



Reprinted
April 11, 2019

ENGROSSED SENATE BILL No. 609

DIGEST OF SB 609 (Updated April 10, 2019 6:40 pm - DI 107)

Citations Affected: IC 7.1-1; IC 7.1-3; IC 7.1-4; IC 7.1-5; IC 35-52.

Synopsis: Alcohol matters. Adds definitions of "bottle" and "bulk". 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 brewer's permit holder, a farm winery permit holder, or an artisan distiller's permit holder may be the proprietor of a restaurant that is not subject
(Continued next page)

Effective: Upon passage; July 1, 2019.

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.
April 10, 2019, read second time, amended, ordered engrossed.

ES 609—LS 7536/DI 107



Digest Continued

to certain food sales requirements. Provides that a minor maybe on the premises of a brewery, an artisan distillery's restaurant, and a farm winery's restaurant, under certain circumstances. Provides that the holder of an artisan distiller's permit may hold more than one of the following permits: (1) a farm winery permit; (2) a brewer's permit; and (3) a distiller's permit. 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. Creates a wine wholesaler's permit for applicants who sell less than 12,000 gallons of wine or wine and brandy at wholesale in a year. Removes distillers and rectifiers from the entities that cannot have an interest in a beer permit. Repeals language that prohibited the holder of an artisan distiller's permit, a distiller's permit, or a rectifier's permit from owning or possessing a permit to sell liquor at wholesale. Repeals the crime prohibiting artisan distillers, distillers, and rectifiers from owning shares of stock of a corporation that holds an Indiana permit to sell alcoholic beverages at retail. Provides that it is lawful for a holder of a retailer's permit to own or possess an interest in a distiller's permit or a farm winery permit. Provides that the restaurant carryout sales statute does not apply to a restaurant whose proprietor holds an artisan distiller's permit or farm winery permit.

ES 609—LS 7536/DI 107



Reprinted
April 11, 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 7.1-1-3-7.3 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE
3 UPON PASSAGE]: **Sec. 7.3. "Bottle" has the meaning set forth in**
4 **27 CFR 4.71.**
- 5 SECTION 2. IC 7.1-1-3-7.7 IS ADDED TO THE INDIANA CODE
6 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE
7 UPON PASSAGE]: **Sec. 7.7. "Bulk", for purposes of IC 7.1-3-12,**
8 **means a container of over sixty (60) liters.**
- 9 SECTION 3. IC 7.1-3-2-7, AS AMENDED BY P.L.270-2017,
10 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
11 JULY 1, 2019]: Sec. 7. The holder of a brewer's permit or an
12 out-of-state brewer holding either a primary source of supply permit or
13 an out-of-state brewer's permit may do the following:
14 (1) Manufacture beer.
15 (2) Place beer in containers or bottles.

ES 609—LS 7536/DI 107



- 1 (3) Transport beer.
- 2 (4) Sell and deliver beer to a person holding a beer wholesaler's
- 3 permit issued under IC 7.1-3-3.
- 4 (5) If the brewer manufactures, at all of the brewer's breweries
- 5 located in Indiana, an aggregate of not more than ninety thousand
- 6 (90,000) barrels of beer in a calendar year for sale or distribution
- 7 within Indiana, the permit holder may do the following:
- 8 (A) Sell and deliver a total of not more than thirty thousand
- 9 (30,000) barrels of beer in a calendar year to a person holding
- 10 a retailer or a dealer permit under this title. The total number
- 11 of barrels of beer that the permit holder may sell and deliver
- 12 under this clause in a calendar year may not exceed thirty
- 13 thousand (30,000) barrels of beer.
- 14 (B) Be the proprietor of a restaurant **that is not subject to the**
- 15 **minimum gross food sales or the minimum projected food**
- 16 **sales set forth in 905 IAC 1-41-2.**
- 17 (C) Hold a beer retailer's permit, a wine retailer's permit, or a
- 18 liquor retailer's permit for a restaurant established under clause
- 19 (B)
- 20 (D) Transfer beer directly from the brewery to the restaurant
- 21 by means of:
- 22 (i) bulk containers; or
- 23 (ii) a continuous flow system.
- 24 (E) Install a window between the brewery and an adjacent
- 25 restaurant that allows the public and the permittee to view both
- 26 premises.
- 27 (F) Install a doorway or other opening between the brewery
- 28 and an adjacent restaurant that provides the public and the
- 29 permittee with access to both premises.
- 30 (G) Sell the brewery's beer by the glass for consumption on the
- 31 premises. Brewers permitted to sell beer by the glass under
- 32 this clause must make food available for consumption on the
- 33 premises. A brewer may comply with the requirements of this
- 34 clause by doing any of the following:
- 35 (i) Allowing a vehicle of transportation that is a food
- 36 establishment (as defined in IC 16-18-2-137) to serve food
- 37 near the brewer's licensed premises.
- 38 (ii) Placing menus in the brewer's premises of restaurants
- 39 that will deliver food to the brewery.
- 40 (iii) Providing food prepared at the brewery.
- 41 (H) Sell and deliver beer to a consumer at the permit premises
- 42 of the brewer or at the residence of the consumer. The delivery



- 1 to a consumer may be made only in a quantity at any one (1)
 2 time of not more than one-half (1/2) barrel, but the beer may
 3 be contained in bottles or other permissible containers.
- 4 (I) Sell the brewery's beer as authorized by this section for
 5 carryout on Sunday in a quantity at any one (1) time of not
 6 more than five hundred seventy-six (576) ounces. A brewer's
 7 beer may be sold under this clause at any address for which the
 8 brewer holds a brewer's permit issued under this chapter if the
 9 address is located within the same city boundaries in which the
 10 beer was manufactured.
- 11 (J) With the approval of the commission, participate:
 12 (i) individually; or
 13 (ii) with other permit holders under this chapter, holders of
 14 artisan distiller's permits, holders of farm winery permits, or
 15 any combination of holders described in this item;
 16 in a trade show or an exposition at which products of each
 17 permit holder participant are displayed, promoted, and sold.
 18 All of the permit holders may occupy the same tent, structure,
 19 or building. The commission may not grant to a holder of a
 20 permit under this chapter approval under this clause to
 21 participate in a trade show or exposition for more than
 22 forty-five (45) days in a calendar year.
- 23 (K) Store or condition beer in a secure building that is:
 24 (i) separate from the brewery; and
 25 (ii) owned or leased by the permit holder.
- 26 A brewer may not sell or transfer beer directly to a permittee
 27 or consumer from a building described in this clause.
- 28 (6) If the brewer's brewery manufactures more than ninety
 29 thousand (90,000) barrels of beer in a calendar year for sale or
 30 distribution within Indiana, the permit holder may own a portion
 31 of the corporate stock of another brewery that:
 32 (A) is located in the same county as the brewer's brewery;
 33 (B) manufactures less than ninety thousand (90,000) barrels of
 34 beer in a calendar year; and
 35 (C) is the proprietor of a restaurant that operates under
 36 subdivision (5).
- 37 (7) Provide complimentary samples of beer that are:
 38 (A) produced by the brewer; and
 39 (B) offered to consumers for consumption on the brewer's
 40 premises.
- 41 (8) Own a portion of the corporate stock of a sports corporation
 42 that:



- 1 (A) manages a minor league baseball stadium located in the
 2 same county as the brewer's brewery; and
 3 (B) holds a beer retailer's permit, a wine retailer's permit, or a
 4 liquor retailer's permit for a restaurant located in that stadium.
 5 (9) For beer described in IC 7.1-1-2-3(a)(4):
 6 (A) may allow transportation to and consumption of the beer
 7 on the licensed premises; and
 8 (B) may not sell, offer to sell, or allow sale of the beer on the
 9 licensed premises.

10 SECTION 4. IC 7.1-3-7-3 IS AMENDED TO READ AS
 11 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. ~~Scope of Permit.~~
 12 The holder of a distiller's permit shall be entitled to manufacture liquor,
 13 to rectify it, and to bottle it. A distiller shall enjoy all the privileges
 14 accorded the holder of a rectifier's permit, but ~~he~~ shall not have to
 15 obtain a separate rectifier's permit nor pay an additional fee. A distiller
 16 shall be entitled to transport liquor and to sell and deliver it in
 17 shipments to points outside this state, or to the holder of a liquor
 18 wholesaler's permit, or to the holder of a rectifier's permit. A distiller
 19 may not sell liquor **produced under a distiller's permit as issued**
 20 **under IC 7.1-3-7-1** to a consumer, nor to a person for the purpose of
 21 having it retailed by ~~him~~; **the person**, whether that person holds a
 22 liquor retailer's permit under this title or not.

23 SECTION 5. IC 7.1-3-12-5, AS AMENDED BY P.L.270-2017,
 24 SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 25 UPON PASSAGE]: Sec. 5. (a) The holder of a farm winery permit:

- 26 (1) is entitled to manufacture wine and to bottle wine produced by
 27 the permit holder's farm winery;
 28 (2) is entitled to serve complimentary samples of the winery's
 29 wine on the licensed premises or an outside area that is
 30 contiguous to the licensed premises, as approved by the
 31 commission if each employee who serves wine on the licensed
 32 premises:
 33 (A) holds an employee's permit under IC 7.1-3-18-9; and
 34 (B) completes a server training program approved by the
 35 commission;
 36 (3) is entitled to sell the winery's wine on the licensed premises to
 37 consumers either by the glass, or by the bottle, or both;
 38 (4) is entitled to sell the winery's wine to consumers by the bottle
 39 at a farmers' market that is operated on a nonprofit basis;
 40 (5) is entitled to sell wine by the bottle or by the case to a person
 41 who is the holder of a permit to sell wine at wholesale;
 42 (6) is exempt from the provisions of IC 7.1-3-14;



- 1 (7) is entitled to advertise the name and address of any retailer or
 2 dealer who sells wine produced by the permit holder's winery;
 3 (8) for wine described in IC 7.1-1-2-3(a)(4):
 4 (A) may allow transportation to and consumption of the wine
 5 on the licensed premises; and
 6 (B) may not sell, offer to sell, or allow the sale of the wine on
 7 the licensed premises;
 8 (9) is entitled to purchase and sell bulk wine as set forth in this
 9 chapter;
 10 (10) is entitled to sell wine as authorized by this section for
 11 carryout on Sunday; ~~and~~
 12 (11) is entitled to sell and ship the farm winery's wine to a person
 13 located in another state in accordance with the laws of the other
 14 state; **and**
 15 **(12) is entitled to be the proprietor of a restaurant that is not**
 16 **subject to the minimum gross food sales or the minimum**
 17 **projected food sales set forth in 905 IAC 1-41-2 and conduct**
 18 **the following activities:**
 19 **(A) Hold a beer retailer's permit, a wine retailer's permit,**
 20 **or a liquor retailer's permit for a restaurant.**
 21 **(B) Transfer wine directly from the farm winery to a**
 22 **restaurant that the farm winery has an interest in by**
 23 **means of:**
 24 **(i) bottles;**
 25 **(ii) bulk containers; or**
 26 **(iii) a continuous flow system.**
 27 **(C) Install a window between the farm winery and an**
 28 **adjacent restaurant that allows the public and the holder**
 29 **of the permit to view both premises.**
 30 **(D) Install a doorway or other opening between the farm**
 31 **winery and an adjacent restaurant that provides the public**
 32 **and the holder of the permit with access to both the farm**
 33 **winery and restaurant.**
 34 (b) With the approval of the commission, a holder of a permit under
 35 this chapter may conduct business at not more than three (3) additional
 36 locations that are separate from the winery. At the additional locations,
 37 the holder of a permit may conduct any business that is authorized at
 38 the first location, except for the manufacturing or bottling of wine.
 39 (c) With the approval of the commission, a holder of a permit under
 40 this chapter may:
 41 (1) individually; or
 42 (2) with other permit holders under this chapter, holders of artisan



1 distiller's permits, holders of brewer's permits issued under
 2 IC 7.1-3-2-2(b), or any combination of holders described in this
 3 subdivision;
 4 participate in a trade show or an exposition at which products of each
 5 permit holder participant are displayed, promoted, and sold. All of the
 6 permit holders may occupy the same tent, structure, or building. The
 7 commission may not grant approval under this subsection to a holder
 8 of a permit under this chapter for more than forty-five (45) days in a
 9 calendar year.

10 SECTION 6. IC 7.1-3-13-1 IS AMENDED TO READ AS
 11 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. (a) **Except as**
 12 **provided in section 1.5 of this chapter**, the commission may issue a
 13 wine wholesaler's permit to sell wine, or wine and brandy, at wholesale
 14 to a person who:

15 (1) notwithstanding IC 7.1-5-9-4, holds a beer wholesaler's
 16 permit;
 17 (2) holds a liquor wholesaler's permit; or
 18 (3) does not hold an alcoholic beverage wholesaler's permit, but
 19 meets the qualifications to hold either a beer or a liquor
 20 wholesaler's permit.

21 (b) The holder of a wine wholesaler's permit under subsection (a)(1)
 22 or (a)(2):

23 (1) is considered the same as a person who holds a wine
 24 wholesaler's permit under subsection (a)(3) for purposes of
 25 conducting activities and operations under the wine wholesaler's
 26 permit; and
 27 (2) may operate the beer or liquor wholesale business
 28 independently of the wine wholesale business.

29 SECTION 7. IC 7.1-3-13-1.5 IS ADDED TO THE INDIANA
 30 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
 31 [EFFECTIVE UPON PASSAGE]: **Sec. 1.5. (a) An applicant for a**
 32 **wine wholesaler's permit issued under this section may not:**

33 (1) **have distributed wine through a wine wholesaler in**
 34 **Indiana within the one hundred twenty (120) days**
 35 **immediately preceding the application for a wine wholesaler's**
 36 **permit issued under this section; or**
 37 (2) **distribute wine through a different wine wholesaler in**
 38 **Indiana during the term of the wine wholesaler's permit**
 39 **issued under this section.**

40 (b) **The commission may issue a type of wine wholesaler's**
 41 **permit to an applicant that:**

42 (1) **sells less than twelve thousand (12,000) gallons of wine or**



- 1 wine and brandy at wholesale in a year; and
 2 (2) meets the requirements for holding a wine wholesaler's
 3 permit under section 1 of this chapter.
 4 (c) The holder of a farm winery permit:
 5 (1) may hold a wine wholesaler's permit issued under this
 6 section; and
 7 (2) is not subject to section 1 of this chapter.
 8 (d) The holder of a wine wholesaler's permit issued under this
 9 section may enter into an agreement to:
 10 (1) locate the wine wholesaler's business within the licensed
 11 premises of a farm winery or a farm winery brandy distiller;
 12 or
 13 (2) use goods and services provided by a farm winery or a
 14 farm winery brandy distiller;
 15 or both.
 16 (e) A holder of a wine wholesaler's permit issued under this
 17 section may not distribute more than twelve thousand (12,000)
 18 gallons of wine or brandy in a year.
 19 (f) A holder of a wine wholesaler's permit issued under this
 20 section that has ownership in common or has a contractual
 21 relationship concerning the distribution of wine with:
 22 (1) a holder of a wine wholesaler's permit, as described in
 23 section 1 of this chapter, in Indiana; or
 24 (2) another holder of a wine wholesaler's permit issued under
 25 this section;
 26 shall surrender their permit issued under this section to the
 27 commission if the holder sells more than twelve thousand (12,000)
 28 gallons of wine or brandy in a year.
 29 SECTION 8. IC 7.1-3-13-2.5, AS AMENDED BY P.L.70-2014,
 30 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 31 UPON PASSAGE]: Sec. 2.5. (a) All premises to be used by an
 32 applicant for a wine wholesaler's permit must be described in the
 33 application for the permit and in the permit, if the permit is issued.
 34 (b) Except as provided in section 1.5(d) of this chapter, a wine
 35 wholesaler may not keep or store wine at any place other than the
 36 premises described in the wine wholesaler's application and permit.
 37 (c) A person who holds a wine wholesaler's permit and who also
 38 holds a beer wholesaler's permit is not disqualified from using multiple
 39 premises for the storage of wine because the person holds a beer
 40 wholesaler's permit. The holder of a wine wholesaler's permit described
 41 in IC 7.1-4-4.1-13(e) may enter into an agreement to:
 42 (1) locate the wine wholesaler's business within the licensed



1 premises of a farm winery or a farm winery brandy distiller; or
 2 (2) use goods and services provided by a farm winery or a farm
 3 winery brandy distiller;
 4 or both.

5 SECTION 9. IC 7.1-3-20-9.5, AS AMENDED BY P.L.86-2018,
 6 SECTION 117, IS AMENDED TO READ AS FOLLOWS
 7 [EFFECTIVE UPON PASSAGE]: Sec. 9.5. (a) This section applies
 8 only to a retailer's permit for a restaurant.

9 (b) This section does not apply to a retailer's permit that is issued or
 10 transferred to the following:

- 11 (1) A city market under IC 7.1-3-20-25.
- 12 (2) A marina under IC 7.1-3-1-25.
- 13 (3) A state park under IC 7.1-3-17.8.
- 14 (4) A golf course.
- 15 (5) A hotel or resort hotel.
- 16 (6) A social or fraternal club.
- 17 (7) A restaurant, the proprietor of which is the holder of:
 - 18 (A) a brewer's permit under IC 7.1-3-2-7(5);
 - 19 (B) a farm winery permit under IC 7.1-3-12-5; or
 - 20 (C) an artisan distiller's permit under IC 7.1-3-27-8.

21 (c) Except as provided in subsections (d) and (e), after May 14,
 22 2017, a retailer permittee may not sell alcoholic beverages for carryout
 23 unless at least sixty percent (60%) of the retailer permittee's gross retail
 24 income from the sale of alcoholic beverages is derived from the sale of
 25 alcoholic beverages for consumption on the licensed premises.

26 (d) This subsection applies only to a retailer's permit with carryout
 27 privileges that was initially:

- 28 (1) issued; or
- 29 (2) transferred as to ownership or to the premises location;

30 before November 1, 2016. Notwithstanding IC 7.1-3-1-1.5, a retailer
 31 permittee may continue to sell carryout after May 14, 2017, and is not
 32 required to comply with the gross retail income requirements.
 33 However, if the permit is transferred to a new location after May 14,
 34 2017, and the location is not exempt under subsection (b), the gross
 35 retail income requirements of this section apply to the transferred
 36 permit.

37 (e) This subsection applies to a retailer's permit with carryout
 38 privileges that was initially:

- 39 (1) issued; or
- 40 (2) transferred to the premises location;

41 after October 31, 2016, and before May 15, 2017. Notwithstanding
 42 IC 7.1-3-1-1.5, a retailer permittee may continue to sell carryout after



1 May 14, 2017, and is not required to comply with the gross retail
 2 income requirements until the retailer's permit is renewed. A retailer
 3 permittee may be issued a letter of extension, and subsequent renewals
 4 of the extension under IC 7.1-3-1-3.1, but the permit term may not be
 5 extended past April 1, 2018. A retailer permittee may continue to sell
 6 carryout while the extension is in effect. If the permit is transferred as
 7 to ownership or to a location that is not exempt under subsection (b),
 8 the gross retail income requirements of this section apply upon transfer
 9 of the permit.

10 (f) Except for a retailer permittee described in subsection (d), a
 11 retailer permittee that has carryout privileges must apply for renewal
 12 of the carryout privileges when applying for renewal of the retailer's
 13 permit. The retailer permittee must provide the commission with a
 14 financial statement with information that shows the dollar amounts and
 15 percentages of the retailer permittee's gross retail income that is
 16 derived from sales of alcoholic beverages:

- 17 (1) for consumption on the licensed premises; and
- 18 (2) for carryout;

19 during the one hundred eighty (180) days preceding the date of the
 20 application for renewal.

21 (g) For subsequent applications for renewal, the commission may
 22 allow a retailer permittee to submit to the commission an affidavit of
 23 compliance that is signed by the permittee, or by a responsible officer
 24 or partner, under the penalties of perjury, that states that the
 25 requirements of subsection (c) continue to be met. If the commission
 26 has reasonable grounds to doubt the truthfulness of an affidavit of
 27 compliance, the commission may require the retailer permittee to
 28 provide audited financial statements.

29 (h) If an applicant for renewal of carryout privileges does not meet
 30 the requirements of subsection (c) and the commission denies the
 31 application, the applicant may apply for a reinstatement of carryout
 32 privileges with the permittee's next application for renewal of the
 33 retailer's permit that is made in accordance with subsection (i).

34 (i) An applicant:

- 35 (1) for a retailer's permit and carryout privileges that has not
 36 opened for business; or
- 37 (2) for carryout privileges that:

38 (A) is the holder of a retailer's permit for an operating
 39 business; and

40 (B) has had the previous application for carryout privileges or
 41 renewal of carryout privileges denied by the commission;

42 must provide the commission with a verified certification stating that



1 the projected gross retail income from alcoholic beverage sales during
 2 the business's first two (2) years of operations with carryout privileges
 3 will meet the requirements of subsection (c). Not more than one
 4 hundred eighty (180) days after the date the applicant begins or
 5 resumes alcoholic beverage sales with carryout privileges, the applicant
 6 shall provide a financial statement with sufficient information to show
 7 that during the first one hundred twenty (120) days of business
 8 operations with carryout privileges, sixty percent (60%) of the gross
 9 retail income from all alcoholic beverage sales was derived from sales
 10 of alcoholic beverages for consumption on the premises.

11 (j) The commission may:

- 12 (1) require that a financial statement submitted by an applicant
- 13 under this chapter be audited by a certified public accountant; and
- 14 (2) with the cooperation of the department of state revenue, verify
- 15 the information provided by the applicant.

16 (k) The information provided to the commission under this chapter
 17 regarding gross retail income is confidential information and may not
 18 be disclosed to the public under IC 5-14-3. However, the commission
 19 may disclose the information:

- 20 (1) to the department of state revenue to verify the accuracy of the
- 21 amount of gross retail income from sales of alcoholic beverages;
- 22 and
- 23 (2) in any administrative or judicial proceeding to revoke or
- 24 suspend the holder's permit as a result of a discrepancy in the
- 25 amount of gross retail income from sales of alcoholic beverages
- 26 discovered by the department of state revenue.

27 (l) Notwithstanding IC 6-8.1-7-1 or any other law, in fulfilling its
 28 obligations under this section, the department of state revenue may
 29 provide confidential information to the commission. The commission
 30 shall maintain the confidentiality of information provided by the
 31 department of state revenue under this chapter. However, the
 32 commission may disclose the information in any administrative or
 33 judicial proceeding to revoke or suspend the holder's permit as a result
 34 of any information provided by the department of state revenue.

35 (m) If the commission does not grant or renew a retailer permittee's
 36 carryout privileges, the denial shall not affect the other rights,
 37 privileges, and restrictions of the retailer's permit, including the retailer
 38 permittee's ability to sell alcoholic beverages for on-premises
 39 consumption.

40 SECTION 10. 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

ES 609—LS 7536/DI 107



1 may also hold one (1) **or more than 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)~~ **(a)** may hold a beer retailer's permit,

7 a 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).~~

9 SECTION 11. 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 that is not subject to the**
4 **minimum gross food sales or the minimum projected food**
5 **sales set forth in 905 IAC 1-41-2 and conduct the following**
6 **activities:**

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

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

12 **(i) bottles;**

13 **(ii) bulk containers; or**

14 **(iii) a continuous flow system.**

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

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

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

25 (c) A storage facility used by an artisan distiller under subsection
26 (a)(3):

27 (1) must conform with federal laws, rules, and regulations; and

28 (2) must not be used for any purposes except for the storage of
29 liquor.

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

32 SECTION 12. IC 7.1-4-4.1-13, AS AMENDED BY P.L.165-2006,
33 SECTION 35, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
34 UPON PASSAGE]: Sec. 13. (a) This section applies to the following
35 permits:

36 (1) Beer wholesaler's permit.

37 (2) Malt wholesaler's permit.

38 (3) Liquor wholesaler's permit.

39 (4) Wine wholesaler's permit.

40 (b) Except as provided in subsection (c), a permit fee of two
41 thousand dollars (\$2,000) is annually imposed for the issuance of each
42 of the permits described in subsection (a).



1 (c) A permit fee of one hundred dollars (\$100) is annually imposed
 2 for the issuance of a wine wholesaler's permit **under IC 7.1-3-13-1.5.**
 3 to a permit applicant who:

4 (1) has never previously held a wine wholesaler's permit and
 5 anticipates selling less than twelve thousand (12,000) gallons of
 6 wine and brandy in a year; or

7 (2) previously held a wine wholesaler's permit and certifies to the
 8 commission that the permit applicant sold less than twelve
 9 thousand (12,000) gallons of wine and brandy in the previous
 10 year:

11 SECTION 13. IC 7.1-5-7-11, AS AMENDED BY P.L.270-2017,
 12 SECTION 19, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 13 UPON PASSAGE]: Sec. 11. (a) The provisions of sections 9 and 10 of
 14 this chapter shall not apply if the public place involved is one (1) of the
 15 following:

16 (1) Civic center.

17 (2) Convention center.

18 (3) Sports arena.

19 (4) Bowling center.

20 (5) Bona fide club.

21 (6) Drug store.

22 (7) Grocery store.

23 (8) Boat.

24 (9) Dining car.

25 (10) Pullman car.

26 (11) Club car.

27 (12) Passenger airplane.

28 (13) Horse racetrack facility holding a recognized meeting permit
 29 under IC 4-31-5.

30 (14) Satellite facility (as defined in IC 4-31-2-20.5).

31 (15) Catering hall under IC 7.1-3-20-24 that is not open to the
 32 public.

33 (16) That part of a restaurant which is separate from a room in
 34 which is located a bar over which alcoholic beverages are sold or
 35 dispensed by the drink.

36 (17) Entertainment complex.

37 (18) Indoor golf facility.

38 (19) A recreational facility such as a golf course, bowling center,
 39 or similar facility that has the recreational activity and not the sale
 40 of food and beverages as the principal purpose or function of the
 41 person's business.

42 (20) A licensed premises owned or operated by a postsecondary



- 1 educational institution described in IC 21-17-6-1.
- 2 (21) An automobile racetrack.
- 3 (22) An indoor theater under IC 7.1-3-20-26.
- 4 (23) A senior residence facility campus (as defined in
- 5 IC 7.1-3-1-29(c)) at which alcoholic beverages are given or
- 6 furnished as provided under IC 7.1-3-1-29.
- 7 (24) A hotel other than a part of a hotel that is a room in a
- 8 restaurant in which a bar is located over which alcoholic
- 9 beverages are sold or dispensed by the drink.
- 10 (25) The location of an allowable event to which IC 7.1-3-6.1
- 11 applies.
- 12 (26) The location of a charity auction to which IC 7.1-3-6.2
- 13 applies.
- 14 (27) A farm winery and any additional locations of the farm
- 15 winery under IC 7.1-3-12, if the minor is in the company of a
- 16 parent, legal guardian or custodian, or family member who is at
- 17 least twenty-one (21) years of age **and the minor is accompanied**
- 18 **by the adult in any area that the adult may be present**
- 19 **whether or not the area:**
- 20 **(A) is separated in any manner from where the wine is**
- 21 **manufactured, sold, or consumed within the farm winery**
- 22 **premises; or**
- 23 **(B) operates under a retailer's permit.**
- 24 (28) An artisan distillery under IC 7.1-3-27, if ~~(A) the person who~~
- 25 ~~holds the artisan distiller's permit also holds a farm winery permit~~
- 26 ~~under IC 7.1-3-12; and (B) the minor is in the company of a~~
- 27 ~~parent, legal guardian or custodian, or family member who is at~~
- 28 ~~least twenty-one (21) years of age and the minor is accompanied~~
- 29 ~~by the adult in any area that the adult may be present~~
- 30 ~~whether or not the area:~~
- 31 ~~(A) is separated in any manner from where the liquor is~~
- 32 ~~manufactured, sold, or consumed within the artisan~~
- 33 ~~distillery's premises; or~~
- 34 ~~(B) operates under a retailer's permit.~~
- 35 (29) A brewery under IC 7.1-3-2-7(5) if the minor is in the
- 36 company of a parent, legal guardian, custodian, or family
- 37 member who is at least twenty-one (21) years of age and the
- 38 minor is accompanied by the adult in any area that the adult
- 39 may be present whether or not the area:
- 40 (A) is separated in any manner from where the beer is
- 41 manufactured, sold, or consumed within the brewery
- 42 premises; or



1 **(B) operates under a retailer's permit.**

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

- 7 (1) The minor is eighteen (18) years of age or older.
8 (2) The minor is in the company of a parent, guardian, or family
9 member who is twenty-one (21) years of age or older.
10 (3) The purpose for being on the licensed premises is the
11 consumption of food and not the consumption of alcoholic
12 beverages.

13 SECTION 14. IC 7.1-5-9-6, AS AMENDED BY P.L.79-2015,
14 SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
15 UPON PASSAGE]: Sec. 6. (a) **This section does not apply to the
16 holder of an artisan distiller's permit that has an interest in:**

- 17 **(1) a brewer's permit issued under IC 7.1-3-2-2;**
18 **(2) a farm winery permit issued under IC 7.1-3-12-5; or**
19 **(3) a distiller's permit issued under IC 7.1-3-7-1.**

20 **(b) It is unlawful for the holder of a distiller's, rectifier's, or liquor**
21 **wholesaler's permit to have an interest in a beer permit of any type**
22 **under this title. This section does not apply to the holder of an artisan**
23 **distiller's permit that has an interest in a brewer's permit issued under**
24 **IC 7.1-3-2-2(b):**

25 **(c) A person who knowingly or intentionally violates this section**
26 **commits a Class B misdemeanor.**

27 SECTION 15. IC 7.1-5-9-7 IS REPEALED [EFFECTIVE UPON
28 PASSAGE]. Sec. 7. (a) Except as provided in IC 7.1-3-27-6; it is
29 unlawful for the holder of an artisan distiller's, a distiller's, or a
30 rectifier's permit to own, acquire, possess or cause to be transferred to
31 the holder shares of stock of a corporation that holds an Indiana permit
32 to sell alcoholic beverages at retail, or in a permit to sell at retail in this
33 state, or to own or acquire an interest in the business being conducted
34 under the permit, or in or to shares of stock in a corporation that owns
35 a permit to sell at retail:

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

38 SECTION 16. IC 7.1-5-9-8, AS AMENDED BY P.L.159-2014,
39 SECTION 62, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
40 UPON PASSAGE]: Sec. 8. (a) **The holder of an artisan distiller's**
41 **permit, a distiller's permit, or a rectifier's permit may not own, acquire,**
42 **or possess a permit to sell liquor at wholesale. Except as provided in**



1 **IC 7.1-3-27-6**, a distiller or rectifier may not have an interest in the
 2 business of a permittee who is authorized to sell beer, liquor, or wine
 3 at wholesale or retail.

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

6 SECTION 17. IC 7.1-5-9-10, AS AMENDED BY P.L.79-2015,
 7 SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 8 UPON PASSAGE]: Sec. 10. (a) Except as provided in subsection (b),
 9 it is unlawful for a holder of a retailer's permit of any type to acquire,
 10 hold, own, or possess an interest of any type in a manufacturer's or
 11 wholesaler's permit of any type.

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

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

15 (2) an artisan distiller's permit **issued under IC 7.1-3-27-2; if the**
 16 **holder of the retailer's permit also holds a brewer's permit**
 17 **described in subdivision (1);**

18 (3) **a farm winery permit issued under IC 7.1-3-12-3; and**

19 (4) **a distiller's permit under IC 7.1-3-7-1 if the holder of the**
 20 **distiller's permit also holds an interest in an artisan distiller's**
 21 **permit as described in IC 7.1-3-27-2.**

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

24 SECTION 18. IC 35-52-7-55 IS REPEALED [EFFECTIVE UPON
 25 PASSAGE]. ~~Sec. 55. IC 7.1-5-9-7 defines a crime concerning interests.~~

26 SECTION 19. **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,".

ES 609—LS 7536/DI 107



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.

HOUSE MOTION

Mr. Speaker: I move that Engrossed Senate Bill 609 be amended to read as follows:

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

"SECTION 1. IC 7.1-1-3-7.3 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 7.3. "Bottle" has the meaning set forth in 27 CFR 4.71.**

SECTION 2. IC 7.1-1-3-7.7 IS ADDED TO THE INDIANA CODE

ES 609—LS 7536/DI 107



AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 7.7. "Bulk", for purposes of IC 7.1-3-12, means a container of over sixty (60) liters.**

SECTION 3. IC 7.1-3-2-7, AS AMENDED BY P.L.270-2017, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2019]: 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 premises of the brewer or at the residence of the consumer. 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.

A brewer may not sell or transfer beer directly to a permittee or consumer from a building described in this clause.

(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 4. IC 7.1-3-7-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. ~~Scope of Permit:~~ The holder of a distiller's permit shall be entitled to manufacture liquor, to rectify it, and to bottle it. A distiller shall enjoy all the privileges accorded the holder of a rectifier's permit, but ~~he~~ shall not have to obtain a separate rectifier's permit nor pay an additional fee. A distiller shall be entitled to transport liquor and to sell and deliver it in shipments to points outside this state, or to the holder of a liquor wholesaler's permit, or to the holder of a rectifier's permit. A distiller may not sell liquor **produced under a distiller's permit as issued under IC 7.1-3-7-1** to a consumer, nor to a person for the purpose of having it retailed by ~~him~~; **the person**, whether that person holds a liquor retailer's permit under this title or not."

Page 2, line 20, after "restaurant" insert "**that is not subject to the minimum gross food sales or the minimum projected food sales set forth in 905 IAC 1-41-2**".

Page 2, line 21, delete "activities under IC 7.1-3-29-2." and insert "**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;
- (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."

Page 2, between lines 39 and 40, begin a new paragraph and insert:

"SECTION 6. IC 7.1-3-13-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. (a) **Except as provided in section 1.5 of this chapter**, the commission may issue a wine wholesaler's permit to sell wine, or wine and brandy, at wholesale to a person who:

- (1) notwithstanding IC 7.1-5-9-4, holds a beer wholesaler's permit;
- (2) holds a liquor wholesaler's permit; or
- (3) does not hold an alcoholic beverage wholesaler's permit, but meets the qualifications to hold either a beer or a liquor wholesaler's permit.

(b) The holder of a wine wholesaler's permit under subsection (a)(1) or (a)(2):

- (1) is considered the same as a person who holds a wine wholesaler's permit under subsection (a)(3) for purposes of conducting activities and operations under the wine wholesaler's permit; and
- (2) may operate the beer or liquor wholesale business independently of the wine wholesale business.

SECTION 7. IC 7.1-3-13-1.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 1.5. (a) An applicant for a wine wholesaler's permit issued under this section may not:**

- (1) have distributed wine through a wine wholesaler in Indiana within the one hundred twenty (120) days immediately preceding the application for a wine wholesaler's permit issued under this section; or
- (2) distribute wine through a different wine wholesaler in Indiana during the term of the wine wholesaler's permit issued under this section.

(b) The commission may issue a type of wine wholesaler's



permit to an applicant that:

- (1) sells less than twelve thousand (12,000) gallons of wine or wine and brandy at wholesale in a year; and
 - (2) meets the requirements for holding a wine wholesaler's permit under section 1 of this chapter.
- (c) The holder of a farm winery permit:
- (1) may hold a wine wholesaler's permit issued under this section; and
 - (2) is not subject to section 1 of this chapter.
- (d) The holder of a wine wholesaler's permit issued under this section may enter into an agreement to:
- (1) locate the wine wholesaler's business within the licensed premises of a farm winery or a farm winery brandy distiller; or
 - (2) use goods and services provided by a farm winery or a farm winery brandy distiller;
- or both.
- (e) A holder of a wine wholesaler's permit issued under this section may not distribute more than twelve thousand (12,000) gallons of wine or brandy in a year.

(f) A holder of a wine wholesaler's permit issued under this section that has ownership in common or has a contractual relationship concerning the distribution of wine with:

- (1) a holder of a wine wholesaler's permit, as described in section 1 of this chapter, in Indiana; or
- (2) another holder of a wine wholesaler's permit issued under this section;

shall surrender their permit issued under this section to the commission if the holder sells more than twelve thousand (12,000) gallons of wine or brandy in a year.

SECTION 8. IC 7.1-3-13-2.5, AS AMENDED BY P.L.70-2014, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2.5. (a) All premises to be used by an applicant for a wine wholesaler's permit must be described in the application for the permit and in the permit, if the permit is issued.

(b) Except as provided in section 1.5(d) of this chapter, a wine wholesaler may not keep or store wine at any place other than the premises described in the wine wholesaler's application and permit.

(c) A person who holds a wine wholesaler's permit and who also holds a beer wholesaler's permit is not disqualified from using multiple premises for the storage of wine because the person holds a beer wholesaler's permit. The holder of a wine wholesaler's permit described



in IC 7.1-4-4.1-13(c) may enter into an agreement to:

- (1) locate the wine wholesaler's business within the licensed premises of a farm winery or a farm winery brandy distiller; or
- (2) use goods and services provided by a farm winery or a farm winery brandy distiller;

or both:

SECTION 9. IC 7.1-3-20-9.5, AS AMENDED BY P.L.86-2018, SECTION 117, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 9.5. (a) This section applies only to a retailer's permit for a restaurant.

(b) This section does not apply to a retailer's permit that is issued or transferred to the following:

- (1) A city market under IC 7.1-3-20-25.
- (2) A marina under IC 7.1-3-1-25.
- (3) A state park under IC 7.1-3-17.8.
- (4) A golf course.
- (5) A hotel or resort hotel.
- (6) A social or fraternal club.
- (7) A restaurant, the proprietor of which is the holder of:
 - (A) a brewer's permit under IC 7.1-3-2-7(5);
 - (B) a farm winery permit under IC 7.1-3-12-5; or**
 - (C) an artisan distiller's permit under IC 7.1-3-27-8.**

(c) Except as provided in subsections (d) and (e), after May 14, 2017, a retailer permittee may not sell alcoholic beverages for carryout unless at least sixty percent (60%) of the retailer permittee's gross retail income from the sale of alcoholic beverages is derived from the sale of alcoholic beverages for consumption on the licensed premises.

(d) This subsection applies only to a retailer's permit with carryout privileges that was initially:

- (1) issued; or
- (2) transferred as to ownership or to the premises location;

before November 1, 2016. Notwithstanding IC 7.1-3-1-1.5, a retailer permittee may continue to sell carryout after May 14, 2017, and is not required to comply with the gross retail income requirements. However, if the permit is transferred to a new location after May 14, 2017, and the location is not exempt under subsection (b), the gross retail income requirements of this section apply to the transferred permit.

(e) This subsection applies to a retailer's permit with carryout privileges that was initially:

- (1) issued; or
- (2) transferred to the premises location;

ES 609—LS 7536/DI 107



after October 31, 2016, and before May 15, 2017. Notwithstanding IC 7.1-3-1-1.5, a retailer permittee may continue to sell carryout after May 14, 2017, and is not required to comply with the gross retail income requirements until the retailer's permit is renewed. A retailer permittee may be issued a letter of extension, and subsequent renewals of the extension under IC 7.1-3-1-3.1, but the permit term may not be extended past April 1, 2018. A retailer permittee may continue to sell carryout while the extension is in effect. If the permit is transferred as to ownership or to a location that is not exempt under subsection (b), the gross retail income requirements of this section apply upon transfer of the permit.

(f) Except for a retailer permittee described in subsection (d), a retailer permittee that has carryout privileges must apply for renewal of the carryout privileges when applying for renewal of the retailer's permit. The retailer permittee must provide the commission with a financial statement with information that shows the dollar amounts and percentages of the retailer permittee's gross retail income that is derived from sales of alcoholic beverages:

- (1) for consumption on the licensed premises; and
- (2) for carryout;

during the one hundred eighty (180) days preceding the date of the application for renewal.

(g) For subsequent applications for renewal, the commission may allow a retailer permittee to submit to the commission an affidavit of compliance that is signed by the permittee, or by a responsible officer or partner, under the penalties of perjury, that states that the requirements of subsection (c) continue to be met. If the commission has reasonable grounds to doubt the truthfulness of an affidavit of compliance, the commission may require the retailer permittee to provide audited financial statements.

(h) If an applicant for renewal of carryout privileges does not meet the requirements of subsection (c) and the commission denies the application, the applicant may apply for a reinstatement of carryout privileges with the permittee's next application for renewal of the retailer's permit that is made in accordance with subsection (i).

(i) An applicant:

- (1) for a retailer's permit and carryout privileges that has not opened for business; or
- (2) for carryout privileges that:
 - (A) is the holder of a retailer's permit for an operating business; and
 - (B) has had the previous application for carryout privileges or



renewal of carryout privileges denied by the commission; must provide the commission with a verified certification stating that the projected gross retail income from alcoholic beverage sales during the business's first two (2) years of operations with carryout privileges will meet the requirements of subsection (c). Not more than one hundred eighty (180) days after the date the applicant begins or resumes alcoholic beverage sales with carryout privileges, the applicant shall provide a financial statement with sufficient information to show that during the first one hundred twenty (120) days of business operations with carryout privileges, sixty percent (60%) of the gross retail income from all alcoholic beverage sales was derived from sales of alcoholic beverages for consumption on the premises.

(j) The commission may:

- (1) require that a financial statement submitted by an applicant under this chapter be audited by a certified public accountant; and
- (2) with the cooperation of the department of state revenue, verify the information provided by the applicant.

(k) The information provided to the commission under this chapter regarding gross retail income is confidential information and may not be disclosed to the public under IC 5-14-3. However, the commission may disclose the information:

- (1) to the department of state revenue to verify the accuracy of the amount of gross retail income from sales of alcoholic beverages; and
- (2) in any administrative or judicial proceeding to revoke or suspend the holder's permit as a result of a discrepancy in the amount of gross retail income from sales of alcoholic beverages discovered by the department of state revenue.

(l) Notwithstanding IC 6-8.1-7-1 or any other law, in fulfilling its obligations under this section, the department of state revenue may provide confidential information to the commission. The commission shall maintain the confidentiality of information provided by the department of state revenue under this chapter. However, the commission may disclose the information in any administrative or judicial proceeding to revoke or suspend the holder's permit as a result of any information provided by the department of state revenue.

(m) If the commission does not grant or renew a retailer permittee's carryout privileges, the denial shall not affect the other rights, privileges, and restrictions of the retailer's permit, including the retailer permittee's ability to sell alcoholic beverages for on-premises consumption."

Page 3, line 1, after "(1)" insert "**or more than one (1)**".



Page 3, line 6, strike "(a)(2)" and insert "(a)".

Page 3, line 7, after "restaurant" insert ".".

Page 3, line 7, strike "as".

Page 3, line 8, after "IC 7.1-3-2-7(5)(C)" insert ".".

Page 3, line 8, strike "described in IC 7.1-3-2-7(5)(C)".

Page 3, line 8, delete "or IC 7.1-3-29".

Page 4, line 3, after "restaurant" insert **"that is not subject to the minimum gross food sales or the minimum projected food sales set forth in 905 IAC 1-41-2"**.

Page 4, line 3, delete "activities" and insert **"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."

Page 4, delete line 4.

Page 4, delete lines 15 through 42, begin a new paragraph and insert:

"SECTION 12. IC 7.1-4-4.1-13, AS AMENDED BY P.L.165-2006, SECTION 35, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 13. (a) This section applies to the following permits:

- (1) Beer wholesaler's permit.
- (2) Malt wholesaler's permit.
- (3) Liquor wholesaler's permit.
- (4) Wine wholesaler's permit.

(b) Except as provided in subsection (c), a permit fee of two thousand dollars (\$2,000) is annually imposed for the issuance of each of the permits described in subsection (a).

(c) A permit fee of one hundred dollars (\$100) is annually imposed for the issuance of a wine wholesaler's permit **under IC 7.1-3-13-1.5.**



to a permit applicant who:

- (1) has never previously held a wine wholesaler's permit and anticipates selling less than twelve thousand (12,000) gallons of wine and brandy in a year; or
- (2) previously held a wine wholesaler's permit and certifies to the commission that the permit applicant sold less than twelve thousand (12,000) gallons of wine and brandy in the previous year."

Page 6, line 7, delete "." and insert **"and the minor is accompanied by the adult in any area that the adult may be present whether or not the area:**

(A) is separated in any manner from where the wine is manufactured, sold, or consumed within the farm winery premises; or

(B) operates under a retailer's permit."

Page 6, line 8, delete ":".

Page 6, strike lines 9 through 10.

Page 6, line 11, strike "(B)".

Page 6, run in lines 8 through 13.

Page 6, line 13, delete "." and insert **"and the minor is accompanied by the adult in any area that the adult may be present whether or not the area:**

(A) is separated in any manner from where the liquor is manufactured, sold, or consumed within the artisan distillery's premises; or

(B) operates under a retailer's permit."

Page 6, line 18, delete "present:" and insert:

"present whether or not the area:

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

(B) operates under a retailer's permit."

Page 6, delete lines 19 through 25.

Page 6, line 39, after "(a)" insert **"This section does not apply to the holder of an artisan distiller's permit that has an interest in:**

- (1) a brewer's permit issued under IC 7.1-3-2-2;**
- (2) a farm winery permit issued under IC 7.1-3-12-5; or**
- (3) a distiller's permit issued under IC 7.1-3-7-1.**

(b)".

Page 6, line 40, strike "distiller's, rectifiers, or".

Page 6, line 41, strike "This section does not apply".

Page 6, strike line 42.



Page 7, line 1, after "IC 7.1-3-2-2(b)" insert ".".

Page 7, line 1, strike "brewer's permit issued under IC 7.1-3-2-2(b).".

Page 7, line 1, delete "or a farm winery permit".

Page 7, delete line 2.

Page 7, line 3, strike "(b)" and insert "(c)".

Page 7, between lines 4 and 5, begin a new paragraph and insert:

"SECTION 15. IC 7.1-5-9-7 IS REPEALED [EFFECTIVE UPON PASSAGE]. Sec. 7. (a) Except as provided in ~~IC 7.1-3-27-6~~, it is unlawful for the holder of an artisan distiller's; a distiller's; or a rectifier's permit to own; acquire; possess or cause to be transferred to the holder shares of stock of a corporation that holds an Indiana permit to sell alcoholic beverages at retail; or in a permit to sell at retail in this state; or to own or acquire an interest in the business being conducted under the permit; or in or to shares of stock in a corporation that owns a permit to sell at retail.

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

SECTION 16. IC 7.1-5-9-8, AS AMENDED BY P.L.159-2014, SECTION 62, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 8. (a) ~~The holder of an artisan distiller's permit; a distiller's permit, or a rectifier's permit may not own; acquire; or possess a permit to sell liquor at wholesale. Except as provided in IC 7.1-3-27-6~~, a distiller or rectifier may not have an interest in the business of a permittee who is authorized to sell beer, liquor, or wine at wholesale or retail.

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

Page 7, line 14, delete ";" and insert "**issued under IC 7.1-3-27-2**";.

Page 7, line 15, delete "and".

Page 7, line 16, after "IC 7.1-3-12-3" delete "." and insert "; **and**

(4) a distiller's permit under IC 7.1-3-7-1 if the holder of the distiller's permit also holds an interest in an artisan distiller's permit as described in IC 7.1-3-27-2."

Page 7, between lines 18 and 19, begin a new paragraph and insert:

"SECTION 17. IC 35-52-7-55 IS REPEALED [EFFECTIVE UPON PASSAGE]. Sec. 55. ~~IC 7.1-5-9-7 defines a crime concerning interests.~~"

Re-number all SECTIONS consecutively.

(Reference is to ESB 609 as printed April 5, 2019.)

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