

# HOUSE BILL No. 1207

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 7.1-3-20-16; IC 7.1-5-7-11.

**Synopsis:** Alcohol produced adjacent to restaurants. Provides that the holder of certain permits to sell alcohol in certain restaurants who has an interest in a production facility permit for a brewery, farm winery, or artisan distillery that is located on or adjacent to the premises of the restaurant may: (1) sell certain carryout beer, wine, or spirits that are manufactured at the production facility; and (2) allow a minor to participate in a nondrinking tour of the production facility. Provides that a minor may be present on a tour of certain production facilities.

**Effective:** July 1, 2021.

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January 14, 2021, read first time and referred to Committee on Public Policy.

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First Regular Session of the 122nd General Assembly (2021)

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 2020 Regular Session of the General Assembly.

## HOUSE BILL No. 1207

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

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

1 SECTION 1. IC 7.1-3-20-16, AS AMENDED BY P.L.285-2019,  
2 SECTION 35, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
3 JULY 1, 2021]: Sec. 16. (a) A permit that is authorized by this section  
4 may be issued without regard to the quota provisions of IC 7.1-3-22.

5 (b) The commission may issue a three-way permit to sell alcoholic  
6 beverages for on-premises consumption only to an applicant who is the  
7 proprietor, as owner or lessee, or both, of a restaurant facility in the  
8 passenger terminal complex of a publicly owned airport. A permit  
9 issued under this subsection shall not be transferred to a location off  
10 the airport premises.

11 (c) Except as provided in section 16.3 of this chapter, the  
12 commission may issue a three-way, two-way, or one-way permit to sell  
13 alcoholic beverages for on-premises consumption only to an applicant  
14 who is the proprietor, as owner or lessee, or both, of a restaurant within  
15 a redevelopment project consisting of a building or group of buildings  
16 that:

17 (1) was formerly used as part of a union railway station;



1 (2) has been listed in or is within a district that has been listed in  
 2 the federal National Register of Historic Places maintained  
 3 pursuant to the National Historic Preservation Act of 1966, as  
 4 amended; and

5 (3) has been redeveloped or renovated, with the redevelopment or  
 6 renovation being funded in part with grants from the federal,  
 7 state, or local government.

8 A permit issued under this subsection shall not be transferred to a  
 9 location outside of the redevelopment project.

10 (d) Subject to section 16.1 of this chapter and except as provided in  
 11 section 16.3 of this chapter, the commission may issue a three-way,  
 12 two-way, or one-way permit to sell alcoholic beverages for on-premises  
 13 consumption only to an applicant who is the proprietor, as owner or  
 14 lessee, or both, of a restaurant:

15 (1) on land; or

16 (2) in a historic river vessel;

17 within a municipal riverfront development project funded in part with  
 18 state and city money. The ownership of a permit issued under this  
 19 subsection and the location for which the permit was issued may not be  
 20 transferred. The legislative body of the municipality in which the  
 21 municipal riverfront development project is located shall recommend  
 22 to the commission sites that are eligible to be permit premises. The  
 23 commission shall consider, but is not required to follow, the municipal  
 24 legislative body's recommendation in issuing a permit under this  
 25 subsection. A permit holder and any lessee or proprietor of the permit  
 26 premises are subject to the formal written commitment required under  
 27 IC 7.1-3-19-17. Notwithstanding IC 7.1-3-1-3.5 and IC 7.1-3-1.1, if  
 28 business operations cease at the permit premises for more than six (6)  
 29 months, the permit shall revert to the commission. The permit holder  
 30 is not entitled to any refund or other compensation.

31 (e) Except as provided in section 16.3 of this chapter, the  
 32 commission may issue a three-way, two-way, or one-way permit to sell  
 33 alcoholic beverages for on-premises consumption only to an applicant  
 34 who is the proprietor, as owner or lessee, or both, of a restaurant within  
 35 a renovation project consisting of:

36 (1) a building that:

37 (A) was formerly used as part of a passenger and freight  
 38 railway station; and

39 (B) was built before 1900; or

40 (2) a complex of buildings that:

41 (A) is part of an economic development area established under  
 42 IC 36-7-14; and



1 (B) includes, as part of the renovation project, the use and  
 2 repurposing of two (2) or more buildings and structures that  
 3 are:

- 4 (i) at least seventy-five (75) years old; and  
 5 (ii) located at a site at which manufacturing previously  
 6 occurred over a period of at least seventy-five (75) years.

7 The permit authorized by this subsection may be issued without regard  
 8 to the proximity provisions of IC 7.1-3-21-11.

9 (f) Except as provided in section 16.3 of this chapter, the  
 10 commission may issue a three-way permit for the sale of alcoholic  
 11 beverages for on-premises consumption at a cultural center for the  
 12 visual and performing arts to the following:

13 (1) A town that:

14 (A) is located in a county having a population of more than  
 15 four hundred thousand (400,000) but less than seven hundred  
 16 thousand (700,000); and

17 (B) has a population of more than twenty thousand (20,000)  
 18 but less than twenty-three thousand seven hundred (23,700).

19 (2) A city that has an indoor theater as described in section 26 of  
 20 this chapter.

21 (g) Except as provided in section 16.3 of this chapter, the  
 22 commission may issue not more than ten (10) new three-way, two-way,  
 23 or one-way permits to sell alcoholic beverages for on-premises  
 24 consumption to applicants, each of whom must be the proprietor, as  
 25 owner or lessee, or both, of a restaurant located within a district, or not  
 26 more than seven hundred (700) feet from a district, that meets the  
 27 following requirements:

28 (1) The district has been listed in the National Register of Historic  
 29 Places maintained under the National Historic Preservation Act  
 30 of 1966, as amended.

31 (2) A county courthouse is located within the district.

32 (3) A historic opera house listed on the National Register of  
 33 Historic Places is located within the district.

34 (4) A historic jail and sheriff's house listed on the National  
 35 Register of Historic Places is located within the district.

36 The legislative body of the municipality in which the district is located  
 37 shall recommend to the commission sites that are eligible to be permit  
 38 premises. The commission shall consider, but is not required to follow,  
 39 the municipal legislative body's recommendation in issuing a permit  
 40 under this subsection. An applicant is not eligible for a permit if, less  
 41 than two (2) years before the date of the application, the applicant sold  
 42 a retailer's permit that was subject to IC 7.1-3-22 and that was for



1 premises located within the district described in this section or within  
 2 seven hundred (700) feet of the district. The ownership of a permit  
 3 issued under this subsection and the location for which the permit was  
 4 issued shall not be transferred. A permit holder and any lessee or  
 5 proprietor of the permit premises is subject to the formal written  
 6 commitment required under IC 7.1-3-19-17. Notwithstanding  
 7 IC 7.1-3-1-3.5 and IC 7.1-3-1.1, if business operations cease at the  
 8 permit premises for more than six (6) months, the permit shall revert  
 9 to the commission. The permit holder is not entitled to any refund or  
 10 other compensation. The total number of active permits issued under  
 11 this subsection may not exceed ten (10) at any time. The cost of an  
 12 initial permit issued under this subsection is six thousand dollars  
 13 (\$6,000).

14 (h) Except as provided in section 16.3 of this chapter, the  
 15 commission may issue a three-way permit for the sale of alcoholic  
 16 beverages for on-premises consumption to an applicant who will locate  
 17 as the proprietor, as owner or lessee, or both, of a restaurant within an  
 18 economic development area under IC 36-7-14 in:

19 (1) a town with a population of more than twenty thousand  
 20 (20,000); or

21 (2) a city with a population of more than forty-four thousand five  
 22 hundred (44,500) but less than forty-five thousand (45,000);

23 located in a county having a population of more than one hundred ten  
 24 thousand (110,000) but less than one hundred eleven thousand  
 25 (111,000). The commission may issue not more than five (5) licenses  
 26 under this section to premises within a municipality described in  
 27 subdivision (1) and not more than five (5) licenses to premises within  
 28 a municipality described in subdivision (2). The commission shall  
 29 conduct an auction of the permits under IC 7.1-3-22-9, except that the  
 30 auction may be conducted at any time as determined by the  
 31 commission. Notwithstanding any other law, the minimum bid for an  
 32 initial license under this subsection is thirty-five thousand dollars  
 33 (\$35,000), and the renewal fee for a license under this subsection is one  
 34 thousand three hundred fifty dollars (\$1,350). Before the district  
 35 expires, a permit issued under this subsection may not be transferred.  
 36 After the district expires, a permit issued under this subsection may be  
 37 renewed, and the ownership of the permit may be transferred, but the  
 38 permit may not be transferred from the permit premises.

39 (i) After June 30, 2006, and except as provided in section 16.3 of  
 40 this chapter, the commission may issue not more than five (5) new  
 41 three-way, two-way, or one-way permits to sell alcoholic beverages for  
 42 on-premises consumption to applicants, each of whom must be the



1 proprietor, as owner or lessee, or both, of a restaurant located within a  
 2 district, or not more than five hundred (500) feet from a district, that  
 3 meets all of the following requirements:

4 (1) The district is within an economic development area, an area  
 5 needing redevelopment, or a redevelopment district as established  
 6 under IC 36-7-14.

7 (2) A unit of the National Park Service is partially located within  
 8 the district.

9 (3) An international deep water seaport is located within the  
 10 district.

11 An applicant is not eligible for a permit under this subsection if, less  
 12 than two (2) years before the date of the application, the applicant sold  
 13 a retailers' permit that was subject to IC 7.1-3-22 and that was for  
 14 premises located within the district described in this subsection or  
 15 within five hundred (500) feet of the district. A permit issued under this  
 16 subsection may not be transferred. If the commission issues five (5)  
 17 new permits under this subsection, and a permit issued under this  
 18 subsection is later revoked or is not renewed, the commission may  
 19 issue another new permit, as long as the total number of active permits  
 20 issued under this subsection does not exceed five (5) at any time. The  
 21 commission shall conduct an auction of the permits under  
 22 IC 7.1-3-22-9, except that the auction may be conducted at any time as  
 23 determined by the commission.

24 (j) Subject to section 16.2 of this chapter and except as provided in  
 25 section 16.3 of this chapter, the commission may issue not more than  
 26 six (6) new three-way, two-way, or one-way permits to sell alcoholic  
 27 beverages for on-premises consumption only to an applicant who is the  
 28 proprietor, as owner or lessee, or both, of a restaurant on land within a  
 29 municipal lakefront development project funded in part with state,  
 30 local, and federal money. A permit issued under this subsection may  
 31 not be transferred. If the commission issues six (6) new permits under  
 32 this subsection, and a permit issued under this subsection is later  
 33 revoked or is not renewed, the commission may issue another new  
 34 permit, as long as the total number of active permits issued under this  
 35 subsection does not exceed six (6) at any time. The commission shall  
 36 conduct an auction of the permits under IC 7.1-3-22-9, except that the  
 37 auction may be conducted at any time as determined by the  
 38 commission. Notwithstanding any other law, the minimum bid for an  
 39 initial permit under this subsection is ten thousand dollars (\$10,000).

40 (k) Except as provided in section 16.3 of this chapter, the  
 41 commission may issue not more than nine (9) new three-way permits  
 42 to sell alcoholic beverages for on-premises consumption to applicants,



1 each of whom must be a proprietor, as owner or lessee, or both, of a  
2 restaurant located:

3 (1) within a motorsports investment district (as defined in  
4 IC 5-1-17.5-11); or

5 (2) not more than one thousand five hundred (1,500) feet from a  
6 motorsports investment district.

7 The ownership of a permit issued under this subsection and the location  
8 for which the permit was issued shall not be transferred. If the  
9 commission issues nine (9) new permits under this subsection, and a  
10 permit issued under this subsection is later revoked or is not renewed,  
11 the commission may issue another new permit, as long as the total  
12 number of active permits issued under this subsection does not exceed  
13 nine (9) at any time. A permit holder and any lessee or proprietor of the  
14 permit premises are subject to the formal written commitment required  
15 under IC 7.1-3-19-17. Notwithstanding IC 7.1-3-1-3.5 and IC 7.1-3-1.1,  
16 if business operations cease at the permit premises for more than six  
17 (6) months, the permit shall revert to the commission. The permit  
18 holder is not entitled to any refund or other compensation.

19 (l) Except as provided in section 16.3 of this chapter, the  
20 commission may issue not more than two (2) new three-way permits to  
21 sell alcoholic beverages for on-premises consumption for premises  
22 located within a qualified motorsports facility (as defined in  
23 IC 5-1-17.5-14). The ownership of a permit issued under this  
24 subsection and the location for which the permit was issued shall not  
25 be transferred. If the commission issues two (2) new permits under this  
26 subsection, and a permit issued under this subsection is later revoked  
27 or is not renewed, the commission may issue another new permit, as  
28 long as the total number of active permits issued under this subsection  
29 does not exceed two (2) at any time. A permit holder and any lessee or  
30 proprietor of the permit premises are subject to the formal written  
31 commitment required under IC 7.1-3-19-17. Notwithstanding  
32 IC 7.1-3-1-3.5 and IC 7.1-3-1.1, if business operations cease at the  
33 permit premises for more than six (6) months, the permit shall revert  
34 to the commission. The permit holder is not entitled to any refund or  
35 other compensation.

36 **(m) If a holder of a permit issued under subsection (e)(2) has an  
37 interest in a production facility permit for:**

38 **(1) a brewery described in IC 7.1-3-2-7(5);**

39 **(2) a farm winery described in IC 7.1-3-12-3;**

40 **(3) an artisan distillery described in IC 7.1-3-27-2; or**

41 **(4) a combination of the entities described in subdivisions (1)  
42 through (3);**



1 that is located on or adjacent to the premises for which the permit  
 2 is issued under subsection (e)(2), notwithstanding 905 IAC 1-29-2  
 3 and 905 1-41-2(c), the holder of the permit may sell carryout beer,  
 4 wine, or spirits manufactured at the entity described in  
 5 subdivisions (1) through (3) in the general merchandising area on  
 6 the restaurant premises and in a self-service display.

7 (n) If a holder of a permit issued under subsection (e)(2) has an  
 8 interest in a production facility permit for:

- 9 (1) a brewery described in IC 7.1-3-2-7(5);  
 10 (2) a farm winery described in IC 7.1-3-12-3;  
 11 (3) an artisan distillery described in IC 7.1-3-27-2; or  
 12 (4) a combination of the entities described in subdivisions (1)  
 13 through (3);

14 that is located on or adjacent to the premises for which the permit  
 15 is issued under subsection (e)(2), the holder of the permit may  
 16 allow a minor to participate in a nondrinking tour of the  
 17 production facilities on the premises. A minor on a tour under this  
 18 subsection must be accompanied by an adult. The holder of the  
 19 permit may not allow a tour participant to consume, taste, or  
 20 sample an alcoholic beverage if a minor is present on the tour.

21 SECTION 2. IC 7.1-5-7-11, AS AMENDED BY P.L.285-2019,  
 22 SECTION 59, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 23 JULY 1, 2021]: Sec. 11. (a) The provisions of sections 9 and 10 of this  
 24 chapter shall not apply if the public place involved is one (1) of the  
 25 following:

- 26 (1) Civic center.  
 27 (2) Convention center.  
 28 (3) Sports arena.  
 29 (4) Bowling center.  
 30 (5) Bona fide club.  
 31 (6) Drug store.  
 32 (7) Grocery store.  
 33 (8) Boat.  
 34 (9) Dining car.  
 35 (10) Pullman car.  
 36 (11) Club car.  
 37 (12) Passenger airplane.  
 38 (13) Horse racetrack facility holding a recognized meeting permit  
 39 under IC 4-31-5.  
 40 (14) Satellite facility (as defined in IC 4-31-2-20.5).  
 41 (15) Catering hall under IC 7.1-3-20-24 that is not open to the  
 42 public.





- 1 (16) That part of a restaurant which is separate from a room in  
 2 which is located a bar over which alcoholic beverages are sold or  
 3 dispensed by the drink.  
 4 (17) Entertainment complex.  
 5 (18) Indoor golf facility.  
 6 (19) A recreational facility such as a golf course, bowling center,  
 7 or similar facility that has the recreational activity and not the sale  
 8 of food and beverages as the principal purpose or function of the  
 9 person's business.  
 10 (20) A licensed premises owned or operated by a postsecondary  
 11 educational institution described in IC 21-17-6-1.  
 12 (21) An automobile racetrack.  
 13 (22) An indoor theater under IC 7.1-3-20-26.  
 14 (23) A senior residence facility campus (as defined in  
 15 IC 7.1-3-1-29(c)) at which alcoholic beverages are given or  
 16 furnished as provided under IC 7.1-3-1-29.  
 17 (24) A hotel other than a part of a hotel that is a room in a  
 18 restaurant in which a bar is located over which alcoholic  
 19 beverages are sold or dispensed by the drink.  
 20 (25) The location of an allowable event to which IC 7.1-3-6.1  
 21 applies.  
 22 (26) The location of a charity auction to which IC 7.1-3-6.2  
 23 applies.  
 24 (27) A farm winery and any additional locations of the farm  
 25 winery under IC 7.1-3-12, if the minor is in the company of a  
 26 parent, legal guardian or custodian, or family member who is at  
 27 least twenty-one (21) years of age and the minor is accompanied  
 28 by the adult in any area that the adult may be present whether or  
 29 not the area:  
 30 (A) is separated in any manner from where the wine is  
 31 manufactured, sold, or consumed within the farm winery  
 32 premises; or  
 33 (B) operates under a retailer's permit.  
 34 (28) An artisan distillery under IC 7.1-3-27, if:  
 35 (A) the person who holds the artisan distiller's permit also  
 36 holds a farm winery permit under IC 7.1-3-12; and  
 37 (B) the minor is in the company of a parent, legal guardian or  
 38 custodian, or family member who is at least twenty-one (21)  
 39 years of age.  
 40 (29) An art instruction studio under IC 7.1-5-8-4.6.  
 41 (30) The licensed premises of a food hall under IC 7.1-3-20-29  
 42 and the food and beverage vending space of a food hall vendor



1            permittee under IC 7.1-3-20-30. However, sections 9 and 10 of  
2            this chapter apply to a bar within the food and beverage vending  
3            space of a food hall vendor permittee under IC 7.1-3-20-30 that  
4            serves alcoholic beverages intended to be consumed while sitting  
5            or standing at the bar.

6            **(31) The holder of a permit issued under IC 7.1-3-20-16(e)(2)**  
7            **if the minor is on a tour as described in IC 7.1-3-20-16(n).**

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

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

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

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

