



January 23, 2024

HOUSE BILL No. 1086

DIGEST OF HB 1086 (Updated January 23, 2024 11:44 am - DI 144)

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

Synopsis: Alcoholic beverage sales. After June 30, 2024, requires liquor liability insurance or an endorsement with coverage of at least \$500,000 to obtain or renew a retailer's permit. Requires compliance with the insurance coverage requirement not later than January 1, 2025, for a retailer's permit issued before July 1, 2024. Allows a bar or restaurant (retailer) to prepare, sell, and deliver alcoholic beverages for carryout in sealed, nonoriginal containers. Provides that the alcohol and tobacco commission (commission) may revoke the privilege of a retailer to sell and deliver alcoholic beverages in qualified containers to the customer on the licensed premises if the retailer violates certain requirements. Prohibits a retailer from doing the following: (1) Allowing a game on the licensed premises that: (A) is determined by the quantity of alcoholic beverages consumed by a patron; and (B) awards alcoholic beverage prizes. (2) Selling or serving an unlimited or indefinite amount of alcoholic beverages for a fixed price. Allows a retailer to reduce or increase the price of alcoholic beverages during a part of the day. Specifies that the commission may revoke the privilege of a retailer to sell alcoholic beverages for a reduced or increased price under certain provisions if the retailer violates particular conditions.

Effective: July 1, 2024.

Teshka, Manning, Criswell

January 8, 2024, read first time and referred to Committee on Public Policy.
January 23, 2024, amended, reported — Do Pass.

HB 1086—LS 6644/DI 87



January 23, 2024

Second Regular Session of the 123rd General Assembly (2024)

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 2023 Regular Session of the General Assembly.

HOUSE BILL No. 1086

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 7.1-1-3-33.5 IS ADDED TO THE INDIANA
2 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
3 [EFFECTIVE JULY 1, 2024]: **Sec. 33.5. "Qualified container"**
4 **means a clean, sealable container that is for the sale of alcoholic**
5 **beverages for consumption off the premises, that:**

6 (1) **has a liquid capacity of not more than four (4) quarts; and**
7 (2) **after the container is filled, is sealed with a device or**
8 **material that is used to fully close off the container securely**
9 **without any perforations or straw holes.**

10 SECTION 2. IC 7.1-3-1-6.4 IS ADDED TO THE INDIANA CODE
11 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
12 1, 2024]: **Sec. 6.4. (a) Except as provided in subsection (c), the**
13 **holder of a retailer's permit must maintain during the term of the**
14 **permit:**

15 (1) **a liquor liability insurance policy that has total coverage**
16 **of at least five hundred thousand dollars (\$500,000); or**
17 (2) **a liquor liability endorsement:**

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1 (A) to a general liability insurance policy; and
 2 (B) that has total coverage of at least five hundred
 3 thousand dollars (\$500,000).
 4 (b) The commission may deny, suspend, revoke, or not renew a
 5 permit, if the permit holder fails to maintain the insurance
 6 coverage required under this section.
 7 (c) If a retailer's permit is deposited with the commission under
 8 IC 7.1-3-1.1, the insurance coverage required under subsection (a)
 9 does not apply while the permit is held by the commission on
 10 deposit. However, the commission may not make the permit active
 11 until the permit holder complies with subsection (a).
 12 (d) The holder of a retailer's permit must provide the
 13 commission with proof of insurance coverage:
 14 (1) to apply for or renew a permit;
 15 (2) before the commission may make a permit active that is on
 16 deposit under IC 7.1-3-1.1; or
 17 (3) at any time, upon the request of the commission.
 18 (e) After June 30, 2024, the commission may not:
 19 (1) issue, renew, or transfer a retailer's permit; or
 20 (2) make a permit active that is on deposit with the
 21 commission under IC 7.1-3-1.1;
 22 unless the permit applicant or permit holder complies with this
 23 section. This subsection expires July 1, 2027.
 24 (f) A holder of an active retailer's permit issued before July 1,
 25 2024, must comply with this section not later than January 1, 2025,
 26 or the commission may suspend or revoke the permit. This
 27 subsection expires July 1, 2027.
 28 SECTION 3. IC 7.1-3-4-6, AS AMENDED BY P.L.194-2021,
 29 SECTION 31, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 30 JULY 1, 2024]: Sec. 6. (a) The holder of a beer retailer's permit shall
 31 be entitled to purchase beer for sale under ~~his~~ **the** permit only from a
 32 permittee entitled to sell to ~~him~~ **the beer retailer** under this title. A
 33 beer retailer shall be entitled to possess beer and sell ~~it~~ **beer** at retail to
 34 a customer for consumption on the licensed premises. A beer retailer
 35 also shall be entitled to sell beer to a customer and deliver ~~it~~ **beer** in
 36 permissible containers to the customer on the licensed premises, or to
 37 the customer's house. **A beer retailer also shall be entitled to**
 38 **prepare, sell, and deliver beer in qualified containers to the**
 39 **customer on the licensed premises.** This delivery may only be
 40 performed by the permit holder or an employee who holds an employee
 41 permit. The permit holder shall maintain a written record of each
 42 delivery for at least one (1) year that shows the customer's name,



1 location of delivery, and quantity sold.

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

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

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

22 (1) **Alcoholic beverages that are** in the sealed original containers
 23 ~~and must be~~ placed in a bag that is stamped, printed, or labeled
 24 on the outside: "CONTAINS ALCOHOLIC BEVERAGES". ~~and~~

25 (2) **Alcoholic beverages that are prepared by the beer retailer**
 26 **must be packaged by the beer retailer in qualified containers**
 27 **that are:**

28 (A) **stamped, printed, or labeled on the outside:**
 29 **"CONTAINS ALCOHOLIC BEVERAGES"; or**

30 (B) **placed in a bag stamped, printed, or labeled on the**
 31 **outside: "CONTAINS ALCOHOLIC BEVERAGES".**

32 ~~(2)~~ (3) Placed by an employee of the permittee who is at least
 33 twenty-one (21) years of age:

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

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

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

41 (e) The employee of the permittee that conveys the alcoholic
 42 beverages to the customer must require the customer to provide proof



1 of age in accordance with IC 7.1-5-10-23.

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

4 (1) well lit; and

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

7 **(g) Notwithstanding subsection (a), if a beer retailer violates the**
8 **requirement under subsection (a) that beer must be sold and**
9 **delivered in qualified containers, the commission may revoke the**
10 **privilege of the retailer under subsection (a) to sell and deliver beer**
11 **in qualified containers to a customer on the licensed premises.**

12 SECTION 4. IC 7.1-3-9-9, AS AMENDED BY P.L.194-2021,
13 SECTION 37, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
14 JULY 1, 2024]: Sec. 9. (a) The holder of a liquor retailer's permit shall
15 be entitled to purchase liquor only from a permittee entitled to sell to
16 ~~him~~ **the liquor retailer** under this title. A liquor retailer shall be
17 entitled to possess liquor and sell ~~it~~ **liquor** at retail to a customer for
18 consumption on the licensed premises. A liquor retailer also shall be
19 entitled to sell liquor to a customer and deliver ~~it~~ **liquor** in permissible
20 containers to the customer on the licensed premises, or to the
21 customer's house. **A liquor retailer also shall be entitled to prepare,**
22 **sell, and deliver liquor in qualified containers to the customer on**
23 **the licensed premises.** This delivery may only be performed by the
24 permit holder or an employee who holds an employee permit. The
25 permit holder shall maintain a written record of each delivery for at
26 least one (1) year that shows the customer's name, location of delivery,
27 and quantity sold.

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

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

41 (d) Notwithstanding IC 7.1-1-3-20, the licensed premises of the
42 liquor retailer may include the liquor retailer parking lot or an area



1 adjacent to the liquor retailer that may only be used for the purpose of
 2 conveying alcoholic beverages and other nonalcoholic items to a
 3 customer, and may not be used for point of sale purposes or any other
 4 purpose. Any alcoholic beverages conveyed to the customer must ~~be~~
 5 **satisfy the following:**

6 (1) **Alcoholic beverages that are** in the sealed original containers
 7 ~~and must be~~ placed in a bag that is stamped, printed, or labeled
 8 on the outside: "CONTAINS ALCOHOLIC BEVERAGES". ~~and~~

9 (2) **Alcoholic beverages that are prepared by the liquor**
 10 **retailer must be packaged by the liquor retailer in qualified**
 11 **containers that are:**

12 (A) **stamped, printed, or labeled on the outside:**
 13 **"CONTAINS ALCOHOLIC BEVERAGES"; or**

14 (B) **placed in a bag stamped, printed, or labeled on the**
 15 **outside: "CONTAINS ALCOHOLIC BEVERAGES".**

16 ~~(2)~~ (3) Placed by an employee of the permittee who is at least
 17 twenty-one (21) years of age:

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

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

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

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

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

30 (1) well lit; and

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

33 **(g) Notwithstanding subsection (a), if a liquor retailer violates**
 34 **the requirement under subsection (a) that liquor must be sold and**
 35 **delivered in qualified containers, the commission may revoke the**
 36 **privilege of the retailer under subsection (a) to sell and deliver**
 37 **liquor in qualified containers to a customer on the licensed**
 38 **premises.**

39 SECTION 5. IC 7.1-3-14-4, AS AMENDED BY P.L.194-2021,
 40 SECTION 44, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 41 JULY 1, 2024]: Sec. 4. (a) The holder of a wine retailer's permit is
 42 entitled to purchase wine only from a permittee entitled to sell to the



1 wine retailer under this title. A wine retailer is entitled to possess wine
 2 and sell ~~it~~ **wine** at retail to a customer for consumption on the licensed
 3 premises. A wine retailer is also entitled to sell wine to a customer and
 4 deliver ~~it~~ **wine** in permissible containers to the customer on the
 5 licensed premises or to the customer's house. **A wine retailer also**
 6 **shall be entitled to prepare, sell, and deliver wine in qualified**
 7 **containers to the customer on the licensed premises.** This delivery
 8 may only be performed by the permit holder or an employee who holds
 9 an employee permit. The permit holder shall maintain a written record
 10 of each delivery for at least one (1) year that shows the customer's
 11 name, location of delivery, and quantity sold.

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

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

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

30 (1) **Alcoholic beverages that are** in the sealed original containers
 31 ~~and must be~~ placed in a bag that is stamped, printed, or labeled
 32 on the outside: "CONTAINS ALCOHOLIC BEVERAGES". ~~and~~

33 **(2) Alcoholic beverages that are prepared by the wine retailer**
 34 **must be packaged by the wine retailer in qualified containers**
 35 **that are:**

36 **(A) stamped, printed, or labeled on the outside:**
 37 **"CONTAINS ALCOHOLIC BEVERAGES"; or**

38 **(B) placed in a bag stamped, printed, or labeled on the**
 39 **outside: "CONTAINS ALCOHOLIC BEVERAGES".**

40 ~~(2)~~ **(3) Placed by an employee of the permittee who is at least**
 41 **twenty-one (21) years of age:**

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



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

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

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

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

12 (1) well lit; and

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

15 **(g) Notwithstanding subsection (a), if a wine retailer violates the**
16 **requirement under subsection (a) that wine must be sold and**
17 **delivered in qualified containers, the commission may revoke the**
18 **privilege of the retailer under subsection (a) to sell and deliver**
19 **wine in qualified containers to a customer on the licensed premises.**

20 SECTION 6. IC 7.1-5-3-6 IS AMENDED TO READ AS
21 FOLLOWS [EFFECTIVE JULY 1, 2024]: Sec. 6. ~~Mixing of Drinks~~
22 ~~Permitted~~. The provisions of this chapter shall not prohibit the
23 following:

24 (1) ~~service of Serving~~ a mixed drink from the vessel in which it
25 ~~the mixed drink~~ was prepared.

26 (2) ~~Preparing and placing an alcoholic beverage in a qualified~~
27 ~~container for carryout or delivery to a customer on the~~
28 ~~licensed premises.~~

29 However, the liquor used in the preparation of a mixed drink shall be
30 drawn directly from the original container in which the liquor was
31 contained and poured directly into the vessel in which the mixed drink
32 is to be prepared.

33 SECTION 7. IC 7.1-5-10-20, AS AMENDED BY P.L.234-2017,
34 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
35 JULY 1, 2024]: Sec. 20. (a) It is unlawful for a holder of a retailer's
36 permit to do any of the following:

37 (1) ~~Sell alcoholic beverages during a portion of the day at a price~~
38 ~~that is reduced from the usual, customary, or established price that~~
39 ~~the permittee charges during the remainder of that day.~~

40 (2) (1) ~~Furnish two (2) or more servings of an alcoholic beverage~~
41 ~~upon the placing of an order for one (1) serving to one (1) person~~
42 ~~for that person's personal consumption.~~



1 (3) **(2)** Charge a single price for the required purchase of two (2)
2 or more servings of an alcoholic beverage.

3 **(3) Conduct, sponsor, or participate in or allow a person on**
4 **the licensed premises to conduct, sponsor, or participate in**
5 **any game or contest on the licensed premises that:**

6 **(A) is determined by the quantity of alcoholic beverages**
7 **consumed by an individual or individuals; or**

8 **(B) awards alcoholic beverages or reduced price alcoholic**
9 **beverages as prizes for the game or contest.**

10 **(4) Sell or serve an unlimited or indefinite amount of alcoholic**
11 **beverages for a fixed price.**

12 (b) Subsection (a) applies to private clubs but does not apply to
13 private functions that are not open to the public.

14 (c) Notwithstanding subsection (a)(1), it is lawful for a holder of a
15 retailer's permit to sell alcoholic beverages during a portion of the day
16 at a price that is increased from the usual, customary, or established
17 price that the permittee charges during the remainder of that day as
18 long as the price increase is charged when the permittee provides paid
19 live entertainment not incidental to the services customarily provided.

20 (d) Notwithstanding subsection (a) and IC 7.1-5-5-7, it is lawful for
21 a hotel, in an area of the hotel in which alcoholic beverages are not
22 sold, to make available to its registered guests and their guests
23 alcoholic beverages at no additional charge beyond what is to be paid
24 by the registered guests as the room rate.

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

27 SECTION 8. IC 7.1-5-10-20.5 IS ADDED TO THE INDIANA
28 CODE AS A NEW SECTION TO READ AS FOLLOWS
29 [EFFECTIVE JULY 1, 2024]: **Sec. 20.5. (a) It is lawful for the holder**
30 **of a retailer's permit to sell alcoholic beverages during a portion of**
31 **the day at a price that is reduced from the usual, customary, or**
32 **established price that the retailer charges during the remainder of**
33 **the day, subject to the following:**

34 **(1) A price reduction:**

35 **(A) may not exceed:**

36 **(i) four (4) hours in one (1) day; and**

37 **(ii) fifteen (15) hours in one (1) week; and**

38 **(B) may be during consecutive or nonconsecutive hours**
39 **that are divided by the holder of the retailer permit in any**
40 **manner.**

41 **(2) A price reduction may not be made from 10 p.m.**
42 **prevailing local time until 3 a.m. prevailing local time, the**



- 1 following day.
- 2 (b) It is lawful for the holder of a retailer's permit to sell
3 alcoholic beverages during an entire day at a price that is reduced
4 from the usual, customary, or established price that the retailer
5 charges for the alcoholic beverages.
- 6 (c) It is lawful for a holder of a retailer's permit to sell alcoholic
7 beverages during a portion of the day at a price that is increased
8 from the usual, customary, or established price that the permittee
9 charges during the remainder of that day, if the price increase is
10 charged when the permittee provides paid live entertainment not
11 incidental to the services customarily provided. Sales of alcoholic
12 beverages at the usual, customary, or established price during the
13 remainder of the day is not a partial day price reduction that is
14 subject to subsection (a).
- 15 (d) Notwithstanding IC 7.1-5-5-7, it is lawful for a hotel, in an
16 area of the hotel in which alcoholic beverages are not sold, to make
17 available to:
- 18 (1) the hotel's registered guests; and
19 (2) the guests of registered guests;
20 from 7 a.m. prevailing local time until 3 a.m. prevailing local time,
21 alcoholic beverages at no additional charge beyond what is to be
22 paid by the registered guests as the room rate.
- 23 (e) The commission may revoke the privilege of a retailer to sell
24 alcoholic beverages in the manner described in subsection (a), (b),
25 or (c), if the retailer violates any of the conditions under subsection
26 (a).



COMMITTEE REPORT

Mr. Speaker: Your Committee on Public Policy, to which was referred House Bill 1086, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 2, line 39, delete ", or to the customer's house." and insert ".".

Page 4, between lines 6 and 7, begin a new paragraph and insert:

"(g) Notwithstanding subsection (a), if a beer retailer violates the requirement under subsection (a) that beer must be sold and delivered in qualified containers, the commission may revoke the privilege of the retailer under subsection (a) to sell and deliver beer in qualified containers to a customer on the licensed premises."

Page 4, line 18, delete ", or to the customer's house." and insert ".".

Page 5, line 11, delete "placed" and insert "Placed".

Page 5, between lines 27 and 28, begin a new paragraph and insert:

"(g) Notwithstanding subsection (a), if a liquor retailer violates the requirement under subsection (a) that liquor must be sold and delivered in qualified containers, the commission may revoke the privilege of the retailer under subsection (a) to sell and deliver liquor in qualified containers to a customer on the licensed premises."

Page 5, line 38, delete ", or to the" and insert ".".

Page 5, line 39, delete "customer's house."

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

"(g) Notwithstanding subsection (a), if a wine retailer violates the requirement under subsection (a) that wine must be sold and delivered in qualified containers, the commission may revoke the privilege of the retailer under subsection (a) to sell and deliver wine in qualified containers to a customer on the licensed premises."

Page 7, line 12, delete "." and insert "**to a customer on the licensed premises."**

Page 9, delete lines 7 through 10, begin a new paragraph and insert:

"(e) The commission may revoke the privilege of a retailer to sell alcoholic beverages in the manner described in subsection (a), (b), or (c), if the retailer violates any of the conditions under subsection (a)."

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.



(Reference is to HB 1086 as introduced.)

MANNING

Committee Vote: yeas 12, nays 1.

