor only from a permittee entitled to sell to him under this title. A liquor retailer shall be entitled to possess liquor and sell it at retail to a customer for consumption on the licensed premises. A liquor retailer also shall be entitled to sell liquor to a customer and deliver it in permissible containers to the customer on the licensed premises, or to the customer's house.

(b) A liquor retailer shall not be entitled to sell liquor at wholesale. He shall not be entitled to sell and deliver liquor on the street or at the curb outside the licensed premises, nor shall he be entitled to sell liquor at a place other than the licensed premises. However, a liquor retailer may offer food service (excluding alcoholic beverages) to a patron who is outside the licensed premises by transacting business through a window in the licensed premises.

(c) A liquor retailer shall not be entitled to sell and deliver liquor for carry out, or for at-home delivery, in a quantity that exceeds four (4) quarts at any one (1) time. **A liquor retailer that delivers liquor to a customer's residence must require the customer to provide proof of age in accordance with IC 7.1-5-10-23.**

(d) Notwithstanding IC 7.1-1-3-20, the licensed premises of the liquor retailer may include the liquor retailer parking lot or an area adjacent to the liquor retailer that may only be used for the purpose of conveying alcoholic beverages and other nonalcoholic items to a customer, and may not be used for point of sale purposes or any other purpose. Any alcoholic beverages conveyed to the customer must be:

- (1) in the sealed original containers and placed in a bag that is stamped, printed, or labeled on the outside: "CONTAINS ALCOHOLIC BEVERAGES"; and**
- (2) placed by an employee of the permittee who is at least twenty-one (21) years of age:**
 - (A) in the trunk of the motor vehicle; or**
 - (B) behind the last upright seat of the motor vehicle, if the**



motor vehicle is not equipped with a trunk.

A retailer permittee may only convey a customer's order of alcoholic beverages to the customer, if the customer has also purchased a meal from the retailer permittee that is conveyed to the customer at the same time as the alcoholic beverages.

(e) The employee of the permittee that conveys the alcoholic beverages to the customer must require the customer to provide proof of age in accordance with IC 7.1-5-10-23.

(f) The parking lot or area where the alcoholic beverages are conveyed to the customer must be:

(1) well lit; and

(2) within clear view of the main entrance to the building of the retailer premises.

SECTION 9. IC 7.1-3-9-12, AS AMENDED BY P.L.1-2018, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 12. (a) This section applies to:

(1) the holder of a three-way permit that is issued to a civic center, a sports arena, a stadium, an exhibition hall, an auditorium, a theater, a tract that contains a premises that is described in IC 7.1-3-1-14(d)(2), or a convention center; or

(2) the holder of a catering permit while catering alcoholic beverages at a civic center, a sports arena, a stadium, an exhibition hall, an auditorium, a theater, a tract that contains a premises that is described in IC 7.1-3-1-14(d)(2), or a convention center.

(b) As used in this section, "grab and go store" means an area in a building or facility referred to in subsection (a) that satisfies all of the following:

(1) The area customarily offers food, alcoholic beverages, nonalcoholic beverages, and other items for sale.

(2) The area is:

(A) within a tract that contains a premises that is described in IC 7.1-3-1-14(d)(2);

(B) in close proximity or adjacent to the concourse of or within the building or facility; or

(C) within a restricted access club area of or within the building or facility.

(3) The area is:

(A) delineated by nonpermanent stanchions or some other barrier providing for clear entrance and exit points; and

(B) indicated on the floor plan approved by the commission.



- (4) The area is accessible only by persons who possess a ticket to an event held in the building or facility.

The term does not include a suite, restaurant, lounge, or concession area, even if access to the suite, restaurant, lounge, or concession area is limited to certain ticket holders. However, a grab and go store may operate within a restricted access club area that is in close proximity, adjacent to, or within a restaurant or lounge.

~~(b)~~ (c) As used in this section, "suite" means an area in a building or facility referred to in subsection (a) that:

- (1) is not accessible to the general public;
- (2) has accommodations for not more than seventy-five (75) persons per suite; and
- (3) is accessible only to persons who possess a ticket:
 - (A) to an event in a building or facility referred to in subsection (a); and
 - (B) that entitles the person to occupy the area while viewing the event described in clause (A).

The term does not include a restaurant, lounge, or concession area, even if access to the restaurant, lounge, or concession area is limited to certain ticket holders.

~~(e)~~ (d) A permittee may allow the self-service of individual servings of alcoholic beverages in a suite **or grab and go store**.

~~(d)~~ (e) A person who:

- (1) possesses a ticket described in subsection ~~(b)(3)~~ (b)(4) or (c)(3); and
- (2) is at least twenty-one (21) years of age;

may obtain an alcoholic beverage in a suite **or grab and go store** by self-service.

~~(e)~~ (f) A permittee may do any of the following:

- (1) Demand that a person occupying a suite provide:
 - (A) a written statement under IC 7.1-5-7-4; ~~and or~~
 - (B) identification indicating that the person is at least twenty-one (21) years of age.
- (2) Supervise the self-service of alcoholic beverages **in the suite**.
- (3) Have an employee in the suite who **has a valid server certificate under IC 7.1-3-1.5** and holds an employee permit under IC 7.1-3-18-9 to serve ~~some or all of~~ the alcoholic beverages.

(g) In a grab and go store, a permittee shall do the following:

- (1) Require a purchaser to provide proof of age in accordance with IC 7.1-5-10-23.
- (2) Ensure all employees are at least twenty-one (21) years of



age.

(3) Have employees supervise the self-service of alcoholic beverages.

(4) Have an employee present during the store's business hours who has a valid server certificate under IC 7.1-3-1.5 and holds an employee permit under IC 7.1-3-18-9 to sell alcoholic beverages to ensure compliance with this title, including compliance with IC 7.1-5-7-8 and IC 7.1-5-10-15.

(5) Sell a purchaser not more than two (2) servings of alcoholic beverages at one (1) time.

SECTION 10. IC 7.1-3-9.5-3, AS AMENDED BY P.L.285-2019, SECTION 24, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2021]: Sec. 3. (a) The holder of a supplemental caterer's permit is entitled to purchase alcoholic beverages only from:

- (1) a brewery as described in ~~IC 7.1-3-2-7(5)(L);~~ **IC 7.1-3-2-7(5)(N);**
- (2) a farm winery as described in IC 7.1-3-12-5(a)(12); and
- (3) any other permittee entitled to sell to the holder under this title.

Except as provided in IC 7.1-3-6.1, and IC 7.1-3-6.2, the holder of a supplemental caterer's permit is entitled to sell alcoholic beverages only for on-premises consumption at those locations approved by the commission and at times lawful under the holder's retailers' permits. Except as provided, IC 7.1-3-6.1 and IC 7.1-3-6.2, the holder of a supplemental caterer's permit is not entitled to sell alcoholic beverages at wholesale, nor for carry-out or at-home delivery.

(b) If permitted by the state fair commission under IC 7.1-3-21-14, a brewery under IC 7.1-3-2-7(5), a farm winery under IC 7.1-3-12, or an artisan distillery under IC 7.1-3-27 may sell their own products to consumers for consumption off the state fair grounds under IC 7.1-3-21-14(b)(3), including at a location on the property of the state fair grounds for which a supplemental caterer's permit has been approved.

SECTION 11. IC 7.1-3-12-5, AS AMENDED BY P.L.285-2019, SECTION 29, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2021]: Sec. 5. (a) The following apply to the holder of a farm winery permit:

- (1) A holder is entitled to manufacture wine and to ~~bottle place~~ wine produced by the permit holder's farm winery **in bottles or other permissible containers.**
- (2) A holder is entitled to serve complimentary samples of the winery's wine on the licensed premises or an outside area that is



contiguous to the licensed premises, as approved by the commission if each employee who serves wine on the licensed premises:

- (A) holds an employee's permit under IC 7.1-3-18-9; and
 - (B) completes a server training program approved by the commission.
- (3) A holder is entitled to sell the winery's wine on the licensed premises to consumers either by:
- (A) the glass;
 - (B) the bottle;
 - (C) a box that contains a bag designed for storing and dispensing wine; ~~or~~
 - (D) any combination of receptacles listed in clauses (A) through (C); ~~or~~

(E) any other container permissible under federal law.

Notwithstanding IC 7.1-1-3-20, the licensed premises may include the farm winery parking lot or an area adjacent to the farm winery. The parking lot or an adjacent area may only be used for the purpose of conveying alcoholic beverages and other nonalcoholic items to a customer subject to section 5.5 of this chapter, and may not be used for point of sale purposes or any other purpose.

(4) A holder is entitled to sell the winery's wine to consumers by the bottle at a farmers' market that is operated on a nonprofit basis.

(5) A holder is entitled to sell wine by:

- (A) the bottle;
- (B) the can;**
- ~~(B)~~ (C) a box that contains a bag designed for storing and dispensing wine;
- ~~(C)~~ (D) bulk container;
- ~~(D)~~ (E) the case; or
- ~~(E)~~ (F) any combination of receptacles listed in clauses (A) through ~~(D)~~; **(E)**;

to a person who is the holder of a permit to sell wine at wholesale.

(6) A holder is exempt from the provisions of IC 7.1-3-14.

(7) A holder is entitled to advertise the name and address of any retailer or dealer who sells wine produced by the permit holder's winery.

(8) A holder for wine described in IC 7.1-1-2-3(a)(4):

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



- (B) may not sell, offer to sell, or allow the sale of the wine on the licensed premises.
- (9) A holder is entitled to purchase and sell bulk wine as set forth in this chapter.
- (10) A holder is entitled to sell wine as authorized by this section for carryout on Sunday.
- (11) A holder is entitled to sell and ship the farm winery's wine to a person located in another state in accordance with the laws of the other state.
- (12) A holder is entitled to sell the farm winery's wine to the holder of a supplemental caterer's permit issued under IC 7.1-3-9.5 for on-premises consumption only at an event that is held outdoors on property that is contiguous to the farm winery as approved by the commission.
- (13) A holder is entitled to be the proprietor of a restaurant that is not subject to the minimum gross food sales or the minimum projected food sales set forth in 905 IAC 1-41-2 and the gross retail income requirements to sell carryout under IC 7.1-3-20-9.5. A holder is entitled to conduct the following activities:
 - (A) Hold a beer retailer's permit, a wine retailer's permit, or a liquor retailer's permit for a restaurant.
 - (B) Transfer wine directly from the farm winery to a restaurant that the farm winery has an interest in by means of:
 - (i) bottles **or cans**;
 - (ii) bulk containers; or
 - (iii) a continuous flow system.
 - (C) Install a window between the farm winery and an adjacent restaurant that allows the public and the holder of the permit to view both premises.
 - (D) Install a doorway or other opening between the farm winery and an adjacent restaurant that provides the public and the holder of the permit with access to both the farm winery and restaurant.
- (14) A holder that:**
 - (A) does not distribute through an Indiana wine wholesaler is entitled under the farm winery permit to sell and deliver to a person holding a wine retailer or wine dealer permit under this title:**
 - (i) a total of not more than one thousand (1,000) gallons of the farm winery's wine in a calendar year, if the farm winery has taken not more than five thousand (5,000) gallons out of bond the previous calendar year;**



- (ii) a total of not more than two thousand (2,000) gallons of the farm winery's wine in a calendar year, if the farm winery has taken more than five thousand (5,000) gallons out of bond and not more than ten thousand (10,000) gallons out of bond the previous calendar year; or
- (iii) a total of not more than three thousand (3,000) gallons of the farm winery's wine in a calendar year, if the farm winery has taken more than ten thousand (10,000) gallons out of bond and not more than fifteen thousand (15,000) gallons out of bond the previous calendar year; or

(B) distributes through an Indiana wine wholesaler is entitled under the farm winery permit to sell and deliver to a person holding a wine retailer or wine dealer permit under this title the greater of:

- (i) one thousand (1,000) gallons; or**
- (ii) fifty percent (50%) of the amount the permit holder distributed through an Indiana wholesaler the previous calendar year, not to exceed three thousand (3,000) gallons.**

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

(c) A farm winery may transfer wine from a storage facility or an additional location described in subsection (b). A farm winery may sell or transfer wine directly to a wine wholesaler from a storage facility separate from the farm winery or an additional location described in subsection (b). A farm winery may not sell or transfer wine from a storage facility to any other permittee or a consumer. The farm winery shall maintain an adequate written record of wine transferred:

- (1) between the farm winery and the storage facility; and**
- (2) from the storage facility to the wholesaler.**

(e) (d) With the approval of the commission, a holder of a permit under this chapter may:

- (1) individually; or
- (2) with other permit holders under this chapter, holders of artisan distiller's permits, holders of brewer's permits issued under IC 7.1-3-2-2(b), or any combination of holders described in this



subdivision;
participate in a trade show or an exposition at which products of each permit holder participant are displayed, promoted, and sold. All of the permit holders may occupy the same tent, structure, or building. The commission may not grant approval under this subsection to a holder of a permit under this chapter for more than forty-five (45) days in a calendar year.

SECTION 12. IC 7.1-3-12-5.5 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION TO READ AS FOLLOWS** [EFFECTIVE JULY 1, 2021]: **Sec. 5.5. (a) This section applies to a farm winery that conveys alcoholic beverages to a customer in a parking lot or an area adjacent to the farm winery as provided under section 5 of this chapter.**

(b) Wine must be:

- (1) in the sealed original containers; and**
- (2) placed by an employee of the permittee who is at least twenty-one (21) years of age:**
 - (A) in the trunk of the motor vehicle; or**
 - (B) behind the last upright seat of the motor vehicle, if the motor vehicle is not equipped with a trunk.**

(c) The employee of the permittee that conveys the alcoholic beverages to the customer must require the customer to provide proof of age in accordance with IC 7.1-5-10-23.

(d) The parking lot or area where the alcoholic beverages are conveyed to the customer must be:

- (1) well lit; and**
- (2) within clear view of the main entrance to the building of the farm winery premises.**

SECTION 13. IC 7.1-3-14-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2021]: **Sec. 4. (a) The holder of a wine retailer's permit is entitled to purchase wine only from a permittee entitled to sell to the wine retailer under this title. A wine retailer is entitled to possess wine and sell it at retail to a customer for consumption on the licensed premises. A wine retailer is also entitled to sell wine to a customer and deliver it in permissible containers to the customer on the licensed premises or to the customer's house.**

(b) A wine retailer is not entitled to sell wine at wholesale. A wine retailer is not entitled to sell and deliver wine on the street or at the curb outside the licensed premises, nor is the wine retailer entitled to sell wine at a place other than the licensed premises. However, a wine retailer may offer food service (excluding alcoholic beverages) to a patron who is outside the licensed premises by transacting business



through a window in the licensed premises.

(c) A wine retailer is entitled to sell and deliver wine for carry out, or for at-home delivery. **A wine retailer that delivers wine to a customer's residence must require the customer to provide proof of age in accordance with IC 7.1-5-10-23.**

(d) Notwithstanding IC 7.1-1-3-20, the licensed premises of the wine retailer may include the wine retailer parking lot or an area adjacent to the wine retailer that may only be used for the purpose of conveying alcoholic beverages and other nonalcoholic items to a customer, and may not be used for point of sale purposes or any other purpose. Any alcoholic beverages conveyed to the customer must be:

- (1) in the sealed original containers and placed in a bag that is stamped, printed, or labeled on the outside: "CONTAINS ALCOHOLIC BEVERAGES"; and
- (2) placed by an employee of the permittee who is at least twenty-one (21) years of age:
 - (A) in the trunk of the motor vehicle; or
 - (B) behind the last upright seat of the motor vehicle, if the motor vehicle is not equipped with a trunk.

A retailer permittee may only convey a customer's order of alcoholic beverages to the customer, if the customer has also purchased a meal from the retailer permittee that is conveyed to the customer at the same time as the alcoholic beverages.

(e) The employee of the permittee that conveys the alcoholic beverages to the customer must require the customer to provide proof of age in accordance with IC 7.1-5-10-23.

(f) The parking lot or area where the alcoholic beverages are conveyed to the customer must be:

- (1) well lit; and
- (2) within clear view of the main entrance to the building of the retailer premises.

SECTION 14. IC 7.1-3-20-30, AS ADDED BY P.L.285-2019, SECTION 41, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2021]: Sec. 30. (a) The definitions in section 29 of this chapter apply to this section.

(b) As used in this section, "vendor's permit" means a food hall vendor's permit issued to an individual vendor operating within the premises of a food hall for which a master permit is issued under section 29 of this chapter.

(c) The commission may issue a one-, two-, or three-way retailer's permit for on-premises consumption only to an applicant for a vendor's



permit that has been approved by the commission to operate within a food hall. **However, a vendor to which section 31 of this chapter applies may also sell the alcoholic beverages set forth in section 31(c) of this chapter for off the premises consumption.** Each vendor that sells alcoholic beverages within the food hall must obtain a vendor's permit.

(d) Each vendor permittee must satisfy the following requirements:

(1) Each vendor permittee shall:

(A) maintain the vendor permittee's own retail merchant's certificate; and

(B) be responsible for the payment of the vendor permittee's own state gross retail taxes under IC 6-2.5 and withholding taxes required to be remitted under IC 6-3-4.

(2) Each vendor permittee shall conform to all health and safety requirements of local and state agencies.

(3) Each vendor permittee shall comply with all requirements under IC 7.1-5-9-15.

(4) Each vendor permittee shall comply with IC 7.1-5-10-20 with regard to the vendor permittee's own food and beverage vending space. However, IC 7.1-5-10-20 does not prohibit a vendor permittee from establishing sale prices for drinks that are different from the sale prices for comparable drinks that are set by other vendor permittees.

(5) Each vendor permittee is not required to comply with section 9(b) of this chapter.

(6) Each vendor permittee is responsible to the commission for any and all violations of alcohol laws and rules associated with the vendor's permit.

(7) Each applicant for a vendor's permit must comply with 905 IAC 1-36-1 and 905 IAC 1-36-2 and appear before the local alcohol board in the county in which the food hall vendor's permit will be situated. The local board shall only hear evidence on and determine the vendor's permit applicant's eligibility to hold a vendor's permit.

(8) Any vendor permittee that desires to relocate its food and beverage space within the food hall premises may relocate upon the commission's approval of a floor plan change.

(e) A vendor's permit authorized by this section may be issued without regard to the proximity provisions of IC 7.1-3-21-11 or the quota provisions of IC 7.1-3-22.

(f) A vendor's permit may not be transferred to a location outside the permit premises of the food hall. A vendor's permit that is inactive for



more than six (6) months shall revert back to the commission or may be deposited with the commission subject to the approval of the commission.

SECTION 15. IC 7.1-3-20-31 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2021]: **Sec. 31. (a) This section applies to the holder of a vendor's permit that owns in whole or in part:**

- (1) a retailer's permit described in section 30(c) of this chapter; and**
- (2) one (1) of the following:**
 - (A) A brewer's permit described in IC 7.1-3-2-7(5).**
 - (B) A farm winery permit described in IC 7.1-3-12-3.**
 - (C) An artisan distiller's permit described in IC 7.1-3-27.**

(b) The definitions in sections 29 and 30 of this chapter apply to this section.

(c) A holder of a vendor's permit may sell for carryout at the premises for which the retailer's permit was issued:

- (1) beer manufactured under the brewer's permit, if the vendor's permit holder has a one-, two-, or three-way retailer's permit;**
- (2) wine manufactured under the farm winery permit, if the vendor's permit holder has a two- or three-way retailer's permit; or**
- (3) liquor manufactured under the artisan distiller's permit, if the vendor's permit holder has a three-way retailer's permit.**

SECTION 16. IC 7.1-3-21-11, AS AMENDED BY P.L.285-2019, SECTION 42, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2021]: **Sec. 11. (a) As used in this section "craft manufacturer" means:**

- (1) a small brewery under IC 7.1-3-2-7(5);**
- (2) a farm winery under IC 7.1-3-12, including any additional locations of the farm winery operated under IC 7.1-3-12-5(b);**
- or**
- (3) an artisan distillery under IC 7.1-3-27.**

~~(a)~~ **(b)** As used in this section, "wall" means a wall of a building. The term does not include a boundary wall.

~~(b)~~ **(c)** Except as provided in subsections ~~(c)~~, ~~(g)~~, and ~~(h)~~, **(d)**, **(h)**, and **(i)**, the commission may not issue a permit for a premises if:

- (1) a wall of the premises is situated within two hundred (200) feet from a wall of a school or church; and**
- (2) if ~~no~~ a permit has ~~not~~ been issued for the premises under the**



provisions of Acts 1933, Chapter 80.

~~(e)~~ **(d)** This section does not apply to the premises of a:

(1) grocery store, drug store, restaurant, hotel, catering hall, **craft manufacturer**, or location for which the use of a supplemental catering permit has been approved if:

(A) a wall of the premises is situated within two hundred (200) feet from a wall of a church or school;

(B) the commission receives a written statement from the authorized representative of the church or school stating expressly that the church or school does not object to the issuance of the permit for the premises; and

(C) the commission determines that the church or school does not object to the issuance of the permit for the premises; or

(2) church or school that applies for a temporary beer or wine permit.

~~(d)~~ **(e)** The commission shall base its determination under subsection ~~(e)(1)(C)~~ **(d)(1)(C)** solely on the written statement of the authorized representative of the church or school.

~~(e)~~ **(f)** If the commission does not receive the written statement of the authorized representative of the church or school, the premises of the grocery store, drug store, restaurant, hotel, catering hall, **craft manufacturer**, or location for which the use of a supplemental catering permit has been approved may not obtain the waiver allowed under this section.

~~(f)~~ **(g)** If the commission determines that the church or school does not object, this section and IC 7.1-3-21-10 do not apply to the permit premises of the grocery store, drug store, restaurant, hotel, **craft manufacturer**, or catering hall on a subsequent renewal or transfer of ownership.

~~(g)~~ **(h)** If the commission:

(1) receives a written statement from the authorized representative of a church or school as described in subsection ~~(e)(1)(B)~~ **(d)(1)(B)**; and

(2) determines the church or school does not object as described in subsection ~~(e)(1)(C)~~ **(d)(1)(C)**;

the commission may not consider subsequent objections from the church or school to the issuance of the same permit type at the same premises location.

~~(h)~~ **(i)** The commission may issue a permit for a premises if the wall of the premises and the wall of a church are separated by at least eighty-five (85) feet, including a two (2) lane road of at least thirty (30) feet in width."



Page 4, between lines 34 and 35, begin a new paragraph and insert:
 "SECTION 19. IC 7.1-3-27-5 IS REPEALED [EFFECTIVE JULY 1, 2021]. Sec. 5: (a) Except as provided in section 7 of this chapter, an applicant for an artisan distiller's permit must meet all the following requirements to be eligible for an artisan distiller's permit:

(1) The permit applicant must hold one (1) of the following permits for the eighteen (18) months immediately preceding the date of the application:

(A) A farm winery permit under IC 7.1-3-12;

(B) A brewer's permit issued under IC 7.1-3-2-2(b);

(C) A distiller's permit under IC 7.1-3-7;

(2) The permit applicant may not have more than one (1) violation of this title during the eighteen (18) months immediately preceding the date of the application;

(3) The permit applicant may not have any violation of this title during the twelve (12) month period immediately preceding the date of the permit application;

(b) As used in this subsection, "qualifying permit" means a farm winery, brewer's, or distiller's permit under subsection (a)(1)(A), (a)(1)(B), or (a)(1)(C) that is required in order to hold an artisan distiller's permit. The same persons must directly or indirectly own and control more than fifty percent (50%) of the entity that holds the qualifying permit and the artisan distiller's permit.

SECTION 20. IC 7.1-3-27-7 IS REPEALED [EFFECTIVE JULY 1, 2021]. Sec. 7: (a) This section applies only to a person that, on January 1, 2014:

(1) holds the necessary permit or license from the United States to own or operate an establishment to manufacture liquor; and

(2) does not hold any of the permits listed in section 5(a)(1) of this chapter;

(b) A person must meet all the following requirements to be eligible for an artisan distiller's permit under this section:

(1) Any person (except for a person under subdivision (2)) who sells or furnishes liquor by the bottle or glass on the premises of the artisan distillery:

(A) must have held for at least three (3) years an employee permit under IC 7.1-3-18-9 that authorizes the person to perform bartending duties;

(B) must have completed any alcohol server program or alcohol server training program refresher courses required under IC 7.1-3-1.5; and

(C) may not have any violations under this title.



(2) The applicant for the artisan distiller's permit and any management representative of the applicant must complete an alcohol server program or a trainer program established or approved under IC 7.1-3-1.5-5.5 or IC 7.1-3-1.5-6 not more than one (1) year before the date of the application for the artisan distiller's permit.

(c) Except as provided in subsection (f)(2), the person may not be required to fulfill the requirements of section 5 of this chapter.

(d) If the person is issued an artisan distiller's permit under this section, the person must meet the following requirements for the period set forth in subsection (e):

(1) Any person selling or furnishing liquor on the premises of the artisan distillery (except for a person under subsection (b)(2)) must meet the requirements of subsection (b)(1):

(2) The holder of the artisan distiller's permit and any management representative of the holder of the artisan distiller's permit must successfully complete refresher courses under IC 7.1-3-1.5 not later than three (3) years after the date the holder or representative completes the initial server program or trainer program.

(e) A person who is issued an artisan distiller's permit under this section must meet the requirements in subsection (d) until the later of:

(1) three (3) years after the date on which the initial artisan distiller's permit is issued; or

(2) the date that the holder of the artisan distiller's permit has one

(1) twelve (12) month period without a violation of this title.

(f) Upon fulfilling the requirements of subsections (d) and (e), a person who is issued an artisan distiller's permit under this section must meet the following requirements for as long as the person holds the permit:

(1) Any person who sells or furnishes liquor on the premises of the artisan distillery (except for a person under subsection (b)(2)) must have an employee permit under IC 7.1-3-18-9 and be otherwise authorized by the commission to perform bartending duties. However, the person is not required to:

(A) hold an employee bartending permit for three (3) years before selling or furnishing liquor; and

(B) not have any violations under this title.

(2) The holder of the artisan distiller's permit and any management representative of the holder of the artisan distiller's permit are subject to the same alcohol server training requirements and refresher course requirements as the holder of



an artisan distiller's permit that meets the requirements of section 5 of this chapter.

SECTION 21. IC 7.1-3-27-8, AS AMENDED BY P.L.285-2019, SECTION 48, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2021]: Sec. 8. (a) The holder of an artisan distiller's permit may do only the following:

- (1) Manufacture liquor, including blending liquor purchased from another manufacturer with liquor the artisan distiller manufactures under section 11 of this chapter.
- (2) Bottle liquor manufactured by the artisan distiller.
- (3) Store liquor manufactured by the artisan distiller, including at a facility **located** within ten (10) miles of the artisan distiller's distillery.
- (4) Transport, sell, and deliver liquor manufactured by the artisan distiller to:
 - (A) places outside Indiana; or
 - (B) the holder of a liquor wholesaler's permit under IC 7.1-3-8.
- (5) Sell liquor manufactured by the artisan distiller to consumers by the drink, bottle, or case from the **licensed** premises of the distillery where the liquor was manufactured. **Notwithstanding IC 7.1-1-3-20, the licensed premises may include the distillery parking lot or an area adjacent to the artisan distillery. The parking lot or adjacent area may only be used for the purpose of conveying alcoholic beverages and other nonalcoholic items to a customer subject to section 8.1 of this chapter and may not be used for point of sale purposes or any other purpose.**
- (6) Serve complimentary samples of the liquor manufactured by the artisan distiller to consumers on the premises of the distillery where the liquor was manufactured.
- (7) Sell liquor as authorized by this section for carryout on Sunday in a quantity at any one (1) time of not more than four and five-tenths (4.5) liters.
- (8) With the approval of the commission, participate:
 - (A) individually; or
 - (B) with other permit holders under this chapter, holders of farm winery permits, holders of brewer's permits issued under IC 7.1-3-2-2(b), or any combination of holders described in this clause;
 in a trade show or an exposition at which products of each permit holder participant are displayed, promoted, and sold. All of the permit holders may occupy the same tent, structure, or building. The commission may not grant to a holder of a permit under this



chapter approval under this subdivision to participate in a trade show or exposition for more than forty-five (45) days in a calendar year.

(9) Be the proprietor of a restaurant that is not subject to the minimum gross food sales or the minimum projected food sales set forth in 905 IAC 1-41-2 and the gross retail income requirements to sell carryout under IC 7.1-3-20-9.5. A holder is entitled to conduct the following activities:

(A) Hold a beer retailer's permit, a wine retailer's permit, or a liquor retailer's permit for a restaurant.

(B) Transfer liquor directly from the artisan distillery to a restaurant that the artisan distiller has an interest in by means of:

- (i) bottles;
- (ii) bulk containers; or
- (iii) a continuous flow system.

(C) Install a window between the artisan distillery and an adjacent restaurant that allows the public and the holder of the permit to view both premises.

(D) Install a doorway or other opening between the artisan distillery and an adjacent restaurant that provides the public and the holder of the permit with access to both the artisan distillery and restaurant.

(10) A holder that:

(A) does not distribute through an Indiana liquor wholesaler is entitled under the artisan distiller's permit to sell and deliver to a person holding a liquor retailer or liquor dealer permit under this title:

(i) a total of not more than one hundred (100) proof gallons of the artisan distillery's liquor in a calendar year, if the artisan distillery has taken not more than five hundred (500) proof gallons out of bond the previous calendar year;

(ii) a total of not more than two hundred (200) proof gallons of the artisan distillery's liquor in a calendar year, if the artisan distillery has taken more than five hundred (500) proof gallons out of bond and not more than one thousand (1,000) proof gallons out of bond the previous calendar year; or

(iii) a total of not more than three hundred (300) proof gallons of the artisan distillery's liquor in a calendar year, if the artisan distillery has taken more than one



thousand (1,000) proof gallons out of bond and not more than one thousand five hundred (1,500) proof gallons out of bond the previous calendar year; or

(B) distributes through an Indiana liquor wholesaler is entitled under the artisan distiller's permit to sell and deliver to a person holding a liquor retailer or liquor dealer permit under this title the greater of:

- (i) one hundred (100) proof gallons; or
- (ii) fifty percent (50%) of the amount the permit holder distributed through an Indiana liquor wholesaler the previous calendar year, not to exceed three hundred (300) proof gallons.

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

(c) A storage facility used by an artisan distiller under subsection ~~(a)(3)(1)~~ **(a)(3)** must conform with federal laws, rules, and regulations. ~~and (2) must not be used for any purposes except for the storage of liquor.~~ **An artisan distiller may transfer liquor from a separate storage facility back to the artisan distillery. An artisan distiller may sell or transfer liquor directly to a liquor wholesaler from a storage facility that is separate from the artisan distillery. An artisan distiller may not sell or transfer liquor from a storage facility to any other permittee or a consumer. The artisan distiller shall maintain an adequate written record of the liquor transferred:**

- (1) between the artisan distillery and the storage facility; and**
- (2) from the storage facility to the liquor wholesaler.**

(d) The holder of an artisan distiller's permit may transport liquor to and from a brewery located within the same county for the purposes of carbonating and canning by the brewery. The activity under this subsection is not an interest under IC 7.1-5-9.

(e) An artisan distiller who knowingly or intentionally violates this section commits a Class B misdemeanor.

SECTION 22. IC 7.1-3-27-8.1 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2021]: **Sec. 8.1. (a) This section applies to an artisan distillery that conveys alcoholic beverages to a customer in a parking lot or an area adjacent to the artisan distillery as provided under section 8(a)(5) of this chapter.**

(b) Liquor must be:

- (1) in the sealed original containers; and**



(2) placed by an employee of the permittee who is at least twenty-one (21) years of age:

(A) in the trunk of the motor vehicle; or

(B) behind the last upright seat of the motor vehicle, if the motor vehicle is not equipped with a trunk.

(c) The employee of the permittee that conveys the alcoholic beverages to the customer must require the customer to provide proof of age in accordance with IC 7.1-5-10-23.

(d) The parking lot or area where the alcoholic beverages are conveyed to the customer must be:

(1) well lit; and

(2) within clear view of the main entrance to the building of the artisan distillery premises.

SECTION 23. IC 7.1-3-28 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2021]:

Chapter 28. Rye Whiskey

Sec. 1. As used in this chapter, "Indiana rye whiskey" means a liquor that was:

(1) manufactured in Indiana;

(2) produced with a mash bill that is at least fifty-one percent (51%) rye;

(3) distilled to not more than one hundred sixty (160) proof or eighty percent (80%) alcohol by volume;

(4) aged in new, charred white oak barrels;

(5) placed in a barrel at not more than one hundred twenty-five (125) proof or sixty-two and one-half percent (62 1/2%) alcohol by volume;

(6) rested in a rack house for at least two (2) years in Indiana; and

(7) bottled at not less than eighty (80) proof or forty percent (40%) alcohol by volume.

Sec. 2. A person may not advertise, label, sell, or refer for marketing or sales purposes to liquor as:

(1) Indiana rye;

(2) Indiana rye whiskey;

(3) Indiana rye whisky;

(4) Indiana sweet mash rye whiskey;

(5) Indiana sweet mash rye whisky;

(6) Indiana sour mash rye whiskey; or

(7) Indiana sour mash rye whisky;

unless the liquor meets the requirements of Indiana rye whiskey as



set forth in section 1 of this chapter."

Page 5, after line 8, begin a new paragraph and insert:

"SECTION 25. IC 7.1-5-7-13, AS AMENDED BY P.L.270-2017, SECTION 20, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2021]: Sec. 13. (a) Section 12 of this chapter does not prohibit the following:

(1) The employment of a person at least eighteen (18) years of age but less than twenty-one (21) years of age on or about licensed premises where alcoholic beverages are sold, furnished, or given away for consumption either on or off the licensed premises, for a purpose other than:

- (A) selling;
- (B) furnishing, other than serving;
- (C) consuming; or
- (D) otherwise dealing in;

alcoholic beverages.

(2) A person at least nineteen (19) years of age but less than twenty-one (21) years of age from ringing up a sale of alcoholic beverages in the course of the person's employment.

(3) A person who is at least nineteen (19) years of age but less than twenty-one (21) years of age and who has successfully completed an alcohol server training program certified under IC 7.1-3-1.5 from serving alcoholic beverages in a dining area or family room of a restaurant or hotel:

- (A) in the course of a person's employment as a waiter, waitress, or server; and
- (B) under the supervision of a person who:
 - (i) is at least twenty-one (21) years of age;
 - (ii) is present at the restaurant or hotel; and
 - (iii) has successfully completed an alcohol server training program certified under IC 7.1-3-1.5 by the commission.

This subdivision does not allow a person at least nineteen (19) years of age but less than twenty-one (21) years of age to be a bartender.

(4) The employment of a person at least eighteen (18) years of age but less than twenty-one (21) years of age on or about licensed premises where alcoholic beverages are sold, furnished, or given away for consumption either on or off the licensed premises if all the following apply:

- (A) The person is employed as an assistant on a delivery truck.
- (B) The person's duties with respect to alcoholic beverages are limited to handling alcoholic beverages in connection with the



loading, unloading, stowing, or storing of alcoholic beverages that are being delivered or picked up.

(C) The person does not sell, furnish, or deal in alcoholic beverages in any manner except as expressly permitted under clause (B).

(D) The person acts under the supervision of a driver holding a salesman's permit.

(E) The person does not collect money for the delivery or pick up.

(b) This chapter does not prohibit a person less than twenty-one (21) years of age from being on the premises of a brewery under IC 7.1-3-2-7(5), a farm winery, including any additional locations of the farm winery under IC 7.1-3-12-5, or an artisan distillery under ~~IC 7.1-3-27-5~~; **IC 7.1-3-27-8**, if the person is:

(1) the child, stepchild, grandchild, nephew, or niece of an owner of the:

- (A) brewery;
- (B) farm winery; or
- (C) artisan distiller; and

(2) employed on the premises for a purpose other than:

- (A) selling;
- (B) furnishing, other than serving;
- (C) consuming; or
- (D) otherwise dealing in;

alcoholic beverages.

A minor described in this subsection is not required to be accompanied by a parent, legal guardian or custodian, or family member who is at least twenty-one (21) years of age while on the premises of the brewery or farm winery.

SECTION 26. An emergency is declared for this act."

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to SB 175 as printed January 29, 2021.)

SMALTZ

Committee Vote: yeas 10, nays 1.

ES 175—LS 6656/DI 87

