



March 31, 2023

ENGROSSED HOUSE BILL No. 1217

DIGEST OF HB 1217 (Updated March 29, 2023 3:57 pm - DI 137)

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

Synopsis: Various alcohol matters. Modifies the definition of "entertainment complex" for purposes of alcohol law. Provides that a primary source of supply, manufacturer, or wholesaler may supply equipment on a temporary and nondiscriminatory basis to the holder of a retailer permit or a temporary permit for the purpose of holding, storing, and dispensing product to consumers for a special event for the duration of the special event. Provides that certain brewers may sell or transfer beer to certain food manufacturers for the purpose of adding or integrating the beer into a product or recipe. Provides that a product that contains transferred beer may not contain more than 0.5% of
(Continued next page)

Effective: July 1, 2023.

Manning, Bartels, Johnson B, Clere
(SENATE SPONSORS — ALTING, BUSCH)

January 10, 2023, read first time and referred to Committee on Public Policy.
February 14, 2023, amended, reported — Do Pass.
February 16, 2023, read second time, ordered engrossed.
February 17, 2023, engrossed.
February 20, 2023, read third time, passed. Yeas 94, nays 3.

SENATE ACTION

March 1, 2023, read first time and referred to Committee on Public Policy.
March 30, 2023, amended, reported favorably — Do Pass.

EH 1217—LS 6814/DI 87



Digest Continued

alcohol by volume when the product leaves the food manufacturer's facility. Allows a small brewery to receive, bottle, and package beer from another small brewery if certain requirements are met. Makes technical corrections regarding a permit holder who manufactures not more than 90,000 barrels of beer in a calendar year for sale or distribution in the state. Increases, within a certain historic district, the number of alcoholic beverage restaurant permits from 10 to 15, and changes certain other requirements. Permits the issuance of three new three-way permits, three new two-way permits, and one new liquor dealer's permit to the town of Whitestown. Requires the alcohol and tobacco commission to issue a beer dealer's permit and a wine dealer's permit to an eligible grocery store. Increases the number of gallons of liquor that an artisan distiller may produce in a calendar year from 10,000 to 20,000. Amends the conditions in which a minor can lawfully be in a room on a licensed premises in which is located a bar over which alcoholic beverages are sold or dispensed by the drink.

EH 1217—LS 6814/DI 87



March 31, 2023

First Regular Session of the 123rd General Assembly (2023)

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 2022 Regular Session of the General Assembly.

ENGROSSED HOUSE BILL No. 1217

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 7.1-1-3-16.5, AS AMENDED BY P.L.194-2021,
2 SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2023]: Sec. 16.5. The term "entertainment complex" means a
4 premises that complies with one (1) or more of the following
5 requirements:
6 (1) The premises:
7 (A) is a site for the performance of musical, theatrical, or other
8 entertainment; and
9 (B) includes an area where at least six hundred (600)
10 individuals may be seated at one (1) time in permanent
11 seating.
12 (2) The premises:
13 (A) is located entirely within a ~~four (4)~~ **five (5)** mile radius of
14 the center of a consolidated city;
15 (B) is used by a nonprofit organization primarily as a **museum**
16 **of fine arts, as a** fine arts theater, or for the professional
17 performance of musical or theatrical entertainment; and

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- 1 (C) has audience seating in one (1) or more performance
 2 spaces for at least two hundred (200) individuals.
- 3 SECTION 2. IC 7.1-1-3-32.7, AS ADDED BY P.L.270-2017,
 4 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 5 JULY 1, 2023]: Sec. 32.7. "Professional and educational expenses", for
 6 purposes of IC 7.1-5-5, means one (1) or more of the following:
- 7 (1) A primary source of supply or wholesaler may participate in
 8 retailer or dealer association activities. A primary source of
 9 supply or wholesaler may do the following:
- 10 (A) Display its products at a convention or trade show.
 11 (B) Rent display booth space if the rental fee is not excessive
 12 and is the same as paid by all exhibitors.
 13 (C) Provide its own hospitality that is independent from
 14 association sponsored activities.
 15 (D) Purchase tickets to functions and pay registration fees if
 16 the payments or fees are not excessive and are the same as
 17 paid by all exhibitors.
 18 (E) Make payments for advertisements in programs or
 19 brochures issued by retailer or dealer associations at a
 20 convention or trade show if the total payments made are not
 21 excessive and are the same as paid by all other advertisers.
- 22 (2) A primary source of supply or wholesaler may give or sponsor
 23 educational seminars for employees of retailers or dealers either
 24 at the primary source of supply's or wholesaler's premises or at the
 25 retailer or dealer establishment. Examples of educational
 26 seminars include the following:
- 27 (A) Seminars dealing with the use of a retailer's or dealer's
 28 equipment.
 29 (B) Training seminars for employees of retailers or dealers.
 30 (C) Tours of a primary source of supply's or wholesaler's plant
 31 or premises.
 32 (D) Training seminars for employees of retailers or dealers
 33 may include tasting or sampling of alcoholic beverages by the
 34 employees of retailers or dealers. The tasting or sampling of an
 35 alcoholic beverage product is limited to one (1) ounce per
 36 employee of each alcoholic beverage product offered. The
 37 alcoholic beverage to be tasted or sampled may be provided by
 38 the primary source of supply or wholesaler or may be
 39 purchased from the retailer or dealer for no more than the
 40 listed retail price. The tasting or sampling may be conducted
 41 only at a permit premises where the consumption of alcoholic
 42 beverages is permitted. Any tasting or sampling provided by



- 1 a primary source of supply or wholesaler must be offered or
 2 conducted on a nondiscriminatory basis.
- 3 (E) Reasonable hospitality, such as food and alcoholic
 4 beverages, may be offered as a part of an educational seminar.
- 5 (3) Advertising specialties and consumer advertising specialties,
 6 even if not otherwise permitted by a rule of the commission, if a
 7 wholesaler or primary source of supply does not:
- 8 (A) add the name or address of the retailer or dealer to the
 9 advertising specialty or consumer advertising specialty; or
- 10 (B) pay or credit the retailer or dealer, directly or indirectly,
 11 for distribution services.
- 12 **(4) A primary source of supply, manufacturer, or wholesaler**
 13 **may supply equipment on a temporary and nondiscriminatory**
 14 **basis to the holder of a retailer permit or a temporary permit**
 15 **for the purpose of holding, storing, and dispensing product to**
 16 **consumers for a special event for the duration of the special**
 17 **event. Ownership of the equipment shall remain with the**
 18 **primary source of supply, manufacturer, or wholesaler.**
- 19 SECTION 3. IC 7.1-3-2-7, AS AMENDED BY P.L.194-2021,
 20 SECTION 29, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 21 JULY 1, 2023]: Sec. 7. The holder of a brewer's permit or an
 22 out-of-state brewer holding either a primary source of supply permit or
 23 an out-of-state brewer's permit may do the following:
- 24 (1) Manufacture beer.
- 25 (2) Place beer in containers or bottles.
- 26 (3) Transport beer.
- 27 (4) Sell and deliver beer to a person holding a beer wholesaler's
 28 permit issued under IC 7.1-3-3.
- 29 (5) If the brewer manufactures, at all of the brewer's breweries,
 30 ~~located in Indiana~~, an aggregate of not more than ninety thousand
 31 (90,000) barrels of beer in a calendar year for sale or distribution
 32 within Indiana, the permit holder may do the following:
- 33 (A) Sell and deliver a total of not more than thirty thousand
 34 (30,000) barrels of beer in a calendar year to a person holding
 35 a retailer or a dealer permit under this title. The total number
 36 of barrels of beer that the permit holder may sell and deliver
 37 under this clause in a calendar year may not exceed thirty
 38 thousand (30,000) barrels of beer.
- 39 (B) Be the proprietor of a restaurant that is not subject to the
 40 minimum gross food sales or the minimum projected food
 41 sales set forth in 905 IAC 1-41-2.
- 42 (C) Hold a beer retailer's permit, a wine retailer's permit, or a



- 1 liquor retailer's permit for a restaurant established under clause
2 (B).
3 (D) Transfer beer directly from the brewery to the restaurant
4 by means of:
5 (i) bulk containers; or
6 (ii) a continuous flow system.
7 (E) Install a window between the brewery and an adjacent
8 restaurant that allows the public and the permittee to view both
9 premises.
10 (F) Install a doorway or other opening between the brewery
11 and an adjacent restaurant that provides the public and the
12 permittee with access to both premises.
13 (G) Sell the brewery's beer by the glass for consumption on the
14 premises. Brewers permitted to sell beer by the glass under
15 this clause must make food available for consumption on the
16 premises. A brewer may comply with the requirements of this
17 clause by doing any of the following:
18 (i) Allowing a vehicle of transportation that is a food
19 establishment (as defined in IC 16-18-2-137) to serve food
20 near the brewer's licensed premises.
21 (ii) Placing menus in the brewer's premises of restaurants
22 that will deliver food to the brewery.
23 (iii) Providing food prepared at the brewery.
24 (H) Sell and deliver beer to a consumer at the licensed
25 premises of the brewer or at the residence of the consumer.
26 Notwithstanding IC 7.1-1-3-20, the licensed premises may
27 include the brewery parking lot or an area adjacent to the
28 brewery that may only be used for the purpose of conveying
29 alcoholic beverages and other nonalcoholic items to a
30 customer subject to section 10 of this chapter, and may not be
31 used for point of sale purposes or any other purpose. The
32 delivery to a consumer may be made only in a quantity at any
33 one (1) time of not more than one-half (1/2) barrel, but the
34 beer may be contained in bottles or other permissible
35 containers.
36 (I) Sell the brewery's beer as authorized by this section for
37 carryout on Sunday in a quantity at any one (1) time of not
38 more than five hundred seventy-six (576) ounces. A brewer's
39 beer may be sold under this clause at any address for which the
40 brewer holds a brewer's permit issued under this chapter if the
41 address is located within the same city boundaries in which the
42 beer was manufactured.



- 1 (J) With the approval of the commission, participate:
 2 (i) individually; or
 3 (ii) with other permit holders under this chapter, holders of
 4 artisan distiller's permits, holders of farm winery permits, or
 5 any combination of holders described in this item;
 6 in a trade show or an exposition at which products of each
 7 permit holder participant are displayed, promoted, and sold.
 8 All of the permit holders may occupy the same tent, structure,
 9 or building. The commission may not grant to a holder of a
 10 permit under this chapter approval under this clause to
 11 participate in a trade show or exposition for more than
 12 forty-five (45) days in a calendar year.
- 13 (K) Store or condition beer in a secure building that is:
 14 (i) separate from the brewery; and
 15 (ii) owned or leased by the permit holder.
- 16 (L) Transfer beer from a building described in clause (K) back
 17 to the brewery.
- 18 (M) Sell or transfer beer directly to a beer wholesaler from a
 19 building described in clause (K), but may not sell or transfer
 20 beer from the building to any other permittee or a consumer.
 21 The brewer shall maintain an adequate written record of the
 22 beer transferred:
 23 (i) between the brewery and the separate building; and
 24 (ii) from the separate building to the wholesaler.
- 25 (N) Sell the brewery's beer to the holder of a supplemental
 26 caterer's permit issued under IC 7.1-3-9.5 for on-premises
 27 consumption only at an event that is held outdoors on property
 28 that is contiguous to the brewery as approved by the
 29 commission.
- 30 (O) Receive liquor from the holder of a distiller's permit issued
 31 under IC 7.1-3-7 or the holder of an artisan distiller's permit
 32 under IC 7.1-3-27 that is located in the same county as the
 33 brewery for the purpose of carbonating and canning the liquor.
 34 Upon the completion of canning of the liquor, the product
 35 must be returned to the original production facility within
 36 forty-eight (48) hours. The activity under this clause is not an
 37 interest under IC 7.1-5-9.
- 38 **(P) Receive beer from another permit holder under this**
 39 **subdivision for the purpose of bottling and packaging the**
 40 **beer. Upon completion of bottling and packaging the beer,**
 41 **the product must be returned to the original permit holder**
 42 **who manufactured the beer. The number of barrels of beer**



1 **that a permit holder receives, bottles, and packages under**
 2 **this clause may not exceed the number of barrels of beer**
 3 **that the permit holder produced from raw materials at the**
 4 **licensed premises of the permit holder in the same**
 5 **calendar year. The activity under this clause is not an**
 6 **interest under IC 7.1-5-9.**

7 **(Q) Sell or transfer beer directly to a food manufacturer**
 8 **located in Indiana that is registered with the federal Food**
 9 **and Drug Administration for the purpose of adding or**
 10 **integrating the beer into a product or recipe.**

11 (6) If the brewer's brewery manufactures more than ninety
 12 thousand (90,000) barrels of beer in a calendar year for sale or
 13 distribution within Indiana, the permit holder may own a portion
 14 of the corporate stock of another brewery that:

15 (A) is located in the same county as the brewer's brewery;

16 (B) manufactures less than ninety thousand (90,000) barrels of
 17 beer in a calendar year; and

18 (C) is the proprietor of a restaurant that operates under
 19 subdivision (5).

20 (7) Provide complimentary samples of beer that are:

21 (A) produced by the brewer; and

22 (B) offered to consumers for consumption on the brewer's
 23 premises.

24 (8) Own a portion of the corporate stock of a sports corporation
 25 that:

26 (A) manages a minor league baseball stadium located in the
 27 same county as the brewer's brewery; and

28 (B) holds a beer retailer's permit, a wine retailer's permit, or a
 29 liquor retailer's permit for a restaurant located in that stadium.

30 (9) For beer described in IC 7.1-1-2-3(a)(4):

31 (A) may allow transportation to and consumption of the beer
 32 on the licensed premises; and

33 (B) may not sell, offer to sell, or allow sale of the beer on the
 34 licensed premises.

35 SECTION 4. IC 7.1-3-2-11 IS ADDED TO THE INDIANA CODE
 36 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 37 1, 2023]: **Sec. 11. (a) A finished product of a food manufacturer**
 38 **that contains beer transferred to the food manufacturer under**
 39 **section 7(5)(Q) of this chapter may not contain more than one-half**
 40 **of one percent (0.5%) of alcohol by volume when the product**
 41 **leaves the food manufacturer's facility.**

42 **(b) Beer that is sold or transferred to a food manufacturer**



1 **under section 7(5)(Q) of this chapter shall be included within the**
 2 **barrels of beer limits set forth in section 7(5)(A) of this chapter.**

3 SECTION 5. IC 7.1-3-20-16, AS AMENDED BY P.L.104-2022,
 4 SECTION 57, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 5 JULY 1, 2023]: Sec. 16. (a) A permit that is authorized by this section
 6 may be issued without regard to the quota provisions of IC 7.1-3-22.

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

13 (c) Except as provided in sections 16.3 and 16.4 of this chapter, the
 14 commission may issue a three-way, two-way, or one-way permit to sell
 15 alcoholic beverages for on-premises consumption only to an applicant
 16 who is the proprietor, as owner or lessee, or both, of a restaurant within
 17 a redevelopment project consisting of a building or group of buildings
 18 that:

- 19 (1) was formerly used as part of a union railway station;
 20 (2) has been listed in or is within a district that has been listed in
 21 the federal National Register of Historic Places maintained
 22 pursuant to the National Historic Preservation Act of 1966, as
 23 amended; and
 24 (3) has been redeveloped or renovated, with the redevelopment or
 25 renovation being funded in part with grants from the federal,
 26 state, or local government.

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

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

- 34 (1) on land; or
 35 (2) in a historic river vessel;

36 within a municipal riverfront development project funded in part with
 37 state and city money. The ownership of a permit issued under this
 38 subsection and the location for which the permit was issued may not be
 39 transferred. The legislative body of the municipality in which the
 40 municipal riverfront development project is located shall recommend
 41 to the commission sites that are eligible to be permit premises. The
 42 commission shall consider, but is not required to follow, the municipal



1 legislative body's recommendation in issuing a permit under this
 2 subsection. A permit holder and any lessee or proprietor of the permit
 3 premises are subject to the formal written commitment required under
 4 IC 7.1-3-19-17. Notwithstanding IC 7.1-3-1-3.5 and IC 7.1-3-1.1, if
 5 business operations cease at the permit premises for more than six (6)
 6 months, the permit shall revert to the commission. The permit holder
 7 is not entitled to any refund or other compensation.

8 (e) Except as provided in sections 16.3 and 16.4 of this chapter, the
 9 commission may issue a three-way, two-way, or one-way permit to sell
 10 alcoholic beverages for on-premises consumption only to an applicant
 11 who is the proprietor, as owner or lessee, or both, of a restaurant within
 12 a renovation project consisting of:

13 (1) a building that:

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

16 (B) was built before 1900; or

17 (2) a complex of buildings that:

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

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

23 (i) at least seventy-five (75) years old; and

24 (ii) located at a site at which manufacturing previously
 25 occurred over a period of at least seventy-five (75) years.

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

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

32 (1) A town having a population of more than twenty-three
 33 thousand (23,000) and less than twenty-three thousand nine
 34 hundred (23,900) located in a county having a population of more
 35 than four hundred thousand (400,000) and less than seven
 36 hundred thousand (700,000).

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

39 (g) Except as provided in section 16.3 of this chapter, the
 40 commission may issue not more than ~~ten (10)~~ **fifteen (15)** 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 ~~seven hundred (700)~~ **one thousand five**
 3 **hundred (1,500)** feet from a district, that meets the following
 4 requirements:

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

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

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

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

13 The legislative body of the municipality in which the district is located
 14 shall recommend to the commission sites that are eligible to be permit
 15 premises. The commission shall consider, but is not required to follow,
 16 the municipal legislative body's recommendation in issuing a permit
 17 under this subsection. An applicant is not eligible for a permit if, less
 18 than two (2) years before the date of the application, the applicant sold
 19 a retailer's permit that was subject to IC 7.1-3-22 and that was for
 20 premises located within the district described in this section or within
 21 ~~seven hundred (700)~~ **one thousand five hundred (1,500)** feet of the
 22 district. The ownership of a permit issued under this subsection and the
 23 location for which the permit was issued shall not be transferred. A
 24 permit holder and any lessee or proprietor of the permit premises is
 25 subject to the formal written commitment required under
 26 IC 7.1-3-19-17. Notwithstanding IC 7.1-3-1-3.5 and IC 7.1-3-1.1, if
 27 business operations cease at the permit premises for more than six (6)
 28 months, the permit shall revert to the commission. The permit holder
 29 is not entitled to any refund or other compensation. The total number
 30 of active permits issued under this subsection may not exceed ~~ten (10)~~
 31 **fifteen (15)** at any time. The cost of an initial permit issued under this
 32 subsection is ~~six thousand dollars (\$6,000):~~ **twenty-five thousand**
 33 **dollars (\$25,000).**

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

39 (1) a town having a population of more than twenty thousand
 40 (20,000); or

41 (2) a city having a population of more than forty-nine thousand
 42 four hundred (49,400) and less than fifty thousand (50,000);



1 located in a county having a population of more than one hundred
 2 twenty thousand (120,000) and less than one hundred thirty thousand
 3 (130,000). The commission may issue not more than five (5) licenses
 4 under this section to premises within a municipality described in
 5 subdivision (1) and not more than five (5) licenses to premises within
 6 a municipality described in subdivision (2). The commission shall
 7 conduct an auction of the permits under IC 7.1-3-22-9, except that the
 8 auction may be conducted at any time as determined by the
 9 commission. Notwithstanding any other law, the minimum bid for an
 10 initial license under this subsection is thirty-five thousand dollars
 11 (\$35,000), and the renewal fee for a license under this subsection is one
 12 thousand three hundred fifty dollars (\$1,350). Before the district
 13 expires, a permit issued under this subsection may not be transferred.
 14 After the district expires, a permit issued under this subsection may be
 15 renewed, and the ownership of the permit may be transferred, but the
 16 permit may not be transferred from the permit premises.

17 (i) After June 30, 2006, and except as provided in section 16.3 of
 18 this chapter, the commission may issue not more than five (5) new
 19 three-way, two-way, or one-way permits to sell alcoholic beverages for
 20 on-premises consumption to applicants, each of whom must be the
 21 proprietor, as owner or lessee, or both, of a restaurant located within a
 22 district, or not more than five hundred (500) feet from a district, that
 23 meets all of the following requirements:

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

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

29 (3) An international deep water seaport is located within the
 30 district.

31 An applicant is not eligible for a permit under this subsection if, less
 32 than two (2) years before the date of the application, the applicant sold
 33 a retailers' permit that was subject to IC 7.1-3-22 and that was for
 34 premises located within the district described in this subsection or
 35 within five hundred (500) feet of the district. A permit issued under this
 36 subsection may not be transferred. If the commission issues five (5)
 37 new permits under this subsection, and a permit issued under this
 38 subsection is later revoked or is not renewed, the commission may
 39 issue another new permit, as long as the total number of active permits
 40 issued under this subsection does not exceed five (5) at any time. The
 41 commission shall conduct an auction of the permits under
 42 IC 7.1-3-22-9, except that the auction may be conducted at any time as



1 determined by the commission.

2 (j) Subject to section 16.2 of this chapter and except as provided in
3 section 16.3 of this chapter, the commission may issue not more than
4 six (6) new three-way, two-way, or one-way permits to sell alcoholic
5 beverages for on-premises consumption only to an applicant who is the
6 proprietor, as owner or lessee, or both, of a restaurant on land within a
7 municipal lakefront development project. A permit issued under this
8 subsection may not be transferred. If the commission issues six (6) new
9 permits under this subsection, and a permit issued under this subsection
10 is later revoked or is not renewed, the commission may issue another
11 new permit, as long as the total number of active permits issued under
12 this subsection does not exceed six (6) at any time. The commission
13 shall conduct an auction of the permits under IC 7.1-3-22-9, except that
14 the auction may be conducted at any time as determined by the
15 commission. Notwithstanding any other law, the minimum bid for an
16 initial permit under this subsection is ten thousand dollars (\$10,000).

17 (k) Except as provided in section 16.3 of this chapter, the
18 commission may issue not more than nine (9) new three-way permits
19 to sell alcoholic beverages for on-premises consumption to applicants,
20 each of whom must be a proprietor, as owner or lessee, or both, of a
21 restaurant located:

- 22 (1) within a motorsports investment district (as defined in
23 IC 5-1-17.5-11); or
24 (2) not more than one thousand five hundred (1,500) feet from a
25 motorsports investment district.

26 The ownership of a permit issued under this subsection and the location
27 for which the permit was issued shall not be transferred. If the
28 commission issues nine (9) new permits under this subsection, and a
29 permit issued under this subsection is later revoked or is not renewed,
30 the commission may issue another new permit, as long as the total
31 number of active permits issued under this subsection does not exceed
32 nine (9) at any time. A permit holder and any lessee or proprietor of the
33 permit premises are subject to the formal written commitment required
34 under IC 7.1-3-19-17. Notwithstanding IC 7.1-3-1-3.5 and IC 7.1-3-1.1,
35 if business operations cease at the permit premises for more than six
36 (6) months, the permit shall revert to the commission. The permit
37 holder is not entitled to any refund or other compensation.

38 (l) Except as provided in section 16.3 of this chapter, the
39 commission may issue not more than two (2) new three-way permits to
40 sell alcoholic beverages for on-premises consumption for premises
41 located within a qualified motorsports facility (as defined in
42 IC 5-1-17.5-14). The ownership of a permit issued under this



1 subsection and the location for which the permit was issued shall not
 2 be transferred. If the commission issues two (2) new permits under this
 3 subsection, and a permit issued under this subsection is later revoked
 4 or is not renewed, the commission may issue another new permit, as
 5 long as the total number of active permits issued under this subsection
 6 does not exceed two (2) at any time. A permit holder and any lessee or
 7 proprietor of the permit premises are subject to the formal written
 8 commitment required under IC 7.1-3-19-17. Notwithstanding
 9 IC 7.1-3-1-3.5 and IC 7.1-3-1.1, if business operations cease at the
 10 permit premises for more than six (6) months, the permit shall revert
 11 to the commission. The permit holder is not entitled to any refund or
 12 other compensation.

13 SECTION 6. IC 7.1-3-20-16.8, AS AMENDED BY P.L.285-2019,
 14 SECTION 36, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 15 JULY 1, 2023]: Sec. 16.8. (a) A permit that is authorized by this
 16 section may be issued without regard to the quota provisions of
 17 IC 7.1-3-22.

18 (b) Except as provided in section 16.3 of this chapter, the
 19 commission may issue not more than four (4) new three-way permits
 20 to sell alcoholic beverages for on-premises consumption to applicants
 21 in each of the following municipalities:

- 22 ~~(1)~~ Whitestown.
- 23 ~~(2)~~ (1) Lebanon.
- 24 ~~(3)~~ (2) Zionsville.
- 25 ~~(4)~~ (3) Westfield.
- 26 ~~(5)~~ (4) Carmel.
- 27 ~~(6)~~ (5) Fishers.

28 (c) The following apply to permits issued under ~~this section~~
 29 **subsection (b)**:

30 (1) An applicant for a permit under ~~this section~~ **subsection (b)**
 31 must be a proprietor, as owner or lessee, or both, of a restaurant
 32 located within an economic development area, an area needing
 33 redevelopment, or a redevelopment district as established under
 34 IC 36-7-14 in a municipality's:

- 35 (A) downtown redevelopment district; or
- 36 (B) downtown economic revitalization area.

37 (2) The cost of an initial permit is forty thousand dollars
 38 (\$40,000).

39 (3) The total number of active permits issued under ~~this section~~
 40 **subsection (b)** may not exceed ~~twenty-four (24)~~ **twenty (20)**
 41 permits at any time. If any of the permits issued under ~~this section~~
 42 **subsection (b)** are revoked or not renewed, the commission may



1 issue only enough new permits to bring the total number of
 2 permits to ~~twenty-four (24)~~ **twenty (20)** active permits, with not
 3 more than four (4) in each municipality listed in subsection (b)(1)
 4 through ~~(b)(6)~~ **(b)(5)**.

5 (4) The municipality may adopt an ordinance under
 6 IC 7.1-3-19-17 requiring a permit holder to enter into a formal
 7 written commitment as a condition of eligibility for a permit. As
 8 set forth in IC 7.1-3-19-17(b), a formal written commitment is
 9 binding on the permit holder and on any lessee or proprietor of
 10 the permit premises.

11 (5) Notwithstanding IC 7.1-3-1-3.5 and IC 7.1-3-1.1, if business
 12 operations cease at the permit premises for more than six (6)
 13 months, the permit shall revert to the commission and the permit
 14 holder is not entitled to any refund or other compensation.

15 (6) Except as provided in subdivision (8), the ownership of a
 16 permit may not be transferred.

17 (7) A permit may not be transferred from the premises for which
 18 the permit was issued.

19 (8) If the area in which the permit premises is located is no longer
 20 designated an economic development area, an area needing
 21 redevelopment, or a redevelopment district, a permit issued under
 22 this section may be renewed, and the ownership of the permit may
 23 be transferred, but the permit may not be transferred from the
 24 permit premises.

25 **(d) Except as provided in section 16.3 of this chapter, the**
 26 **commission may issue not more than the following to the town of**
 27 **Whitestown:**

28 **(1) Three (3) new three-way permits.**

29 **(2) Three (3) new two-way permits.**

30 **(3) One (1) new liquor dealer's permit.**

31 **(e) The following apply to permits issued under subsection (d):**

32 **(1) An applicant for a permit under subsection (d)(1) or (d)(2)**
 33 **must be a proprietor, as owner or lessee, or both, of a**
 34 **restaurant located within an economic development area, an**
 35 **area needing redevelopment, or a redevelopment district as**
 36 **established under IC 36-7-14 in a municipality's:**

37 **(A) downtown redevelopment district; or**

38 **(B) downtown economic revitalization area.**

39 **(2) The cost of an initial permit is forty thousand dollars**
 40 **(\$40,000).**

41 **(3) The total number of active permits issued under**
 42 **subsection (d) may not exceed seven (7) permits at any time.**



1 (4) The municipality may adopt an ordinance under
2 IC 7.1-3-19-17 requiring a permit holder to enter into a
3 formal written commitment as a condition of eligibility for a
4 permit. As set forth in IC 7.1-3-19-17(b), a formal written
5 commitment is binding on the permit holder and on any lessee
6 or proprietor of the permit premises.

7 (5) Notwithstanding IC 7.1-3-1-3.5 and IC 7.1-3-1.1, if
8 business operations cease at the permit premises for more
9 than six (6) months, the permit shall revert to the commission
10 and the permit holder is not entitled to any refund or other
11 compensation.

12 (6) Except as provided in subdivision (8), the ownership of a
13 permit may not be transferred.

14 (7) A permit may not be transferred from the premises for
15 which the permit was issued.

16 (8) If the area in which the permit issued to a premises under
17 subsection (d)(1) or (d)(2) is located is no longer designated an
18 economic development area, an area needing redevelopment,
19 or a redevelopment district, a permit issued under this section
20 may be renewed, and the ownership of the permit may be
21 transferred, but the permit may not be transferred from the
22 permit premises.

23 SECTION 7. IC 7.1-3-22-4.5 IS ADDED TO THE INDIANA
24 CODE AS A NEW SECTION TO READ AS FOLLOWS
25 [EFFECTIVE JULY 1, 2023]: Sec. 4.5. (a) As used in this section,
26 "eligible grocery store" means a grocery store (as defined in
27 IC 7.1-1-3-18.5(a)(1)) that meets the following criteria:

28 (1) Is operated in a consolidated city.

29 (2) Was established in whole or in part through a food
30 empowerment pilot project authorized under P.L.165-2021,
31 SECTION 6 and awarded to a nonprofit corporation for the
32 benefit of establishing the grocery store.

33 (3) Operates with less than eighteen thousand (18,000) square
34 feet of building space.

35 (4) Provides access to fresh and healthy foods to individuals
36 in a low income area where access to resources for fresh and
37 healthy food, particularly fresh fruits and vegetables and
38 fresh meat, poultry, and fish, is limited.

39 (b) The commission shall issue a beer dealer's permit and a wine
40 dealer's permit to an eligible grocery store without regard to the
41 quota provisions of this chapter.

42 (c) A permit issued under this section is subject to the following:



1 **(1) A permit issued under this section may be renewed, and**
 2 **the ownership of the permit may be transferred, but the**
 3 **permit may not be transferred from the permit premises.**

4 **(2) Notwithstanding IC 7.1-3-1.1, if the premises ceases to**
 5 **qualify as an eligible grocery store for more than six (6)**
 6 **months, the permit shall revert to the commission and the**
 7 **permit holder is not entitled to any refund or other**
 8 **compensation.**

9 SECTION 8. IC 7.1-3-27-3, AS AMENDED BY P.L.159-2014,
 10 SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 11 JULY 1, 2023]: Sec. 3. (a) An artisan distiller may produce not more
 12 than ~~ten~~ **twenty** thousand (~~10,000~~) **(20,000)** gallons of liquor in any
 13 calendar year. Liquor produced by an artisan distiller that is sold
 14 through a wholesaler licensed under IC 7.1-3-8 may not be counted
 15 toward the gallonage limit.

16 (b) An artisan distiller who knowingly or intentionally violates this
 17 section commits a Class B misdemeanor.

18 SECTION 9. IC 7.1-5-3-1, AS AMENDED BY P.L.79-2015,
 19 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 20 JULY 1, 2023]: Sec. 1. (a) This section does not apply to the following:

21 (1) An establishment where alcoholic beverages are sold that is
 22 owned, in whole or part, by an entity that holds a brewer's permit
 23 issued under IC 7.1-3-2-2(b).

24 (2) An establishment where alcoholic beverages are sold that is
 25 owned, in whole or part, by a statewide trade organization
 26 consisting of members, each of whom holds a brewer's permit
 27 issued under IC 7.1-3-2-2(b).

28 **(3) Beer that is bottled and packaged under IC 7.1-3-2-7(5)(P).**

29 (b) Except as provided in section 6 of this chapter, it is unlawful to
 30 sell beer in this state at retail in a bottle, can, or other container, unless
 31 the bottle, can, or other container was packaged and sealed by the
 32 brewer at the brewer's bottling house contiguous or adjacent to the
 33 brewery in which the beer was produced.

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

36 SECTION 10. IC 7.1-5-7-11, AS AMENDED BY P.L.105-2022,
 37 SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 38 JULY 1, 2023]: Sec. 11. (a) The provisions of sections 9 and 10 of this
 39 chapter shall not apply if the public place involved is one (1) of the
 40 following:

41 (1) Civic center.

42 (2) Convention center.



- 1 (3) Sports arena.
- 2 (4) Bowling center.
- 3 (5) Bona fide club.
- 4 (6) Drug store.
- 5 (7) Grocery store.
- 6 (8) Boat.
- 7 (9) Dining car.
- 8 (10) Pullman car.
- 9 (11) Club car.
- 10 (12) Passenger airplane.
- 11 (13) Horse racetrack facility holding a recognized meeting permit
- 12 under IC 4-31-5.
- 13 (14) Satellite facility (as defined in IC 4-31-2.1-36).
- 14 (15) Catering hall under IC 7.1-3-20-24 that is not open to the
- 15 public.
- 16 (16) That part of a restaurant which is separate from a room in
- 17 which is located a bar over which alcoholic beverages are sold or
- 18 dispensed by the drink.
- 19 (17) Entertainment complex.
- 20 (18) Indoor golf facility.
- 21 (19) A recreational facility such as a golf course, bowling center,
- 22 or similar facility that has the recreational activity and not the sale
- 23 of food and beverages as the principal purpose or function of the
- 24 person's business.
- 25 (20) A licensed premises owned or operated by a postsecondary
- 26 educational institution described in IC 21-17-6-1.
- 27 (21) An automobile racetrack.
- 28 (22) An indoor theater under IC 7.1-3-20-26.
- 29 (23) A senior residence facility campus (as defined in
- 30 IC 7.1-3-1-29(c)) at which alcoholic beverages are given or
- 31 furnished as provided under IC 7.1-3-1-29.
- 32 (24) A hotel other than a part of a hotel that is a room in a
- 33 restaurant in which a bar is located over which alcoholic
- 34 beverages are sold or dispensed by the drink.
- 35 (25) The location of an allowable event to which IC 7.1-3-6.1
- 36 applies.
- 37 (26) The location of a charity auction to which IC 7.1-3-6.2
- 38 applies.
- 39 (27) A tour of a brewery as provided in IC 7.1-3-20-16.4, if the
- 40 minor is in the company of a parent, legal guardian or custodian,
- 41 or family member who is at least twenty-one (21) years of age.
- 42 (28) A farm winery and any additional locations of the farm



1 winery under IC 7.1-3-12, if the minor is in the company of a
 2 parent, legal guardian or custodian, or family member who is at
 3 least twenty-one (21) years of age and the minor is accompanied
 4 by the adult in any area that the adult may be present whether or
 5 not the area:

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

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

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

11 (A) the person who holds the artisan distiller's permit also
 12 holds a farm winery permit under IC 7.1-3-12, or
 13 IC 7.1-3-20-16.4(a) applies to the person; and

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

17 (30) An art instruction studio under IC 7.1-5-8-4.6.

18 (31) The licensed premises of a food hall under IC 7.1-3-20-29
 19 and the food and beverage vending space of a food hall vendor
 20 permittee under IC 7.1-3-20-30. However, sections 9 and 10 of
 21 this chapter apply to a bar within the food and beverage vending
 22 space of a food hall vendor permittee under IC 7.1-3-20-30 that
 23 serves alcoholic beverages intended to be consumed while sitting
 24 or standing at the bar.

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

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

31 ~~(2) (1) The minor is in the company of a parent, guardian, or~~
 32 ~~family member who is twenty-one (21) years of age or older.~~

33 ~~(3) (2) The purpose for being on the licensed premises is the~~
 34 ~~consumption of food and not the consumption of alcoholic~~
 35 ~~beverages.~~

36 **(3) The minor, accompanied by the parent, guardian, or**
 37 **family member who is twenty-one (21) years of age or older,**
 38 **must be seated at a table or booth in the bar area and shall**
 39 **not be seated at the bar over which alcoholic beverages are**
 40 **sold or dispensed by the drink.**



COMMITTEE REPORT

Mr. Speaker: Your Committee on Public Policy, to which was referred House Bill 1217, 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 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 7.1-1-3-16.5, AS AMENDED BY P.L.194-2021, SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 16.5. The term "entertainment complex" means a premises that complies with one (1) or more of the following requirements:

(1) The premises:

(A) is a site for the performance of musical, theatrical, or other entertainment; and

(B) includes an area where at least six hundred (600) individuals may be seated at one (1) time in permanent seating.

(2) The premises:

(A) is located entirely within a ~~four (4)~~ **five (5)** mile radius of the center of a consolidated city;

(B) is used by a nonprofit organization primarily as a **museum of fine arts, as a fine arts theater**, or for the professional performance of musical or theatrical entertainment; and

(C) has audience seating in one (1) or more performance spaces for at least two hundred (200) individuals."

Page 2, after line 41, begin a new paragraph and insert:

"SECTION 3. IC 7.1-3-1-31 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]: **Sec. 31. (a) As used in this chapter, "salon" means a beauty culture salon licensed under IC 25-8-7.**

(b) A salon may possess and give or furnish beer by the bottle or glass, or wine by the glass, on the premises of the salon for consumption on the premises to a salon customer who is:

(1) at least twenty-one (21) years of age; and

(2) receiving salon services.

(c) Beer or wine may only be dispensed under subsection (b) by a salon employee who holds a permit under IC 7.1-3-18-9.

(d) This section may not be construed to authorize a salon to sell wine or beer on the premises of the salon without a permit under this title.

SECTION 4. IC 7.1-3-2-7, AS AMENDED BY P.L.194-2021,

EH 1217—LS 6814/DI 87



SECTION 29, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]: 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 licensed premises of the brewer or at the residence of the consumer. Notwithstanding IC 7.1-1-3-20, the licensed premises may include the brewery parking lot or an area adjacent to the brewery that may only be used for the purpose of conveying alcoholic beverages and other nonalcoholic items to a customer subject to section 10 of this chapter, and may not be used for point of sale purposes or any other purpose. 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.

(L) Transfer beer from a building described in clause (K) back to the brewery.

(M) Sell or transfer beer directly to a beer wholesaler from a building described in clause (K), but may not sell or transfer



beer from the building to any other permittee or a consumer. The brewer shall maintain an adequate written record of the beer transferred:

- (i) between the brewery and the separate building; and
- (ii) from the separate building to the wholesaler.

(N) Sell the brewery's beer to the holder of a supplemental caterer's permit issued under IC 7.1-3-9.5 for on-premises consumption only at an event that is held outdoors on property that is contiguous to the brewery as approved by the commission.

(O) Receive liquor from the holder of a distiller's permit issued under IC 7.1-3-7 or the holder of an artisan distiller's permit under IC 7.1-3-27 that is located in the same county as the brewery for the purpose of carbonating and canning the liquor. Upon the completion of canning of the liquor, the product must be returned to the original production facility within forty-eight (48) hours. The activity under this clause is not an interest under IC 7.1-5-9.

(P) Receive beer from another permit holder under this subdivision for the purpose of bottling and packaging the beer. Upon completion of bottling and packaging the beer, the product must be returned to the original permit holder. The number of gallons of beer that a permit holder receives, bottles, and packages under this clause may not exceed the number of gallons of beer that the permit holder produced from raw materials at the licensed premises of the permit holder in the same calendar year. The activity under this clause is not an interest under IC 7.1-5-9.

(Q) Sell or transfer beer directly to a food manufacturer located in Indiana that is registered with the federal Food and Drug Administration for the purpose of adding or integrating the beer into a product or recipe.

(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 5. IC 7.1-3-2-11 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]: **Sec. 11. (a) A finished product of a food manufacturer that contains beer transferred to the food manufacturer under section 7(5)(Q) of this chapter may not contain more than one-half of one percent (0.5%) of alcohol by volume when the product leaves the food manufacturer's facility.**

(b) Beer that is sold or transferred to a food manufacturer under section 7(5)(Q) of this chapter shall be included within the barrels of beer limits set forth in section 7(5)(A) of this chapter.

SECTION 6. IC 7.1-3-12-5, AS AMENDED BY P.L.194-2021, SECTION 42, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]: **Sec. 5. (a) The following apply to the holder of a farm winery permit:**

- (1) A holder is entitled to manufacture wine and to place wine produced by the permit holder's farm winery in bottles or other permissible containers.
- (2) A holder is entitled to serve complimentary samples of the winery's wine on the licensed premises or an outside area that is contiguous to the licensed premises, as approved by the commission if each employee who serves wine on the licensed premises:
 - (A) holds an employee's permit under IC 7.1-3-18-9; and
 - (B) completes a server training program approved by the commission.
- (3) A holder is entitled to sell the winery's wine on the licensed premises to consumers either by:



- (A) the glass;
- (B) the bottle;
- (C) a box that contains a bag designed for storing and dispensing wine;
- (D) any combination of receptacles listed in clauses (A) through (C); or
- (E) any other container permissible under federal law.

Notwithstanding IC 7.1-1-3-20, the licensed premises may include the farm winery parking lot or an area adjacent to the farm winery. The parking lot or an adjacent area may only be used for the purpose of conveying alcoholic beverages and other nonalcoholic items to a customer subject to section 5.5 of this chapter, and may not be used for point of sale purposes or any other purpose.

(4) A holder is entitled to:

- (A) serve complimentary samples of the winery's wine; and**
- (B) sell the winery's wine to consumers by the bottle;**

at a farmers' market that is operated on a nonprofit basis.

(5) A holder is entitled to sell wine by:

- (A) the bottle;
- (B) the can;
- (C) a box that contains a bag designed for storing and dispensing wine;
- (D) bulk container;
- (E) the case; or
- (F) any combination of receptacles listed in clauses (A) through (E);

to a person who is the holder of a permit to sell wine at wholesale.

(6) A holder is exempt from the provisions of IC 7.1-3-14.

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

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

(10) A holder is entitled to sell wine as authorized by this section for carryout on Sunday.

(11) A holder 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.

(12) A holder is entitled to sell the farm winery's wine to the holder of a supplemental caterer's permit issued under IC 7.1-3-9.5 for on-premises consumption only at an event that is held outdoors on property that is contiguous to the farm winery as approved by the commission.

(13) A holder is entitled to 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 and the gross retail income requirements to sell carryout under IC 7.1-3-20-9.5. A holder is entitled to conduct 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 or cans;
- (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.

(14) A holder that does not distribute through an Indiana wine wholesaler is entitled under the farm winery permit to sell and deliver to a person holding a wine retailer or wine dealer permit under this title a total of not more than three thousand (3,000) gallons of the farm winery's wine in a calendar year, if the farm winery has not sold in Indiana more than fifteen thousand (15,000) gallons the previous calendar year. A holder that sells and delivers under this subdivision shall comply with all provisions applicable to a wholesaler in 905 IAC 1-5.1, 905 IAC 1-5.2, 905 IAC 1-21, 905 IAC 1-31, and 905 IAC 1-32.1.

(15) A holder must annually submit to the commission copies of its Indiana and federal excise tax returns.

(b) With the approval of the commission, a holder of a permit under this chapter may conduct business at not more than three (3) additional locations that are separate from the winery. At the additional locations, the holder of a permit may conduct any business that is authorized at



the first location, except for manufacturing wine or placing wine in bottles or containers.

(c) A farm winery may transfer wine from a storage facility or an additional location described in subsection (b). A farm winery may sell or transfer wine directly to a wine wholesaler from a storage facility separate from the farm winery or an additional location described in subsection (b). A farm winery may not sell or transfer wine from a storage facility to any other permittee or a consumer. The farm winery shall maintain an adequate written record of wine transferred:

- (1) between the farm winery and the storage facility; and
- (2) from the storage facility to the wholesaler.

(d) With the approval of the commission, a holder of a permit under this chapter may:

- (1) individually; or
- (2) with other permit holders under this chapter, holders of artisan distiller's permits, holders of brewer's permits issued under IC 7.1-3-2-2(b), or any combination of holders described in this subdivision;

participate 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 approval under this subsection to a holder of a permit under this chapter for more than forty-five (45) days in a calendar year.

SECTION 7. IC 7.1-3-18-9, AS AMENDED BY P.L.196-2015, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 9. (a) The commission may issue an employee's permit to a person who desires to act as:

- (1) a clerk in a package liquor store;
- (2) an employee who serves wine at a farm winery; ~~or~~
- (3) a bartender, waiter, waitress, or manager in a retail establishment, excepting dining car and boat employees; ~~or~~
- (4) a salon employee who serves beer or wine at a salon under IC 7.1-3-1-31.**

(b) A permit authorized by this section is conditioned upon the compliance by the holder with reasonable rules relating to the permit which the commission may prescribe from time to time.

(c) A permit issued under this section entitles its holder to work for any lawful employer. However, a person may work without an employee's permit for thirty (30) days from the date shown on a receipt for a cashier's check or money order payable to the commission for that person's employee's permit application.



(d) A person who, for a package liquor store or retail establishment, is:

- (1) the sole proprietor;
- (2) a partner, a general partner, or a limited partner in a partnership or limited partnership that owns the business establishment;
- (3) a member of a limited liability company that owns the business establishment; or
- (4) a stockholder in a corporation that owns the business establishment;

is not required to obtain an employee's permit in order to perform any of the acts listed in subsection (a).

(e) An applicant may declare on the application form that the applicant will use the employee's permit only to perform volunteer service that benefits a nonprofit organization. It is unlawful for an applicant who makes a declaration under this subsection to use an employee's permit for any purpose other than to perform volunteer service that benefits a nonprofit organization.

(f) The commission may not issue an employee's permit to an applicant while the applicant is serving a sentence for a conviction for operating while intoxicated, including any term of probation or parole.

(g) The commission may not issue an employee's permit to an applicant who has two (2) unrelated convictions for operating while intoxicated if:

- (1) the first conviction occurred less than ten (10) years before the date of the applicant's application for the permit; and
- (2) the applicant completed the sentence for the second conviction, including any term of probation or parole, less than two (2) years before the date of the applicant's application for the permit.

(h) If an applicant for an employee's permit has at least three (3) unrelated convictions for operating while intoxicated in the ten (10) years immediately preceding the date of the applicant's application for the permit, the commission may not grant the issuance of the permit. If, in the ten (10) years immediately preceding the date of the applicant's application the applicant has:

- (1) one (1) conviction for operating while intoxicated, and the applicant is not subject to subsection (f); or
- (2) two (2) unrelated convictions for operating while intoxicated, and the applicant is not subject to subsection (f) or (g);

the commission may grant or deny the issuance of a permit.

(i) Except as provided under section 9.5 of this chapter, the



commission shall revoke a permit issued to an employee under this section if:

- (1) the employee is convicted of a Class B misdemeanor for violating IC 7.1-5-10-15(a); or
- (2) the employee is convicted of operating while intoxicated after the issuance of the permit.

The commission may revoke a permit issued to an employee under this section for any violation of this title or the rules adopted by the commission.

SECTION 8. IC 7.1-3-20-16, AS AMENDED BY P.L.104-2022, SECTION 57, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 16. (a) A permit that is authorized by this section may be issued without regard to the quota provisions of IC 7.1-3-22.

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

(c) Except as provided in sections 16.3 and 16.4 of this chapter, the commission may issue a three-way, two-way, or one-way permit to sell alcoholic beverages for on-premises consumption only to an applicant who is the proprietor, as owner or lessee, or both, of a restaurant within a redevelopment project consisting of a building or group of buildings that:

- (1) was formerly used as part of a union railway station;
- (2) has been listed in or is within a district that has been listed in the federal National Register of Historic Places maintained pursuant to the National Historic Preservation Act of 1966, as amended; and
- (3) has been redeveloped or renovated, with the redevelopment or renovation being funded in part with grants from the federal, state, or local government.

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

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

- (1) on land; or
- (2) in a historic river vessel;



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

(e) Except as provided in sections 16.3 and 16.4 of this chapter, the commission may issue a three-way, two-way, or one-way permit to sell alcoholic beverages for on-premises consumption only to an applicant who is the proprietor, as owner or lessee, or both, of a restaurant within a renovation project consisting of:

- (1) a building that:
 - (A) was formerly used as part of a passenger and freight railway station; and
 - (B) was built before 1900; or
- (2) a complex of buildings that:
 - (A) is part of an economic development area established under IC 36-7-14; and
 - (B) includes, as part of the renovation project, the use and repurposing of two (2) or more buildings and structures that are:
 - (i) at least seventy-five (75) years old; and
 - (ii) located at a site at which manufacturing previously occurred over a period of at least seventy-five (75) years.

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

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

- (1) A town having a population of more than twenty-three thousand (23,000) and less than twenty-three thousand nine hundred (23,900) located in a county having a population of more than four hundred thousand (400,000) and less than seven



hundred thousand (700,000).

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

(g) Except as provided in section 16.3 of this chapter, the commission may issue not more than ~~ten (10)~~ **fifteen (15)** new three-way, two-way, or one-way permits to sell alcoholic beverages for on-premises consumption to applicants, each of whom must be the proprietor, as owner or lessee, or both, of a restaurant located within a district, or not more than ~~seven hundred (700)~~ **one thousand five hundred (1,500)** feet from a district, that meets the following requirements:

- (1) The district has been listed in the National Register of Historic Places maintained under the National Historic Preservation Act of 1966, as amended.
- (2) A county courthouse is located within the district.
- (3) A historic opera house listed on the National Register of Historic Places is located within the district.
- (4) A historic jail and sheriff's house listed on the National Register of Historic Places is located within the district.

The legislative body of the municipality in which the district is located shall recommend to the commission sites that are eligible to be permit premises. The commission shall consider, but is not required to follow, the municipal legislative body's recommendation in issuing a permit under this subsection. An applicant is not eligible for a permit if, less than two (2) years before the date of the application, the applicant sold a retailer's permit that was subject to IC 7.1-3-22 and that was for premises located within the district described in this section or within ~~seven hundred (700)~~ **one thousand five hundred (1,500)** feet of the district. The ownership of a permit issued under this subsection and the location for which the permit was issued shall not be transferred. A permit holder and any lessee or proprietor of the permit premises is subject to the formal written commitment required under IC 7.1-3-19-17. Notwithstanding IC 7.1-3-1-3.5 and IC 7.1-3-1-1.1, if business operations cease at the permit premises for more than six (6) months, the permit shall revert to the commission. The permit holder is not entitled to any refund or other compensation. The total number of active permits issued under this subsection may not exceed ~~ten (10)~~ **fifteen (15)** at any time. The cost of an initial permit issued under this subsection is ~~six thousand dollars (\$6,000)~~; **twenty-five thousand dollars (\$25,000)**.

(h) Except as provided in section 16.3 of this chapter, the commission may issue a three-way permit for the sale of alcoholic



beverages for on-premises consumption to an applicant who will locate as the proprietor, as owner or lessee, or both, of a restaurant within an economic development area under IC 36-7-14 in:

- (1) a town having a population of more than twenty thousand (20,000); or
- (2) a city having a population of more than forty-nine thousand four hundred (49,400) and less than fifty thousand (50,000);

located in a county having a population of more than one hundred twenty thousand (120,000) and less than one hundred thirty thousand (130,000). The commission may issue not more than five (5) licenses under this section to premises within a municipality described in subdivision (1) and not more than five (5) licenses to premises within a municipality described in subdivision (2). The commission shall conduct an auction of the permits under IC 7.1-3-22-9, except that the auction may be conducted at any time as determined by the commission. Notwithstanding any other law, the minimum bid for an initial license under this subsection is thirty-five thousand dollars (\$35,000), and the renewal fee for a license under this subsection is one thousand three hundred fifty dollars (\$1,350). Before the district expires, a permit issued under this subsection may not be transferred. After the district expires, a permit issued under this subsection may be renewed, and the ownership of the permit may be transferred, but the permit may not be transferred from the permit premises.

(i) After June 30, 2006, and except as provided in section 16.3 of this chapter, the commission may issue not more than five (5) new three-way, two-way, or one-way permits to sell alcoholic beverages for on-premises consumption to applicants, each of whom must be the proprietor, as owner or lessee, or both, of a restaurant located within a district, or not more than five hundred (500) feet from a district, that meets all of the following requirements:

- (1) The district is within an economic development area, an area needing redevelopment, or a redevelopment district as established under IC 36-7-14.
- (2) A unit of the National Park Service is partially located within the district.
- (3) An international deep water seaport is located within the district.

An applicant is not eligible for a permit under this subsection if, less than two (2) years before the date of the application, the applicant sold a retailers' permit that was subject to IC 7.1-3-22 and that was for premises located within the district described in this subsection or within five hundred (500) feet of the district. A permit issued under this



subsection may not be transferred. If the commission issues five (5) new permits under this subsection, and a permit issued under this subsection is later revoked or is not renewed, the commission may issue another new permit, as long as the total number of active permits issued under this subsection does not exceed five (5) at any time. The commission shall conduct an auction of the permits under IC 7.1-3-22-9, except that the auction may be conducted at any time as determined by the commission.

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

(k) Except as provided in section 16.3 of this chapter, the commission may issue not more than nine (9) new three-way permits to sell alcoholic beverages for on-premises consumption to applicants, each of whom must be a proprietor, as owner or lessee, or both, of a restaurant located:

- (1) within a motorsports investment district (as defined in IC 5-1-17.5-11); or
- (2) not more than one thousand five hundred (1,500) feet from a motorsports investment district.

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



(6) months, the permit shall revert to the commission. The permit holder is not entitled to any refund or other compensation.

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

SECTION 9. IC 7.1-3-27-3, AS AMENDED BY P.L.159-2014, SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 3. (a) An artisan distiller may produce not more than ~~ten~~ **twenty** thousand ~~(10,000)~~ **(20,000)** gallons of liquor in any calendar year. Liquor produced by an artisan distiller that is sold through a wholesaler licensed under IC 7.1-3-8 may not be counted toward the gallonage limit.

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

SECTION 10. IC 7.1-3-27-8, AS AMENDED BY P.L.194-2021, SECTION 59, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 8. (a) The holder of an artisan distiller's permit may do only the following:

- (1) Manufacture liquor, including ~~blending using~~ liquor purchased from another manufacturer ~~with liquor the artisan distiller manufactures~~ under section 11 of this chapter.
- (2) Bottle liquor manufactured by the artisan distiller.
- (3) Insert liquor manufactured by the artisan distiller into a container.
- (4) Store liquor manufactured by the artisan distiller, including at a facility located within ten (10) miles of the artisan distiller's distillery.
- (5) Transport, sell, and deliver liquor manufactured by the artisan



distiller to:

- (A) places outside Indiana; or
 - (B) the holder of a liquor wholesaler's permit under IC 7.1-3-8.
- (6) Sell liquor manufactured by the artisan distiller to consumers by the drink, bottle, container, or case from the licensed premises of the distillery where the liquor was manufactured. Notwithstanding IC 7.1-1-3-20, the licensed premises may include the distillery parking lot or an area adjacent to the artisan distillery. The parking lot or adjacent area may only be used for the purpose of conveying alcoholic beverages and other nonalcoholic items to a customer subject to section 8.1 of this chapter and may not be used for point of sale purposes or any other purpose.
- (7) Serve complimentary samples of the liquor manufactured by the artisan distiller to consumers on the premises of the distillery where the liquor was manufactured.
- (8) Sell liquor as authorized by this section for carryout on Sunday in a quantity at any one (1) time of not more than four and five-tenths (4.5) liters.
- (9) With the approval of the commission, participate:
- (A) individually; or
 - (B) with other permit holders under this chapter, holders of farm winery permits, holders of brewer's permits issued under IC 7.1-3-2-2(b), or any combination of holders described in this clause;
- 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 subdivision to participate in a trade show or exposition for more than forty-five (45) days in a calendar year.
- (10) 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 and the gross retail income requirements to sell carryout under IC 7.1-3-20-9.5. A holder is entitled to conduct 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.

(11) A holder that does not distribute through an Indiana liquor wholesaler is entitled under the artisan distiller's permit to sell and deliver to a person holding a liquor retailer or liquor dealer permit under this title a total of not more than one thousand (1,000) gallons of the artisan distillery's liquor in a calendar year, if the artisan distiller has not sold in Indiana more than nine thousand (9,000) gallons the previous calendar year. A holder that sells and delivers under this subdivision shall comply with all provisions applicable to a wholesaler in 905 IAC 1-5.1, 905 IAC 1-5.2, 905 IAC 1-21, 905 IAC 1-31, and 905 IAC 1-32.1.

(12) A holder must annually submit to the commission copies of its Indiana and federal excise tax returns.

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

(c) A storage facility used by an artisan distiller under subsection (a)(4) must conform with federal laws, rules, and regulations. An artisan distiller may transfer liquor from a separate storage facility back to the artisan distillery. An artisan distiller may sell or transfer liquor directly to a liquor wholesaler from a storage facility that is separate from the artisan distillery. An artisan distiller may not sell or transfer liquor from a storage facility to any other permittee or a consumer. The artisan distiller shall maintain an adequate written record of the liquor transferred:

- (1) between the artisan distillery and the storage facility; and
- (2) from the storage facility to the liquor wholesaler.

(d) The holder of an artisan distiller's permit may transport liquor to and from a brewery located within the same county for the purposes of carbonating and canning by the brewery. The activity under this subsection is not an interest under IC 7.1-5-9.

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



SECTION 11. IC 7.1-3-27-11, AS AMENDED BY P.L.159-2014, SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 11. (a) An artisan distiller may **obtain and use blend** liquor that the artisan distiller obtains from another manufacturer with liquor that the artisan distiller manufactures. The artisan distiller may sell the blended liquor as liquor that the artisan distiller manufactures only if the final product contains at least sixty percent (60%) of liquor that was fermented and distilled from raw materials by the artisan distiller at the licensed premises of the artisan distiller. **in the manner permitted by this section.**

(b) Subject to subsection (c), an artisan distiller may use in a calendar year not more than ten thousand (10,000) gallons of liquor that the artisan distiller obtains from another manufacturer.

(c) The number of gallons of liquor that the artisan distiller obtains and uses from another manufacturer in a calendar year may not exceed the number of gallons of liquor that the artisan distiller fermented and distilled from raw materials at the licensed premises of the artisan distiller in the same calendar year.

(b) (d) An artisan distiller who knowingly or intentionally sells blended liquor that contains less than sixty percent (60%) of liquor that was fermented and distilled from raw materials by the artisan distiller at the licensed premises of the artisan distiller **violates subsection (b) or (c), as applicable**, commits a Class B misdemeanor.

SECTION 12. IC 7.1-5-3-1, AS AMENDED BY P.L.79-2015, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 1. (a) This section does not apply to the following:

(1) An establishment where alcoholic beverages are sold that is owned, in whole or part, by an entity that holds a brewer's permit issued under IC 7.1-3-2-2(b).

(2) An establishment where alcoholic beverages are sold that is owned, in whole or part, by a statewide trade organization consisting of members, each of whom holds a brewer's permit issued under IC 7.1-3-2-2(b).

(3) Beer that is bottled and packaged under IC 7.1-3-2-7(5)(P).

(b) Except as provided in section 6 of this chapter, it is unlawful to sell beer in this state at retail in a bottle, can, or other container, unless the bottle, can, or other container was packaged and sealed by the brewer at the brewer's bottling house contiguous or adjacent to the brewery in which the beer was produced.

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

SECTION 13. IC 7.1-5-7-11, AS AMENDED BY P.L.105-2022,



SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]: 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 4-31-2.1-36).
- (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 tour of a brewery as provided in IC 7.1-3-20-16.4, 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) 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 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.

(29) 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, or IC 7.1-3-20-16.4(a) applies to the person; 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.

(30) An art instruction studio under IC 7.1-5-8-4.6.

(31) The licensed premises of a food hall under IC 7.1-3-20-29 and the food and beverage vending space of a food hall vendor permittee under IC 7.1-3-20-30. However, sections 9 and 10 of this chapter apply to a bar within the food and beverage vending space of a food hall vendor permittee under IC 7.1-3-20-30 that serves alcoholic beverages intended to be consumed while sitting or standing at the bar.

(32) A beauty culture salon licensed under IC 25-8-7 at which wine and beer are given or furnished as provided under IC 7.1-3-1-31.

(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."

Re-number all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1217 as introduced.)

MANNING

Committee Vote: yeas 13, nays 0.

COMMITTEE REPORT

Madam President: The Senate Committee on Public Policy, to which was referred House Bill No. 1217, 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 3, line 12, after "(4)" delete "Notwithstanding any other provision of this title, a" and insert "A".

Page 3, line 13, after "supply" insert ", **manufacturer,**".

Page 3, line 13, delete "allow a permittee" and insert "**supply equipment on a temporary and nondiscriminatory basis to the holder of a retailer permit or a temporary permit for the purpose of holding, storing, and dispensing product to consumers for a special event for the duration of the special event. Ownership of the equipment shall remain with the primary source of supply, manufacturer, or wholesaler.**".

Page 3, delete lines 14 through 32.

Page 4, line 1, after "breweries" insert ",".

Page 4, line 2, strike "located in Indiana,".

Page 6, line 13, delete "holder." and insert "**holder who manufactured the beer.**".

Page 6, line 14, delete "gallons" and insert "**barrels**".

Page 6, line 16, delete "gallons" and insert "**barrels**".

Page 7, delete lines 17 through 42.

Delete pages 8 through 11.

Page 17, between lines 10 and 11, begin a new paragraph and insert:

"SECTION 6. IC 7.1-3-20-16.8, AS AMENDED BY P.L.285-2019, SECTION 36, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 16.8. (a) A permit that is authorized by this

EH 1217—LS 6814/DI 87



section may be issued without regard to the quota provisions of IC 7.1-3-22.

(b) Except as provided in section 16.3 of this chapter, the commission may issue not more than four (4) new three-way permits to sell alcoholic beverages for on-premises consumption to applicants in each of the following municipalities:

- (1) ~~Whitestown.~~
- (2) (1) Lebanon.
- (3) (2) Zionsville.
- (4) (3) Westfield.
- (5) (4) Carmel.
- (6) (5) Fishers.

(c) The following apply to permits issued under ~~this section subsection (b)~~:

(1) An applicant for a permit under ~~this section subsection (b)~~ must be a proprietor, as owner or lessee, or both, of a restaurant located within an economic development area, an area needing redevelopment, or a redevelopment district as established under IC 36-7-14 in a municipality's:

- (A) downtown redevelopment district; or
- (B) downtown economic revitalization area.

(2) The cost of an initial permit is forty thousand dollars (\$40,000).

(3) The total number of active permits issued under ~~this section subsection (b)~~ may not exceed ~~twenty-four (24)~~ **twenty (20)** permits at any time. If any of the permits issued under ~~this section subsection (b)~~ are revoked or not renewed, the commission may issue only enough new permits to bring the total number of permits to ~~twenty-four (24)~~ **twenty (20)** active permits, with not more than four (4) in each municipality listed in subsection (b)(1) through ~~(b)(6)~~ **(b)(5)**.

(4) The municipality may adopt an ordinance under IC 7.1-3-19-17 requiring a permit holder to enter into a formal written commitment as a condition of eligibility for a permit. As set forth in IC 7.1-3-19-17(b), a formal written commitment is binding on the permit holder and on any lessee or proprietor of the permit premises.

(5) Notwithstanding IC 7.1-3-1-3.5 and IC 7.1-3-1.1, if business operations cease at the permit premises for more than six (6) months, the permit shall revert to the commission and the permit holder is not entitled to any refund or other compensation.

(6) Except as provided in subdivision (8), the ownership of a



permit may not be transferred.

(7) A permit may not be transferred from the premises for which the permit was issued.

(8) If the area in which the permit premises is located is no longer designated an economic development area, an area needing redevelopment, or a redevelopment district, a permit issued under this section may be renewed, and the ownership of the permit may be transferred, but the permit may not be transferred from the permit premises.

(d) Except as provided in section 16.3 of this chapter, the commission may issue not more than the following to the town of Whitestown:

(1) Three (3) new three-way permits.

(2) Three (3) new two-way permits.

(3) One (1) new liquor dealer's permit.

(e) The following apply to permits issued under subsection (d):

(1) An applicant for a permit under subsection (d)(1) or (d)(2) must be a proprietor, as owner or lessee, or both, of a restaurant located within an economic development area, an area needing redevelopment, or a redevelopment district as established under IC 36-7-14 in a municipality's:

(A) downtown redevelopment district; or

(B) downtown economic revitalization area.

(2) The cost of an initial permit is forty thousand dollars (\$40,000).

(3) The total number of active permits issued under subsection (d) may not exceed seven (7) permits at any time.

(4) The municipality may adopt an ordinance under IC 7.1-3-19-17 requiring a permit holder to enter into a formal written commitment as a condition of eligibility for a permit. As set forth in IC 7.1-3-19-17(b), a formal written commitment is binding on the permit holder and on any lessee or proprietor of the permit premises.

(5) Notwithstanding IC 7.1-3-1-3.5 and IC 7.1-3-1.1, if business operations cease at the permit premises for more than six (6) months, the permit shall revert to the commission and the permit holder is not entitled to any refund or other compensation.

(6) Except as provided in subdivision (8), the ownership of a permit may not be transferred.

(7) A permit may not be transferred from the premises for which the permit was issued.



(8) If the area in which the permit issued to a premises under subsection (d)(1) or (d)(2) is located is no longer designated an economic development area, an area needing redevelopment, or a redevelopment district, a permit issued under this section may be renewed, and the ownership of the permit may be transferred, but the permit may not be transferred from the permit premises.

SECTION 7. IC 7.1-3-22-4.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]: **Sec. 4.5. (a) As used in this section, "eligible grocery store" means a grocery store (as defined in IC 7.1-1-3-18.5(a)(1)) that meets the following criteria:**

- (1) Is operated in a consolidated city.**
- (2) Was established in whole or in part through a food empowerment pilot project authorized under P.L.165-2021, SECTION 6 and awarded to a nonprofit corporation for the benefit of establishing the grocery store.**
- (3) Operates with less than eighteen thousand (18,000) square feet of building space.**
- (4) Provides access to fresh and healthy foods to individuals in a low income area where access to resources for fresh and healthy food, particularly fresh fruits and vegetables and fresh meat, poultry, and fish, is limited.**

(b) The commission shall issue a beer dealer's permit and a wine dealer's permit to an eligible grocery store without regard to the quota provisions of this chapter.

(c) A permit issued under this section is subject to the following:

- (1) A permit issued under this section may be renewed, and the ownership of the permit may be transferred, but the permit may not be transferred from the permit premises.**
- (2) Notwithstanding IC 7.1-3-1.1, if the premises ceases to qualify as an eligible grocery store for more than six (6) months, the permit shall revert to the commission and the permit holder is not entitled to any refund or other compensation."**

Page 17, delete lines 20 through 42

Delete pages 18 through 19.

Page 20, delete lines 1 through 14.

Page 22, delete lines 22 through 24.

Page 22, strike line 30.

Page 22, line 31, strike "(2)" and insert "(1)".

Page 22, line 33, strike "(3)" and insert "(2)".



Page 22, after line 35, begin a new line block indented and insert:

"(3) The minor, accompanied by the parent, guardian, or family member who is twenty-one (21) years of age or older, must be seated at a table or booth in the bar area and shall not be seated at the bar over which alcoholic beverages are sold or dispensed by the drink."

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1217 as printed February 14, 2023.)

ALTING, Chairperson

Committee Vote: Yeas 8, Nays 0.

