

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 ENROLLED ACT No. 1086

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

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

SECTION 1. IC 7.1-1-3-13.7 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2024]: **Sec. 13.7. "Craft manufacturer" means a person that holds a craft manufacturer's permit.**

SECTION 2. IC 7.1-1-3-13.8 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2024]: **Sec. 13.8. "Craft manufacturer's permit" means:**

- (1) a small brewery permit under IC 7.1-3-2-7(5);
- (2) a farm winery permit under IC 7.1-3-12; or
- (3) an artisan distiller's permit under IC 7.1-3-27.

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

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

SECTION 4. IC 7.1-3-1-6.4 IS ADDED TO THE INDIANA CODE



AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2024]: **Sec. 6.4. (a) This section applies to the holder of one (1) or more of the following:**

- (1) A retailer's permit.**
- (2) A craft manufacturer's permit.**
- (b) A permit holder must maintain during the permit term:**
 - (1) a liquor liability insurance policy that has total coverage of at least five hundred thousand dollars (\$500,000); or**
 - (2) a liquor liability endorsement:**
 - (A) to a general liability insurance policy; and**
 - (B) that has total coverage of at least five hundred thousand dollars (\$500,000).**

However, the insurance coverage requirements do not apply while a permit is on deposit under IC 7.1-3-1.1.

(c) If an establishment operates under:

- (1) a retailer's permit; and**
- (2) a craft manufacturer's permit;**

the insurance coverage requirements under subsection (b) apply to the establishment as a whole. The permit holder is not required to maintain the total insurance coverage requirements for each permit that is issued to the establishment.

(d) A permit holder must provide the commission with proof of insurance coverage:

- (1) to apply for or renew a permit;**
- (2) before the commission may make a permit active that is on deposit under IC 7.1-3-1.1; or**
- (3) at any time, upon the request of the commission.**

(e) The commission may deny, suspend, revoke, or not renew a permit, if the permit holder fails to maintain the insurance coverage required under this section.

(f) After June 30, 2024, the commission may not:

- (1) issue, renew, or transfer a permit; or**
- (2) make a permit active that is on deposit under IC 7.1-3-1.1;**

unless the permit applicant or permit holder complies with this section. This subsection expires July 1, 2027.

(g) A permit holder that holds an active permit issued before July 1, 2024, must comply with this section not later than January 1, 2025, or the commission may suspend or revoke the permit. This subsection expires July 1, 2027.

SECTION 5. IC 7.1-3-4-6, AS AMENDED BY P.L.194-2021, SECTION 31, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2024]: **Sec. 6. (a) The holder of a beer retailer's permit shall**



be entitled to purchase beer for sale under ~~his~~ **the** permit only from a permittee entitled to sell to ~~him~~ **the beer retailer** under this title. A beer retailer shall be entitled to possess beer and sell ~~it~~ **beer** at retail to a customer for consumption on the licensed premises. A beer retailer also shall be entitled to sell beer to a customer and deliver ~~it~~ **beer** in permissible containers to the customer on the licensed premises, or to the customer's house. This delivery may only be performed by the permit holder or an employee who holds an employee permit. The permit holder shall maintain a written record of each delivery for at least one (1) year that shows the customer's name, location of delivery, and quantity sold. **Subject to subsection (g), a beer retailer also may prepare and package beer in qualified containers for sale and delivery to a customer on the licensed premises for consumption off the licensed premises.**

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

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

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

- (1) **Alcoholic beverages that are** in the sealed original containers ~~and must be~~ placed in a bag that is stamped, printed, or labeled on the outside: "CONTAINS ALCOHOLIC BEVERAGES". ~~and~~
- (2) **Alcoholic beverages that are prepared by the beer retailer must be packaged by the beer retailer in qualified containers that are:**

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



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

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

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

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

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

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

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

(1) well lit; and

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

(g) If a beer retailer prepares and packages beer:

(1) for sale and delivery to a customer on the licensed premises for consumption off the licensed premises; and

(2) in a container that is not in a qualified container;

the commission may revoke the beer retailer's privilege under this section of preparing and packaging beer for sale and delivery to a customer in a qualified container.

SECTION 6. IC 7.1-3-9-9, AS AMENDED BY P.L.194-2021, SECTION 37, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2024]: Sec. 9. (a) The holder of a liquor retailer's permit shall be entitled to purchase liquor only from a permittee entitled to sell to ~~him~~ **the liquor retailer** under this title. A liquor retailer shall be entitled to possess liquor and sell ~~it~~ **liquor** at retail to a customer for consumption on the licensed premises. A liquor retailer also shall be entitled to sell liquor to a customer and deliver ~~it~~ **liquor** in permissible containers to the customer on the licensed premises, or to the customer's house. This delivery may only be performed by the permit holder or an employee who holds an employee permit. The permit holder shall maintain a written record of each delivery for at least one (1) year that shows the customer's name, location of delivery, and quantity sold. **Subject to subsection (g), a liquor retailer also may prepare and package liquor in qualified containers for sale and delivery to a customer on the licensed premises for consumption off**



the licensed premises.

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

(g) If a liquor retailer prepares and packages liquor:

- (1) for sale and delivery to a customer on the licensed premises for consumption off the licensed premises; and**
- (2) in a container that is not in a qualified container;**

the commission may revoke the liquor retailer's privilege under this section of preparing and packaging liquor for sale and delivery to a customer in a qualified container.

SECTION 7. IC 7.1-3-14-4, AS AMENDED BY P.L.194-2021, SECTION 44, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2024]: Sec. 4. (a) The holder of a wine retailer's permit is entitled to purchase wine only from a permittee entitled to sell to the wine retailer under this title. A wine retailer is entitled to possess wine and sell ~~it~~ **wine** at retail to a customer for consumption on the licensed premises. A wine retailer is also entitled to sell wine to a customer and deliver ~~it~~ **wine** in permissible containers to the customer on the licensed premises or to the customer's house. This delivery may only be performed by the permit holder or an employee who holds an employee permit. The permit holder shall maintain a written record of each delivery for at least one (1) year that shows the customer's name, location of delivery, and quantity sold. **Subject to subsection (g), a wine retailer also may prepare and package wine in qualified containers for sale and delivery to a customer on the licensed premises for consumption off the licensed premises.**

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

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

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



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

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

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

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

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

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

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

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

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

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

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

(1) well lit; and

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

(g) If a wine retailer prepares and packages wine:

(1) for sale and delivery to a customer on the licensed premises for consumption off the licensed premises; and

(2) in a container that is not in a qualified container;

the commission may revoke the wine retailer's privilege under this section of preparing and packaging wine for sale and delivery to a customer in a qualified container.

SECTION 8. IC 7.1-5-3-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2024]: Sec. 6. ~~Mixing of Drinks Permitted.~~ The provisions of this chapter shall not prohibit the



following:

- (1) service of Serving a mixed drink from the vessel in which it the mixed drink was prepared.**
- (2) Preparing and placing an alcoholic beverage in a qualified container for carry-out or delivery to a customer on the licensed premises.**

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

SECTION 9. IC 7.1-5-10-20, AS AMENDED BY P.L.234-2017, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2024]: Sec. 20. (a) It is unlawful for a holder of a retailer's permit to do any of the following:

- ~~(1) Sell alcoholic beverages during a portion of the day at a price that is reduced from the usual, customary, or established price that the permittee charges during the remainder of that day.~~
- ~~(2) (1) Furnish two (2) or more servings of an alcoholic beverage upon the placing of an order for one (1) serving to one (1) person for that person's personal consumption.~~
- ~~(3) (2) Charge a single price for the required purchase of two (2) or more servings of an alcoholic beverage.~~
- (3) Except as expressly authorized under IC 7.1-3-6.1 or IC 7.1-3-6.2, conduct, sponsor, or participate in or allow a person on the licensed premises to conduct, sponsor, or participate in any game or contest on the licensed premises that:**
 - (A) is determined by the quantity of alcoholic beverages consumed by an individual or individuals; or**
 - (B) awards alcoholic beverages or reduced price alcoholic beverages as prizes for the game or contest.**
- (4) Sell or serve an unlimited or indefinite amount of alcoholic beverages for a fixed price.**

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

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

(d) Notwithstanding subsection (a) and IC 7.1-5-5-7, it is lawful for



a hotel; in an area of the hotel in which alcoholic beverages are not sold; to make available to its registered guests and their guests alcoholic beverages at no additional charge beyond what is to be paid by the registered guests as the room rate.

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

SECTION 10. IC 7.1-5-10-20.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2024]: **Sec. 20.5. (a) As used in this section, "permit holder" means the holder of one (1) or more of the following:**

- (1) A retailer's permit.
- (2) A craft manufacturer's permit.

(b) It is lawful for a permit holder to sell alcoholic beverages during a portion of the day at a price that is reduced from the usual, customary, or established price that the permit holder charges during the remainder of the day, subject to the following:

- (1) A price reduction:
 - (A) may not exceed:
 - (i) four (4) hours in one (1) day; and
 - (ii) fifteen (15) hours in one (1) week; and
 - (B) may be during consecutive or nonconsecutive hours that are divided by the permit holder in any manner.

(2) A price reduction may not be made from 9 p.m. prevailing local time until 3 a.m. prevailing local time, the following day.

(c) It is lawful for a permit holder to sell alcoholic beverages during an entire day at a price that is reduced from the usual, customary, or established price that the permit holder charges for the alcoholic beverages.

(d) It is lawful for a permit holder to sell alcoholic beverages during a portion of the day at a price that is increased from the usual, customary, or established price that the permit holder charges during the remainder of that day, if the price increase is charged when the permit holder provides paid live entertainment not incidental to the services customarily provided. Sales of alcoholic beverages at the usual, customary, or established price during the remainder of the day is not a partial day price reduction that is subject to subsection (b).

(e) Notwithstanding IC 7.1-5-5-7, it is lawful for a hotel, in an area of the hotel in which alcoholic beverages are not sold, to make available to:

- (1) the hotel's registered guests; and



**(2) the guests of registered guests;
from 7 a.m. prevailing local time until 3 a.m. prevailing local time,
alcoholic beverages at no additional charge beyond what is to be
paid by the registered guests as the room rate.**

**(f) The commission may revoke the privilege of a permit holder
to sell alcoholic beverages in the manner described in subsection
(b), (c), or (d), if the permit holder violates any of the conditions
under subsection (b).**



Speaker of the House of Representatives

President of the Senate

President Pro Tempore

Governor of the State of Indiana

Date: _____ Time: _____

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