

SENATE BILL No. 281

DIGEST OF INTRODUCED BILL

Citations Affected: IC 7.1-3; IC 7.1-4-4.1; IC 7.1-5-9.

Synopsis: Microbreweries. Changes the amount of the barrels of beer that a microbrewery may manufacture in a calendar year for sale or distribution within Indiana from 30,000 to 60,000. Makes conforming changes to brewery provisions. Requires that, for a brewery to qualify as a microbrewery, the entire brewing process of the beer must occur in Indiana. Makes a technical correction.

Effective: July 1, 2015.

Yoder

January 7, 2015, read first time and referred to Committee on Public Policy.



First Regular Session 119th General Assembly (2015)

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 2014 Regular Session and 2014 Second Regular Technical Session of the General Assembly.

SENATE BILL No. 281

A BILL FOR AN ACT to amend the Indiana Code concerning alcohol and tobacco.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 7.1-3-2-2, AS AMENDED BY P.L.71-2012,
2 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2015]: Sec. 2. (a) The commission may issue a brewer's
4 permit for a brewery that manufactures more than ~~thirty~~ **sixty** thousand
5 ~~(30,000)~~ **(60,000)** barrels of beer in a calendar year for sale or
6 distribution within Indiana. The commission may issue a permit under
7 this subsection only to:
8 (1) an individual;
9 (2) a partnership, all the partners of which are bona fide residents
10 of Indiana;
11 (3) a limited liability company, all the members of which are bona
12 fide residents of Indiana; or
13 (4) a corporation organized and existing under the laws of Indiana
14 and having authority under its charter to manufacture or sell beer.
15 The permit does not limit the number of barrels of beer in a calendar
16 year that the brewer may manufacture for sale or distribution outside



1 Indiana.

2 (b) The commission may issue a brewer's permit to a brewer for a
3 brewery that manufactures not more than ~~thirty six~~ thousand ~~(30,000)~~
4 **(60,000)** barrels of beer in a calendar year for sale or distribution
5 within Indiana. The commission may issue a permit under this
6 subsection only to:

- 7 (1) an individual;
8 (2) a partnership organized and existing under the laws of
9 Indiana;
10 (3) a limited liability company organized and existing under the
11 laws of Indiana; or
12 (4) a corporation organized and existing under the laws of
13 Indiana.

14 The permit does not limit the number of barrels of beer in a calendar
15 year that the brewer may manufacture for sale or distribution outside
16 Indiana.

17 SECTION 2. IC 7.1-3-2-7, AS AMENDED BY P.L.71-2012,
18 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
19 JULY 1, 2015]: Sec. 7. The holder of a brewer's permit or an
20 out-of-state brewer holding either a primary source of supply permit or
21 an out-of-state brewer's permit may do the following:

- 22 (1) Manufacture beer.
23 (2) Place beer in containers or bottles.
24 (3) Transport beer.
25 (4) Sell and deliver beer to a person holding a beer wholesaler's
26 permit issued under IC 7.1-3-3.
27 (5) If the brewer's brewery manufactures not more than ~~thirty~~
28 **sixty thousand (60,000)** barrels of beer in a calendar
29 year for sale or distribution within Indiana **and the entire**
30 **brewing process of that beer occurs in Indiana**, the permit
31 holder may do the following:
32 (A) Sell and deliver beer to a person holding a retailer or a
33 dealer permit under this title.
34 (B) Be the proprietor of a restaurant.
35 (C) Hold a beer retailer's permit, a wine retailer's permit, or a
36 liquor retailer's permit for a restaurant established under clause
37 (B).
38 (D) Transfer beer directly from the brewery to the restaurant
39 by means of:
40 (i) bulk containers; or
41 (ii) a continuous flow system.
42 (E) Install a window between the brewery and an adjacent



- 1 restaurant that allows the public and the permittee to view both
 2 premises.
- 3 (F) Install a doorway or other opening between the brewery
 4 and an adjacent restaurant that provides the public and the
 5 permittee with access to both premises.
- 6 (G) Sell the brewery's beer by the glass for consumption on the
 7 premises. Brewers permitted to sell beer by the glass under
 8 this clause must furnish the minimum food requirements
 9 prescribed by the commission.
- 10 (H) Sell and deliver beer to a consumer at the permit premises
 11 of the brewer or at the residence of the consumer. The delivery
 12 to a consumer may be made only in a quantity at any one (1)
 13 time of not more than one-half (1/2) barrel, but the beer may
 14 be contained in bottles or other permissible containers.
- 15 (I) Sell the brewery's beer as authorized by this section for
 16 carryout on Sunday in a quantity at any one (1) time of not
 17 more than five hundred seventy-six (576) ounces. A brewer's
 18 beer may be sold under this clause at any address for which the
 19 brewer holds a brewer's permit issued under this chapter if the
 20 address is located within the same city boundaries in which the
 21 beer was manufactured.
- 22 (6) If the brewer's brewery manufactures more than ~~thirty sixty~~
 23 thousand (~~30,000~~) **(60,000)** barrels of beer in a calendar year for
 24 sale or distribution within Indiana, the permit holder may own a
 25 portion of the corporate stock of another brewery that:
- 26 (A) is located in the same county as the brewer's brewery;
 27 (B) manufactures less than ~~thirty sixty~~ thousand (~~30,000~~)
 28 **(60,000)** barrels of beer in a calendar year; and
 29 (C) is the proprietor of a restaurant that operates under
 30 subdivision (5).
- 31 (7) Provide complimentary samples of beer that are:
 32 (A) produced by the brewer; and
 33 (B) offered to consumers for consumption on the brewer's
 34 premises.
- 35 (8) Own a portion of the corporate stock of a sports corporation
 36 that:
 37 (A) manages a minor league baseball stadium located in the
 38 same county as the brewer's brewery; and
 39 (B) holds a beer retailer's permit, a wine retailer's permit, or a
 40 liquor retailer's permit for a restaurant located in that stadium.
- 41 (9) For beer described in IC 7.1-1-2-3(a)(4):
 42 (A) may allow transportation to and consumption of the beer



1 on the licensed premises; and
 2 (B) may not sell, offer to sell, or allow sale of the beer on the
 3 licensed premises.

4 SECTION 3. IC 7.1-3-22-1, AS AMENDED BY P.L.71-2012,
 5 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 6 JULY 1, 2015]: Sec. 1. (a) This section applies to a brewer that
 7 manufactures more than ~~thirty six~~ **thirty six** thousand ~~(30,000)~~ **(60,000)** barrels
 8 of beer in a calendar year for sale or distribution within Indiana.

9 (b) The commission may issue and have outstanding only one (1)
 10 brewer's permit for each unit of population of this state of one hundred
 11 and seventy-five thousand (175,000) or major fraction thereof. The
 12 commission, however, shall not issue more than four (4) brewer's
 13 permits in the same congressional district.

14 SECTION 4. IC 7.1-3-23-23, AS AMENDED BY P.L.71-2012,
 15 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 16 JULY 1, 2015]: Sec. 23. (a) This section applies to a brewer that
 17 manufactures more than ~~thirty six~~ **thirty six** thousand ~~(30,000)~~ **(60,000)** barrels
 18 of beer in a calendar year for sale or distribution within Indiana.

19 (b) The commission shall revoke the permit of a brewer or beer
 20 wholesaler who holds an interest in another permit in violation of
 21 IC 7.1-5-9-3.

22 SECTION 5. IC 7.1-4-4.1-14, AS AMENDED BY P.L.71-2012,
 23 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 24 JULY 1, 2015]: Sec. 14. (a) This section applies to the following
 25 permits:

26 (1) Brewer's permit for the manufacture of more than ~~thirty six~~ **thirty six**
 27 thousand ~~(30,000)~~ **(60,000)** barrels of beer in a calendar year for
 28 sale or distribution within Indiana.

29 (2) Distiller's permit.

30 (3) Malt manufacturer's permit.

31 (4) Rectifier's permit.

32 (5) Vintner's permit.

33 (6) Wine bottler's permit.

34 (b) A permit fee of two thousand dollars (\$2,000) is annually
 35 imposed for the issuance of each permit described in subsection (a).

36 SECTION 6. IC 7.1-4-4.1-16, AS AMENDED BY P.L.71-2012,
 37 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 38 JULY 1, 2015]: Sec. 16. The annual fee for a brewer's permit for the
 39 manufacture of not more than ~~thirty six~~ **thirty six** thousand ~~(30,000)~~ **(60,000)**
 40 barrels of beer in a calendar year for sale or distribution within Indiana
 41 is five hundred dollars (\$500).

42 SECTION 7. IC 7.1-5-9-3, AS AMENDED BY P.L.159-2014,



1 SECTION 58, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
2 JULY 1, 2015]: Sec. 3. (a) This section applies to a brewer that
3 manufactures more than ~~thirty six~~ **thirty six** thousand (~~30,000~~) (**60,000**) barrels
4 of beer in a calendar year for sale or distribution within Indiana.

5 (b) It is unlawful for the holder of a brewer's or beer wholesaler's
6 permit to have an interest in a liquor permit of any type under this title.

7 (c) A person who knowingly or intentionally violates this section
8 commits a Class B misdemeanor.

9 SECTION 8. IC 7.1-5-9-10, AS AMENDED BY THE TECHNICAL
10 CORRECTIONS BILL OF THE 2015 GENERAL ASSEMBLY, IS
11 AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]:
12 Sec. 10. (a) Except as provided in subsection (b), it is unlawful for a
13 holder of a retailer's permit of any type to acquire, hold, own, or
14 possess an interest of any type in a manufacturer's or wholesaler's
15 permit of any type.

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

18 (1) a brewer's permit for a brewery that manufactures not more
19 than ~~thirty six~~ **thirty six** thousand (~~30,000~~) (**60,000**) barrels of beer in a
20 calendar year for sale or distribution within Indiana; and

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

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

