



April 5, 2019

ENGROSSED SENATE BILL No. 609

DIGEST OF SB 609 (Updated April 3, 2019 5:33 pm - DI 107)

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

Synopsis: Alcohol matters. Provides that a farm winery permit holder or an artisan distiller's permit holder may: (1) be the proprietor of a restaurant; (2) transfer wine or liquor from the farm winery or artisan distillery to the restaurant; (3) have a window between the farm winery or artisan distillery and the restaurant; and (4) have a doorway or other opening between the farm winery or artisan distillery and the restaurant. Provides that a minor maybe on the premises of a brewery under certain circumstances. Provides that it is lawful for the holder of a retailer's permit of any type to acquire, hold, own, or possess an interest of any type in an artisan distiller's permit and a farm winery permit.

Effective: Upon passage.

Grooms, Garten, Randolph Lonnie M, Buck

(HOUSE SPONSORS — CLERE, ENGLEMAN, FLEMING, LEHMAN)

January 15, 2019, read first time and referred to Committee on Public Policy.
February 14, 2019, amended, reported favorably — Do Pass.
February 19, 2019, read second time, ordered engrossed. Engrossed.
February 21, 2019, read third time, passed. Yeas 43, nays 6.

HOUSE ACTION

March 7, 2019, read first time and referred to Committee on Public Policy.
April 4, 2019, amended, reported — Do Pass.

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April 5, 2019

First Regular Session of the 121st General Assembly (2019)

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 2018 Regular and Special Session of the General Assembly.

ENGROSSED SENATE BILL No. 609

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

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

1 SECTION 1. IC 7.1-3-12-5, AS AMENDED BY P.L.270-2017,
2 SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 UPON PASSAGE]: Sec. 5. (a) The holder of a farm winery permit:
4 (1) is entitled to manufacture wine and to bottle wine produced by
5 the permit holder's farm winery;
6 (2) is entitled to serve complimentary samples of the winery's
7 wine on the licensed premises or an outside area that is
8 contiguous to the licensed premises, as approved by the
9 commission if each employee who serves wine on the licensed
10 premises:
11 (A) holds an employee's permit under IC 7.1-3-18-9; and
12 (B) completes a server training program approved by the
13 commission;
14 (3) is entitled to sell the winery's wine on the licensed premises to
15 consumers either by the glass, or by the bottle, or both;

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- 1 (4) is entitled to sell the winery's wine to consumers by the bottle
 2 at a farmers' market that is operated on a nonprofit basis;
 3 (5) is entitled to sell wine by the bottle or by the case to a person
 4 who is the holder of a permit to sell wine at wholesale;
 5 (6) is exempt from the provisions of IC 7.1-3-14;
 6 (7) is entitled to advertise the name and address of any retailer or
 7 dealer who sells wine produced by the permit holder's winery;
 8 (8) for wine described in IC 7.1-1-2-3(a)(4):
 9 (A) may allow transportation to and consumption of the wine
 10 on the licensed premises; and
 11 (B) may not sell, offer to sell, or allow the sale of the wine on
 12 the licensed premises;
 13 (9) is entitled to purchase and sell bulk wine as set forth in this
 14 chapter;
 15 (10) is entitled to sell wine as authorized by this section for
 16 carryout on Sunday; ~~and~~
 17 (11) is entitled to sell and ship the farm winery's wine to a person
 18 located in another state in accordance with the laws of the other
 19 state; **and**
 20 **(12) is entitled to be the proprietor of a restaurant and**
 21 **conduct activities under IC 7.1-3-29-2.**
 22 (b) With the approval of the commission, a holder of a permit under
 23 this chapter may conduct business at not more than three (3) additional
 24 locations that are separate from the winery. At the additional locations,
 25 the holder of a permit may conduct any business that is authorized at
 26 the first location, except for the manufacturing or bottling of wine.
 27 (c) With the approval of the commission, a holder of a permit under
 28 this chapter may:
 29 (1) individually; or
 30 (2) with other permit holders under this chapter, holders of artisan
 31 distiller's permits, holders of brewer's permits issued under
 32 IC 7.1-3-2-2(b), or any combination of holders described in this
 33 subdivision;
 34 participate in a trade show or an exposition at which products of each
 35 permit holder participant are displayed, promoted, and sold. All of the
 36 permit holders may occupy the same tent, structure, or building. The
 37 commission may not grant approval under this subsection to a holder
 38 of a permit under this chapter for more than forty-five (45) days in a
 39 calendar year.
 40 SECTION 2. IC 7.1-3-27-6, AS AMENDED BY P.L.79-2015,
 41 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 42 UPON PASSAGE]: Sec. 6. (a) A holder of an artisan distiller's permit



1 may also hold one (1) of the following:

- 2 (1) A farm winery permit.
 3 (2) A brewer's permit issued under IC 7.1-3-2-2(b).
 4 (3) A distiller's permit under IC 7.1-3-7.

5 (b) A holder of an artisan distiller's permit who also holds a permit
 6 described under subsection (a)(2) may hold a beer retailer's permit, a
 7 wine retailer's permit, or a liquor retailer's permit for a restaurant as
 8 described in IC 7.1-3-2-7(5)(C) **or IC 7.1-3-29.**

9 SECTION 3. IC 7.1-3-27-8, AS AMENDED BY P.L.270-2017,
 10 SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 11 UPON PASSAGE]: Sec. 8. (a) The holder of an artisan distiller's
 12 permit may do only the following:

- 13 (1) Manufacture liquor, including blending liquor purchased from
 14 another manufacturer with liquor the artisan distiller
 15 manufactures under section 11 of this chapter.
 16 (2) Bottle liquor manufactured by the artisan distiller.
 17 (3) Store liquor manufactured by the artisan distiller, including at
 18 a facility within ten (10) miles of the artisan distiller's distillery.
 19 (4) Transport, sell, and deliver liquor manufactured by the artisan
 20 distiller to:
 21 (A) places outside Indiana; or
 22 (B) the holder of a liquor wholesaler's permit under IC 7.1-3-8.
 23 (5) Sell liquor manufactured by the artisan distiller to consumers
 24 by the drink, bottle, or case from the premises of the distillery
 25 where the liquor was manufactured.
 26 (6) Serve complimentary samples of the liquor manufactured by
 27 the artisan distiller to consumers on the premises of the distillery
 28 where the liquor was manufactured.
 29 (7) Sell liquor as authorized by this section for carryout on
 30 Sunday in a quantity at any one (1) time of not more than four and
 31 five-tenths (4.5) liters.
 32 (8) With the approval of the commission, participate:
 33 (A) individually; or
 34 (B) with other permit holders under this chapter, holders of
 35 farm winery permits, holders of brewer's permits issued under
 36 IC 7.1-3-2-2(b), or any combination of holders described in
 37 this clause;
 38 in a trade show or an exposition at which products of each permit
 39 holder participant are displayed, promoted, and sold. All of the
 40 permit holders may occupy the same tent, structure, or building.
 41 The commission may not grant to a holder of a permit under this
 42 chapter approval under this subdivision to participate in a trade



- 1 show or exposition for more than forty-five (45) days in a
 2 calendar year.
- 3 **(9) Be the proprietor of a restaurant and conduct activities**
 4 **listed in IC 7.1-3-29-2.**
- 5 (b) The holder of an artisan distiller's permit who provides samples
 6 or sells liquor by the glass must furnish the minimum food
 7 requirements prescribed by the commission.
- 8 (c) A storage facility used by an artisan distiller under subsection
 9 (a)(3):
- 10 (1) must conform with federal laws, rules, and regulations; and
 11 (2) must not be used for any purposes except for the storage of
 12 liquor.
- 13 (d) An artisan distiller who knowingly or intentionally violates this
 14 section commits a Class B misdemeanor.
- 15 SECTION 4. IC 7.1-3-29 IS ADDED TO THE INDIANA CODE
 16 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
 17 UPON PASSAGE]:
- 18 **Chapter 29. Restaurants Owned by Farm Winery and Artisan**
 19 **Distiller's Permit Holders**
- 20 **Sec. 1. (a) This chapter applies to the holder of:**
- 21 **(1) a farm winery permit;**
 22 **(2) an artisan distiller's permit; or**
 23 **(3) a combination of the permits described in subdivisions (1)**
 24 **and (2).**
- 25 **(b) A permit holder described in subsection (a) may also hold a**
 26 **beer retailer's permit, a wine retailer's permit, or a liquor**
 27 **retailer's permit.**
- 28 **Sec. 2. The holder of a permit described in section 1(a) of this**
 29 **chapter may do the following:**
- 30 **(1) Be the proprietor of a restaurant.**
 31 **(2) Transfer wine or liquor directly from the farm winery or**
 32 **the artisan distillery to the restaurant by means of:**
- 33 **(A) bottles;**
 34 **(B) bulk containers; or**
 35 **(C) a continuous flow system.**
- 36 **(3) Install a window between the farm winery or the artisan**
 37 **distillery and an adjacent restaurant that allows the public**
 38 **and the holder of the permit to view both premises.**
- 39 **(4) Install a doorway or other opening between the farm**
 40 **winery or the artisan distillery and an adjacent restaurant**
 41 **that provides the public and the holder of the permit with**
 42 **access to both premises.**



1 SECTION 5. IC 7.1-5-7-11, AS AMENDED BY P.L.270-2017,
 2 SECTION 19, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 3 UPON PASSAGE]: Sec. 11. (a) The provisions of sections 9 and 10 of
 4 this chapter shall not apply if the public place involved is one (1) of the
 5 following:

- 6 (1) Civic center.
- 7 (2) Convention center.
- 8 (3) Sports arena.
- 9 (4) Bowling center.
- 10 (5) Bona fide club.
- 11 (6) Drug store.
- 12 (7) Grocery store.
- 13 (8) Boat.
- 14 (9) Dining car.
- 15 (10) Pullman car.
- 16 (11) Club car.
- 17 (12) Passenger airplane.
- 18 (13) Horse racetrack facility holding a recognized meeting permit
 19 under IC 4-31-5.
- 20 (14) Satellite facility (as defined in IC 4-31-2-20.5).
- 21 (15) Catering hall under IC 7.1-3-20-24 that is not open to the
 22 public.
- 23 (16) That part of a restaurant which is separate from a room in
 24 which is located a bar over which alcoholic beverages are sold or
 25 dispensed by the drink.
- 26 (17) Entertainment complex.
- 27 (18) Indoor golf facility.
- 28 (19) A recreational facility such as a golf course, bowling center,
 29 or similar facility that has the recreational activity and not the sale
 30 of food and beverages as the principal purpose or function of the
 31 person's business.
- 32 (20) A licensed premises owned or operated by a postsecondary
 33 educational institution described in IC 21-17-6-1.
- 34 (21) An automobile racetrack.
- 35 (22) An indoor theater under IC 7.1-3-20-26.
- 36 (23) A senior residence facility campus (as defined in
 37 IC 7.1-3-1-29(c)) at which alcoholic beverages are given or
 38 furnished as provided under IC 7.1-3-1-29.
- 39 (24) A hotel other than a part of a hotel that is a room in a
 40 restaurant in which a bar is located over which alcoholic
 41 beverages are sold or dispensed by the drink.
- 42 (25) The location of an allowable event to which IC 7.1-3-6.1



- 1 applies.
 2 (26) The location of a charity auction to which IC 7.1-3-6.2
 3 applies.
 4 (27) A farm winery and any additional locations of the farm
 5 winery under IC 7.1-3-12, if the minor is in the company of a
 6 parent, legal guardian or custodian, or family member who is at
 7 least twenty-one (21) years of age.
 8 (28) An artisan distillery under IC 7.1-3-27, if:
 9 (A) the person who holds the artisan distiller's permit also
 10 holds a farm winery permit under IC 7.1-3-12; and
 11 (B) the minor is in the company of a parent, legal guardian or
 12 custodian, or family member who is at least twenty-one (21)
 13 years of age.
 14 **(29) A brewery under IC 7.1-3-2-7(5) if the minor is in the**
 15 **company of a parent, legal guardian, custodian, or family**
 16 **member who is at least twenty-one (21) years of age and the**
 17 **minor is accompanied by the adult in any area that the adult**
 18 **may be present:**
 19 (A) that is within the brewery premises, including a tasting
 20 room; and
 21 (B) whether or not the area:
 22 (i) is separated in any manner from where the beer is
 23 manufactured, sold, or consumed within the brewery
 24 premises; or
 25 (ii) operates under a retailer's permit.
 26 (b) For the purpose of this subsection, "food" means meals prepared
 27 on the licensed premises. It is lawful for a minor to be on licensed
 28 premises in a room in which is located a bar over which alcoholic
 29 beverages are sold or dispensed by the drink if all the following
 30 conditions are met:
 31 (1) The minor is eighteen (18) years of age or older.
 32 (2) The minor is in the company of a parent, guardian, or family
 33 member who is twenty-one (21) years of age or older.
 34 (3) The purpose for being on the licensed premises is the
 35 consumption of food and not the consumption of alcoholic
 36 beverages.
 37 SECTION 6. IC 7.1-5-9-6, AS AMENDED BY P.L.79-2015,
 38 SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 39 UPON PASSAGE]: Sec. 6. (a) It is unlawful for the holder of a
 40 distiller's, rectifier's, or liquor wholesaler's permit to have an interest in
 41 a beer permit of any type under this title. This section does not apply
 42 to the holder of an artisan distiller's permit that has an interest in a



1 brewer's permit issued under IC 7.1-3-2-2(b) **or a farm winery permit**
 2 **issued under IC 7.1-3-12-3.**

3 (b) A person who knowingly or intentionally violates this section
 4 commits a Class B misdemeanor.

5 SECTION 7. IC 7.1-5-9-10, AS AMENDED BY P.L.79-2015,
 6 SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 7 UPON PASSAGE]: Sec. 10. (a) Except as provided in subsection (b),
 8 it is unlawful for a holder of a retailer's permit of any type to acquire,
 9 hold, own, or possess an interest of any type in a manufacturer's or
 10 wholesaler's permit of any type.

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

13 (1) a brewer's permit issued under IC 7.1-3-2-2(b); **and**

14 (2) an artisan distiller's permit; ~~if the holder of the retailer's permit~~
 15 ~~also holds a brewer's permit described in subdivision (1); and~~

16 **(3) a farm winery permit issued under IC 7.1-3-12-3.**

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

19 SECTION 8. **An emergency is declared for this act.**



COMMITTEE REPORT

Madam President: The Senate Committee on Public Policy, to which was referred Senate Bill No. 609, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 1, delete lines 1 through 15.

Delete page 2.

Page 3, delete lines 1 through 39.

Page 4, delete lines 11 through 42, begin a new line block indented and insert:

"(3) is entitled to sell the winery's wine on the licensed premises to consumers either by the glass, or by the bottle, or both;

(4) 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) is entitled to sell wine by the bottle or by the case to a person who is the holder of a permit to sell wine at wholesale;

(6) is exempt from the provisions of IC 7.1-3-14;

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

(8) 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) is entitled to purchase and sell bulk wine as set forth in this chapter;

(10) is entitled to sell wine as authorized by this section for carryout on Sunday; ~~and~~

(11) 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; ~~and~~

(12) is entitled to be the proprietor of a restaurant and conduct activities under IC 7.1-3-29-2."

Page 5, delete lines 1 through 10.

Page 5, delete lines 29 through 42.

Delete pages 6 through 8.

Page 9, delete lines 1 through 29.

Page 10, delete lines 24 through 37.

Page 10, line 38, delete "(11)" and insert "(9)".

Page 11, delete lines 8 through 42.

Delete pages 12 through 13.



Page 14, delete lines 1 through 40.
 Page 15, delete lines 27 through 42.
 Delete pages 16 through 21.
 Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to SB 609 as introduced.)

ALTING, Chairperson

Committee Vote: Yeas 8, Nays 0.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Public Policy, to which was referred Senate Bill 609, 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:

Replace the effective dates in SECTIONS 1 through 3 with "[EFFECTIVE UPON PASSAGE]".

Page 2, between lines 39 and 40, begin a new paragraph and insert: "SECTION 2. IC 7.1-3-27-6, AS AMENDED BY P.L.79-2015, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6. (a) A holder of an artisan distiller's permit may also hold one (1) of the following:

- (1) A farm winery permit.
- (2) A brewer's permit issued under IC 7.1-3-2-2(b).
- (3) A distiller's permit under IC 7.1-3-7.

(b) A holder of an artisan distiller's permit who also holds a permit described under subsection (a)(2) may hold a beer retailer's permit, a wine retailer's permit, or a liquor retailer's permit for a restaurant as described in IC 7.1-3-2-7(5)(C) **or IC 7.1-3-29**."

Page 4, line 15, delete "permit." and insert "**permit, a wine retailer's permit, or a liquor retailer's permit**."

Page 4, line 19, delete "winery, the" and insert "**farm winery**".

Page 4, line 20, delete "distillery,".

Page 4, line 25, delete "winery, the distillery," and insert "**farm winery**".

Page 4, line 28, delete "winery," and insert "**farm winery**".

Page 4, line 29, delete "the distillery,".

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Page 4, after line 31, begin a new paragraph and insert:

"SECTION 5. IC 7.1-5-7-11, AS AMENDED BY P.L.270-2017, SECTION 19, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 11. (a) The provisions of sections 9 and 10 of this chapter shall not apply if the public place involved is one (1) of the following:

- (1) Civic center.
- (2) Convention center.
- (3) Sports arena.
- (4) Bowling center.
- (5) Bona fide club.
- (6) Drug store.
- (7) Grocery store.
- (8) Boat.
- (9) Dining car.
- (10) Pullman car.
- (11) Club car.
- (12) Passenger airplane.
- (13) Horse racetrack facility holding a recognized meeting permit under IC 4-31-5.
- (14) Satellite facility (as defined in IC 4-31-2-20.5).
- (15) Catering hall under IC 7.1-3-20-24 that is not open to the public.
- (16) That part of a restaurant which is separate from a room in which is located a bar over which alcoholic beverages are sold or dispensed by the drink.
- (17) Entertainment complex.
- (18) Indoor golf facility.
- (19) A recreational facility such as a golf course, bowling center, or similar facility that has the recreational activity and not the sale of food and beverages as the principal purpose or function of the person's business.
- (20) A licensed premises owned or operated by a postsecondary educational institution described in IC 21-17-6-1.
- (21) An automobile racetrack.
- (22) An indoor theater under IC 7.1-3-20-26.
- (23) A senior residence facility campus (as defined in IC 7.1-3-1-29(c)) at which alcoholic beverages are given or furnished as provided under IC 7.1-3-1-29.
- (24) A hotel other than a part of a hotel that is a room in a restaurant in which a bar is located over which alcoholic beverages are sold or dispensed by the drink.



(25) The location of an allowable event to which IC 7.1-3-6.1 applies.

(26) The location of a charity auction to which IC 7.1-3-6.2 applies.

(27) A farm winery and any additional locations of the farm winery under IC 7.1-3-12, if the minor is in the company of a parent, legal guardian or custodian, or family member who is at least twenty-one (21) years of age.

(28) An artisan distillery under IC 7.1-3-27, if:

(A) the person who holds the artisan distiller's permit also holds a farm winery permit under IC 7.1-3-12; and

(B) the minor is in the company of a parent, legal guardian or custodian, or family member who is at least twenty-one (21) years of age.

(29) A brewery under IC 7.1-3-2-7(5) if the minor is in the company of a parent, legal guardian, custodian, or family member who is at least twenty-one (21) years of age and the minor is accompanied by the adult in any area that the adult may be present:

(A) that is within the brewery premises, including a tasting room; and

(B) whether or not the area:

(i) is separated in any manner from where the beer is manufactured, sold, or consumed within the brewery premises; or

(ii) operates under a retailer's permit.

(b) For the purpose of this subsection, "food" means meals prepared on the licensed premises. It is lawful for a minor to be on licensed premises in a room in which is located a bar over which alcoholic beverages are sold or dispensed by the drink if all the following conditions are met:

(1) The minor is eighteen (18) years of age or older.

(2) The minor is in the company of a parent, guardian, or family member who is twenty-one (21) years of age or older.

(3) The purpose for being on the licensed premises is the consumption of food and not the consumption of alcoholic beverages.

SECTION 6. IC 7.1-5-9-6, AS AMENDED BY P.L.79-2015, SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6. (a) It is unlawful for the holder of a distiller's, rectifier's, or liquor wholesaler's permit to have an interest in a beer permit of any type under this title. This section does not apply



to the holder of an artisan distiller's permit that has an interest in a brewer's permit issued under IC 7.1-3-2-2(b) **or a farm winery permit issued under IC 7.1-3-12-3.**

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

SECTION 7. IC 7.1-5-9-10, AS AMENDED BY P.L.79-2015, SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 10. (a) Except as provided in subsection (b), it is unlawful for a holder of a retailer's permit of any type to acquire, hold, own, or possess an interest of any type in a manufacturer's or wholesaler's permit of any type.

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

- (1) a brewer's permit issued under IC 7.1-3-2-2(b); **and**
- (2) an artisan distiller's permit; ~~if the holder of the retailer's permit also holds a brewer's permit described in subdivision (1);~~ **and**
- (3) a farm winery permit issued under IC 7.1-3-12-3.**

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

SECTION 8. **An emergency is declared for this act."**

Re-number all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to SB 609 as printed February 15, 2019.)

SMALTZ

Committee Vote: yeas 10, nays 1.

