

HOUSE BILL No. 1371

DIGEST OF INTRODUCED BILL

Citations Affected: IC 7.1-3; IC 7.1-4; IC 35-52-7-13.5.

Synopsis: Alcoholic beverages. Makes the following changes to IC 7.1: (1) Allows a farm winery to provide complimentary samples at a farmers' market. (2) Allows small brewers and artisan distillers to sell their products for carryout at a farmers' market with the approval of the alcohol and tobacco commission (commission). (3) Creates a liquor bottler's permit with an annual permit fee of \$2,000. (4) Creates a direct liquor seller's permit with an annual permit fee of \$500 for a liquor manufacturer that wants to sell and ship liquor directly to Indiana consumers. (5) Allows a farm winery to sell to consumers in an outside area contiguous to the licensed premises. (6) Allows a farm winery or an artisan distillery to directly distribute to a retailer or dealer. (7) Allows a drug store, small brewery, farm winery, or artisan distillery to deliver alcoholic beverages to a customer in the parking lot or an adjacent area.

Effective: July 1, 2021.

Clere, Engleman, Smaltz, Fleming

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



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

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2020 Regular Session of the General Assembly.

HOUSE BILL No. 1371

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

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

- 1 SECTION 1. IC 7.1-3-2-7, AS AMENDED BY P.L.285-2019,
2 SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2021]: Sec. 7. The holder of a brewer's permit or an
4 out-of-state brewer holding either a primary source of supply permit or
5 an out-of-state brewer's permit may do the following:
6 (1) Manufacture beer.
7 (2) Place beer in containers or bottles.
8 (3) Transport beer.
9 (4) Sell and deliver beer to a person holding a beer wholesaler's
10 permit issued under IC 7.1-3-3.
11 (5) If the brewer manufactures, at all of the brewer's breweries
12 located in Indiana, an aggregate of not more than ninety thousand
13 (90,000) barrels of beer in a calendar year for sale or distribution
14 within Indiana, the permit holder may do the following:
15 (A) Sell and deliver a total of not more than thirty thousand
16 (30,000) barrels of beer in a calendar year to a person holding
17 a retailer or a dealer permit under this title. The total number



- 1 of barrels of beer that the permit holder may sell and deliver
 2 under this clause in a calendar year may not exceed thirty
 3 thousand (30,000) barrels of beer.
- 4 (B) Be the proprietor of a restaurant that is not subject to the
 5 minimum gross food sales or the minimum projected food
 6 sales set forth in 905 IAC 1-41-2.
- 7 (C) Hold a beer retailer's permit, a wine retailer's permit, or a
 8 liquor retailer's permit for a restaurant established under clause
 9 (B).
- 10 (D) Transfer beer directly from the brewery to the restaurant
 11 by means of:
 12 (i) bulk containers; or
 13 (ii) a continuous flow system.
- 14 (E) Install a window between the brewery and an adjacent
 15 restaurant that allows the public and the permittee to view both
 16 premises.
- 17 (F) Install a doorway or other opening between the brewery
 18 and an adjacent restaurant that provides the public and the
 19 permittee with access to both premises.
- 20 (G) Sell the brewery's beer by the glass for consumption on the
 21 premises. Brewers permitted to sell beer by the glass under
 22 this clause must make food available for consumption on the
 23 premises. A brewer may comply with the requirements of this
 24 clause by doing any of the following:
 25 (i) Allowing a vehicle of transportation that is a food
 26 establishment (as defined in IC 16-18-2-137) to serve food
 27 near the brewer's licensed premises.
 28 (ii) Placing menus in the brewer's premises of restaurants
 29 that will deliver food to the brewery.
 30 (iii) Providing food prepared at the brewery.
- 31 (H) Sell and deliver beer to a consumer at the ~~permit licensed~~
 32 premises of the brewer or at the residence of the consumer.
 33 **Notwithstanding IC 7.1-1-3-20, the licensed premises may**
 34 **include the brewery parking lot or an area adjacent to the**
 35 **brewery. The parking lot or adjacent area may be used for**
 36 **the purpose of conveying alcoholic beverages and other**
 37 **nonalcoholic items to a customer and may not be used for**
 38 **point of sale purposes.** The delivery to a consumer may be
 39 made only in a quantity at any one (1) time of not more than
 40 one-half (1/2) barrel, but the beer may be contained in bottles
 41 or other permissible containers.
- 42 (I) Sell the brewery's beer as authorized by this section for



1 carryout on Sunday in a quantity at any one (1) time of not
 2 more than five hundred seventy-six (576) ounces. A brewer's
 3 beer may be sold under this clause at any address for which the
 4 brewer holds a brewer's permit issued under this chapter if the
 5 address is located within the same city boundaries in which the
 6 beer was manufactured.

7 (J) With the approval of the commission, participate:

8 (i) individually; or

9 (ii) with other permit holders under this chapter, holders of
 10 artisan distiller's permits, holders of farm winery permits, or
 11 any combination of holders described in this item;

12 in a **farmers' market operated on a nonprofit basis**, trade
 13 show, or an exposition at which products of each permit holder
 14 participant are displayed, promoted, and sold. **However, the**
 15 **holder of a permit may sell to consumers at a farmers'**
 16 **market only by the bottle or can.** All of the permit holders
 17 may occupy the same tent, structure, or building. The
 18 commission may not grant to a holder of a permit under this
 19 chapter approval under this clause to participate in a **farmers'**
 20 **market**, trade show, or exposition for more than forty-five
 21 (45) days in a calendar year.

22 (K) Store or condition beer in a secure building that is:

23 (i) separate from the brewery; and

24 (ii) owned or leased by the permit holder.

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

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

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

40 (6) If the brewer's brewery manufactures more than ninety
 41 thousand (90,000) barrels of beer in a calendar year for sale or
 42 distribution within Indiana, the permit holder may own a portion



- 1 of the corporate stock of another brewery that:
- 2 (A) is located in the same county as the brewer's brewery;
- 3 (B) manufactures less than ninety thousand (90,000) barrels of
- 4 beer in a calendar year; and
- 5 (C) is the proprietor of a restaurant that operates under
- 6 subdivision (5).
- 7 (7) Provide complimentary samples of beer that are:
- 8 (A) produced by the brewer; and
- 9 (B) offered to consumers for consumption on the brewer's
- 10 premises.
- 11 (8) Own a portion of the corporate stock of a sports corporation
- 12 that:
- 13 (A) manages a minor league baseball stadium located in the
- 14 same county as the brewer's brewery; and
- 15 (B) holds a beer retailer's permit, a wine retailer's permit, or a
- 16 liquor retailer's permit for a restaurant located in that stadium.
- 17 (9) For beer described in IC 7.1-1-2-3(a)(4):
- 18 (A) may allow transportation to and consumption of the beer
- 19 on the licensed premises; and
- 20 (B) may not sell, offer to sell, or allow sale of the beer on the
- 21 licensed premises.

22 SECTION 2. IC 7.1-3-5-3 IS AMENDED TO READ AS

23 FOLLOWS [EFFECTIVE JULY 1, 2021]: Sec. 3. (a) The holder of a

24 beer dealer's permit shall be entitled to purchase beer for sale under the

25 permit only from a permittee entitled to sell to a beer dealer under this

26 title.

27 (b) A beer dealer shall be entitled to possess beer and sell it at retail

28 to a customer in permissible containers only.

29 (c) A beer dealer may not sell beer by the drink nor for consumption

30 on the licensed premises nor shall a beer dealer allow it to be consumed

31 on the licensed premises.

32 (d) Except as provided in subsection (e), a beer dealer shall be

33 entitled to sell beer to a customer and deliver it in permissible

34 containers to the customer on the licensed premises, or to the

35 customer's residence or office. A beer dealer shall not be entitled to sell

36 and deliver beer on the street or at the curb outside the licensed

37 premises, nor shall a beer dealer be entitled to sell beer at a place other

38 than the licensed premises. **Notwithstanding IC 7.1-1-3-20, a licensed**

39 **premises for a beer dealer that is a drug store may include the drug**

40 **store parking lot or an area adjacent to the drug store. The**

41 **parking lot or adjacent area may be used for the purpose of**

42 **conveying alcoholic beverages and other nonalcoholic items to a**



1 **customer and may not be used for point of sale purposes.** A beer
 2 dealer shall not be entitled to sell beer and deliver beer for carry-out,
 3 or for delivery to a customer's residence or office, in a quantity that
 4 exceeds eight hundred sixty-four (864) ounces in a single transaction.
 5 However, notwithstanding IC 7.1-5-10-11, a beer dealer who is
 6 licensed pursuant to IC 7.1-3-10-4 shall be entitled to sell and deliver
 7 warm or cold beer for carry-out, or for delivery to a customer's
 8 residence, office, or a designated location in barrels or other
 9 commercial containers that do not exceed two thousand sixteen (2,016)
 10 ounces per container. This delivery may only be performed by the
 11 permit holder or an employee who holds an employee permit. The
 12 permit holder shall maintain a written record of each delivery for at
 13 least one (1) year that shows the customer's name, location of delivery,
 14 and quantity sold.

15 (e) Unless a beer dealer is a grocery store or drug store, a beer
 16 dealer may not sell or deliver alcoholic beverages or any other item
 17 through a window in the licensed premises to a patron who is outside
 18 the licensed premises. A beer dealer that is a grocery store or drug store
 19 may sell any item except alcoholic beverages through a window in the
 20 licensed premises to a patron who is outside the licensed premises.

21 SECTION 3. IC 7.1-3-7-3.5 IS ADDED TO THE INDIANA CODE
 22 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 23 1, 2021]: **Sec. 3.5. (a) The commission may issue a liquor bottler's**
 24 **permit to a person who desires to commercially bottle liquor.**

25 (b) A liquor bottler's permit entitles the holder to do the
 26 following:

27 (1) **Import and transport liquor from another state or country**
 28 **into Indiana.**

29 (2) **Export and transport liquor, by the bottle, barrel, cask, or**
 30 **other container, to points outside Indiana.**

31 (3) **Have the right to:**

32 (A) **bottle or label, or both, with a label authorized by its**
 33 **owner; or**

34 (B) **place liquor in containers different from those in which**
 35 **the liquor was imported into Indiana.**

36 (4) **Within Indiana, sell, furnish, and deliver liquor only to a**
 37 **liquor wholesaler.**

38 (c) A liquor bottler's permit does not entitle the holder to
 39 manufacture liquor.

40 (d) The commission shall not issue a liquor bottler's permit to
 41 a person who is the holder of wine wholesaler's permit, a beer
 42 wholesaler's permit, or a liquor wholesaler's permit.



1 (e) A person who holds an interest in an artisan distiller's
 2 permit may also hold a liquor bottler's permit. A liquor bottler's
 3 permit entitles a person who holds an interest in an artisan
 4 distiller's permit to perform the actions listed in subsection (b) only
 5 as to liquor produced by a manufacturer other than the artisan
 6 distiller.

7 SECTION 4. IC 7.1-3-10-7 IS AMENDED TO READ AS
 8 FOLLOWS [EFFECTIVE JULY 1, 2021]: Sec. 7. (a) The holder of a
 9 liquor dealer's permit shall be entitled to purchase liquor only from a
 10 permittee entitled to sell to a liquor dealer under this title.

11 (b) A liquor dealer shall be entitled to possess liquor and sell it at
 12 retail in its original package to a customer only for consumption off the
 13 licensed premises. **Notwithstanding IC 7.1-1-3-20, a licensed**
 14 **premises for a liquor dealer that is a drug store under section 2 or**
 15 **3 of this chapter may include the drug store parking lot or an area**
 16 **adjacent to the drug store. The parking lot or adjacent area may**
 17 **be used for the purpose of conveying alcoholic beverages and other**
 18 **nonalcoholic items to a customer and may not be used for point of**
 19 **sale purposes.**

20 (c) A liquor dealer may deliver liquor only in permissible containers
 21 to a customer's residence or office in a quantity that does not exceed
 22 twelve (12) quarts at any one (1) time. However, a liquor dealer who
 23 is licensed under IC 7.1-3-10-4 may deliver liquor in permissible
 24 containers to a customer's residence, office, or designated location.
 25 This delivery may only be performed by the permit holder or an
 26 employee who holds an employee permit. The permit holder shall
 27 maintain a written record of each delivery for at least one (1) year that
 28 shows the customer's name, location of delivery, and quantity sold.

29 (d) A liquor dealer may not sell or deliver alcoholic beverages or
 30 any other item through a window in the licensed premises to a patron
 31 who is outside the licensed premises. However, a liquor dealer that is
 32 a drug store may sell prescription drugs and health and beauty aids
 33 through a window in the licensed premises to a patron who is outside
 34 the licensed premises.

35 SECTION 5. IC 7.1-3-12-5, AS AMENDED BY P.L.285-2019,
 36 SECTION 29, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 37 JULY 1, 2021]: Sec. 5. (a) The following apply to the holder of a farm
 38 winery permit:

39 (1) A holder is entitled to manufacture wine and to bottle wine
 40 produced by the permit holder's farm winery.

41 (2) A holder is entitled to serve complimentary samples of the
 42 winery's wine on the licensed premises or an outside area that is



1 contiguous to the licensed premises, as approved by the
 2 commission if each employee who serves wine on the licensed
 3 premises:

4 (A) holds an employee's permit under IC 7.1-3-18-9; and

5 (B) completes a server training program approved by the
 6 commission.

7 (3) A holder is entitled to sell the winery's wine on the licensed
 8 premises **or an outside area that is contiguous to the licensed**
 9 **premises, as approved by the commission**, to consumers either
 10 by:

11 (A) the glass;

12 (B) the bottle;

13 (C) a box that contains a bag designed for storing and
 14 dispensing wine; or

15 (D) any combination of receptacles listed in clauses (A)
 16 through (C).

17 **Notwithstanding IC 7.1-1-3-20, the licensed premises may**
 18 **include the farm winery parking lot or an area adjacent to the**
 19 **farm winery. The parking lot or adjacent area may be used**
 20 **for the purpose of conveying alcoholic beverages and other**
 21 **nonalcoholic items to a customer and may not be used for**
 22 **point of sale purposes.**

23 (4) A holder is entitled to sell the winery's wine to consumers by
 24 the bottle **and provide complimentary samples of the farm**
 25 **winery's wine** at a farmers' market that is operated on a nonprofit
 26 basis.

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

28 (A) the bottle;

29 (B) a box that contains a bag designed for storing and
 30 dispensing wine;

31 (C) bulk container;

32 (D) the case; or

33 (E) any combination of receptacles listed in clauses (A)
 34 through (D);

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

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

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

40 (8) A holder for wine described in IC 7.1-1-2-3(a)(4):

41 (A) may allow transportation to and consumption of the wine
 42 on the licensed premises; and



- 1 (B) may not sell, offer to sell, or allow the sale of the wine on
 2 the licensed premises.
- 3 (9) A holder is entitled to purchase and sell bulk wine as set forth
 4 in this chapter.
- 5 (10) A holder is entitled to sell wine as authorized by this section
 6 for carryout on Sunday.
- 7 (11) A holder is entitled to sell and ship the farm winery's wine to
 8 a person located in another state in accordance with the laws of
 9 the other state.
- 10 (12) A holder is entitled to sell the farm winery's wine to the
 11 holder of a supplemental caterer's permit issued under
 12 IC 7.1-3-9.5 for on-premises consumption only at an event that is
 13 held outdoors on property that is contiguous to the farm winery as
 14 approved by the commission.
- 15 (13) A holder is entitled to be the proprietor of a restaurant that is
 16 not subject to the minimum gross food sales or the minimum
 17 projected food sales set forth in 905 IAC 1-41-2 and the gross
 18 retail income requirements to sell carryout under IC 7.1-3-20-9.5.
 19 A holder is entitled to conduct the following activities:
- 20 (A) Hold a beer retailer's permit, a wine retailer's permit, or a
 21 liquor retailer's permit for a restaurant.
- 22 (B) Transfer wine directly from the farm winery to a restaurant
 23 that the farm winery has an interest in by means of:
- 24 (i) bottles;
 25 (ii) bulk containers; or
 26 (iii) a continuous flow system.
- 27 (C) Install a window between the farm winery and an adjacent
 28 restaurant that allows the public and the holder of the permit
 29 to view both premises.
- 30 (D) Install a doorway or other opening between the farm
 31 winery and an adjacent restaurant that provides the public and
 32 the holder of the permit with access to both the farm winery
 33 and restaurant.
- 34 **(14) A holder that produces not more than fifteen thousand**
 35 **(15,000) gallons of wine in a calendar year is entitled under**
 36 **the farm winery permit to sell and deliver a total of not more**
 37 **than five thousand (5,000) gallons of the farm winery's wine**
 38 **in a calendar year to a person holding a wine retailer's or**
 39 **wine dealer's permit under this title.**
- 40 (b) With the approval of the commission, a holder of a permit under
 41 this chapter may conduct business at not more than three (3) additional
 42 locations that are separate from the winery. At the additional locations,



1 the holder of a permit may conduct any business that is authorized at
 2 the first location, except for the manufacturing or bottling of wine.

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

5 (1) individually; or

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

10 participate in a trade show or an exposition at which products of each
 11 permit holder participant are displayed, promoted, and sold. All of the
 12 permit holders may occupy the same tent, structure, or building. The
 13 commission may not grant approval under this subsection to a holder
 14 of a permit under this chapter for more than forty-five (45) days in a
 15 calendar year.

16 SECTION 6. IC 7.1-3-15-3 IS AMENDED TO READ AS
 17 FOLLOWS [EFFECTIVE JULY 1, 2021]: Sec. 3. (a) The holder of a
 18 wine dealer's permit shall be entitled to purchase wine only from a
 19 permittee who is authorized to sell to a wine dealer under this title. A
 20 wine dealer shall be entitled to sell wine for consumption off the
 21 licensed premises only and not by the drink. **Notwithstanding**
 22 **IC 7.1-1-3-20, a licensed premises for a wine dealer that is a drug**
 23 **store may include the drug store parking lot or an area adjacent to**
 24 **the drug store. The parking lot or adjacent area may be used for**
 25 **the purpose of conveying alcoholic beverages and other**
 26 **nonalcoholic items to a customer and may not be used for point of**
 27 **sale purposes.**

28 (b) A wine dealer shall be entitled to sell wine in permissible
 29 containers in a quantity of not more than three (3) standard cases, as
 30 determined under the rules of the commission, in a single transaction.
 31 However, a wine dealer who is licensed under IC 7.1-3-10-4 may
 32 possess wine and sell it at retail in its original package to a customer
 33 only for consumption off the licensed premises.

34 (c) Unless a wine dealer is a grocery store or drug store, a wine
 35 dealer may not sell or deliver alcoholic beverages or any other item
 36 through a window in the licensed premises to a patron who is outside
 37 the licensed premises. A wine dealer that is a grocery store or drug
 38 store may sell any item except alcoholic beverages through a window
 39 in the licensed premises to a person who is outside the licensed
 40 premises.

41 (d) However, a wine dealer who is licensed under IC 7.1-3-10-4 may
 42 deliver wine only in permissible containers to a customer's residence,



1 office, or designated location. This delivery may only be performed by
 2 the permit holder or an employee who holds an employee permit. The
 3 permit holder shall maintain a written record of each delivery for at
 4 least one (1) year that shows the customer's name, location of delivery,
 5 and quantity sold.

6 SECTION 7. IC 7.1-3-27-8, AS AMENDED BY P.L.285-2019,
 7 SECTION 48, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 8 JULY 1, 2021]: Sec. 8. (a) The holder of an artisan distiller's permit
 9 may do only the following:

10 (1) Manufacture liquor, including blending liquor purchased from
 11 another manufacturer with liquor the artisan distiller
 12 manufactures under section 11 of this chapter.

13 (2) Bottle liquor manufactured by the artisan distiller.

14 (3) Store liquor manufactured by the artisan distiller, including at
 15 a facility within ten (10) miles of the artisan distiller's distillery.

16 (4) Transport, sell, and deliver liquor manufactured by the artisan
 17 distiller to:

18 (A) places outside Indiana; or

19 (B) the holder of a liquor wholesaler's permit under IC 7.1-3-8.

20 (5) Sell liquor manufactured by the artisan distiller to consumers
 21 by the drink, bottle, or case from the **licensed** premises of the
 22 distillery where the liquor was manufactured. **Notwithstanding**
 23 **IC 7.1-1-3-20, the licensed premises may include the artisan**
 24 **distillery parking lot or an area adjacent to the artisan**
 25 **distillery. The parking lot or adjacent area may be used for**
 26 **the purpose of conveying alcoholic beverages and other**
 27 **nonalcoholic items to a customer and may not be used for**
 28 **point of sale purposes.**

29 (6) Serve complimentary samples of the liquor manufactured by
 30 the artisan distiller to consumers on the premises of the distillery
 31 where the liquor was manufactured.

32 (7) Sell liquor as authorized by this section for carryout on
 33 Sunday in a quantity at any one (1) time of not more than four and
 34 five-tenths (4.5) liters.

35 (8) With the approval of the commission, participate:

36 (A) individually; or

37 (B) with other permit holders under this chapter, holders of
 38 farm winery permits, holders of brewer's permits issued under
 39 IC 7.1-3-2-2(b), or any combination of holders described in
 40 this clause;

41 in a **farmers' market that is operated on a nonprofit basis,**
 42 trade show, or an exposition at which products of each permit



1 holder participant are displayed, promoted, and sold. **However,**
 2 **the holder of a permit may sell to consumers at a farmers'**
 3 **market only by the bottle.** All of the permit holders may occupy
 4 the same tent, structure, or building. The commission may not
 5 grant to a holder of a permit under this chapter approval under
 6 this subdivision to participate in a trade show or exposition for
 7 more than forty-five (45) days in a calendar year.

8 (9) Be the proprietor of a restaurant that is not subject to the
 9 minimum gross food sales or the minimum projected food sales
 10 set forth in 905 IAC 1-41-2 and the gross retail income
 11 requirements to sell carryout under IC 7.1-3-20-9.5. A holder is
 12 entitled to conduct the following activities:

13 (A) Hold a beer retailer's permit, a wine retailer's permit, or a
 14 liquor retailer's permit for a restaurant.

15 (B) Transfer liquor directly from the artisan distillery to a
 16 restaurant that the artisan distiller has an interest in by means
 17 of:

18 (i) bottles;

19 (ii) bulk containers; or

20 (iii) a continuous flow system.

21 (C) Install a window between the artisan distillery and an
 22 adjacent restaurant that allows the public and the holder of the
 23 permit to view both premises.

24 (D) Install a doorway or other opening between the artisan
 25 distillery and an adjacent restaurant that provides the public
 26 and the holder of the permit with access to both the artisan
 27 distillery and restaurant.

28 **(10) A distillery that produces a total of not more than fifteen**
 29 **thousand (15,000) gallons in a calendar year may sell and**
 30 **deliver a total of not more than five thousand (5,000) gallons**
 31 **of liquor in a calendar year to a person holding a liquor**
 32 **retailer's or liquor dealer's permit under this title.**

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

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

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

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

41 (d) The holder of an artisan distiller's permit may transport liquor to
 42 and from a brewery located within the same county for the purposes of



1 carbonating and canning by the brewery. The activity under this
2 subsection is not an interest under IC 7.1-5-9.

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

5 SECTION 8. IC 7.1-3-27-14.5 IS ADDED TO THE INDIANA
6 CODE AS A NEW SECTION TO READ AS FOLLOWS
7 [EFFECTIVE JULY 1, 2021]: **Sec. 14.5. A person who holds an
8 interest in an artisan distiller's permit may also hold a liquor
9 bottler's permit under IC 7.1-3-7-3.5.**

10 SECTION 9. IC 7.1-3-31 IS ADDED TO THE INDIANA CODE
11 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
12 JULY 1, 2021]:

13 **Chapter 31. Direct Sales and Shipping of Liquor**

14 **Sec. 1. As used in this chapter, "applicant" means a person that
15 applies to the commission for a direct liquor seller's permit.**

16 **Sec. 2. As used in this chapter, "consumer" means an individual
17 with an Indiana address who purchases liquor from a seller.**

18 **Sec. 3. As used in this chapter, "seller" means the holder of a
19 direct liquor seller's permit issued under this chapter.**

20 **Sec. 4. The commission may issue a direct liquor seller's permit
21 to a person that wants to sell and ship liquor directly to consumers.**

22 **Sec. 5. The term of a direct liquor seller's permit begins:**

23 **(1) on the date approved by the commission for an initial
24 application; and**

25 **(2) on July 1 to renew a permit;**

26 **and expires on June 30 of the following year. A direct liquor
27 seller's permit may be renewed in accordance with rules adopted
28 by the commission.**

29 **Sec. 6. The commission may issue a direct liquor seller's permit
30 to an applicant that:**

31 **(1) is domiciled and has its principal place of business in the
32 United States;**

33 **(2) is engaged in the manufacture of liquor, including an
34 artisan distiller under IC 7.1-3-27;**

35 **(3) holds and acts within the scope of authority of an alcoholic
36 beverage license or permit to manufacture liquor that is
37 required:**

38 **(A) in Indiana or the state where the applicant is
39 domiciled; and**

40 **(B) by the Tax and Trade Bureau of the United States
41 Department of the Treasury;**

42 **(4) qualifies with the secretary of state to do business in**



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Indiana and consents to the personal jurisdiction of the commission and the courts of Indiana; and
(5) completes documentation regarding the applicant's application required by the commission.

Sec. 7. A direct liquor seller's permit entitles a seller to sell and ship liquor to a consumer by receiving and filling orders that the consumer transmits by electronic or other means if all of the following conditions are satisfied before the sale or by the times set forth as follows:

- (1) The consumer provides the permittee with the following:
 - (A) The consumer's name.
 - (B) A valid delivery address and telephone number.
 - (C) Proof of age by a state government issued or federal government issued identification card showing the consumer to be at least twenty-one (21) years of age. The proof under this clause may be evidenced:
 - (i) in person;
 - (ii) by a photocopy or facsimile copy that is mailed or electronically transmitted;
 - (iii) by a computer scanned, electronically transmitted copy; or
 - (iv) through an age verification service used by the direct liquor seller.
- (2) The permittee meets the following requirements:
 - (A) Maintain for two (2) years all records of liquor sales made under this chapter. If the records are requested by the commission, a permittee shall:
 - (i) make the records available to the commission during the direct liquor seller's regular business hours; or
 - (ii) at the direction of the commission, deliver copies to the commission.
 - (B) Stamp, print, or label on the outside of the shipping container the following: "CONTAINS ALCOHOL. SIGNATURE OF PERSON AGE 21 OR OLDER REQUIRED FOR DELIVERY."
 - (C) Causes the liquor to be delivered by the holder of a valid carrier's alcoholic beverage permit under IC 7.1-3-18.
 - (D) Directs the carrier to verify by visual examination of the state government issued or federal government issued identification card, or by using age verification technology, that the individual personally receiving the liquor



shipment is:

(i) the consumer; and

(ii) at least twenty-one (21) years of age.

(E) Does not ship to any consumer more than ten (10) liters per month.

(F) Remits to the department of state revenue monthly all Indiana excise, sales, and use taxes on the shipments made into Indiana by the permittee during the previous month.

(G) Ships to a consumer in Indiana only liquor manufactured, produced, or bottled by the applicant.

Sec. 8. A liquor shipment purchased under this chapter must be delivered to the consumer, who shall take personal delivery of the shipment at the:

(1) consumer's residence;

(2) consumer's business address;

(3) carrier's business address; or

(4) address displayed on the shipping container.

Sec. 9. (a) A person located within Indiana or outside Indiana that wants to sell and ship liquor directly to a consumer must be the holder of a direct liquor seller's permit and comply with this chapter. A person that sells and ships liquor directly to a consumer without holding a valid direct liquor seller's permit under this chapter commits a Class A infraction.

(b) The offense described in subsection (a) is:

(1) a Class A misdemeanor if the seller:

(A) knowingly or intentionally violates this section; and

(B) has one (1) prior unrelated conviction or judgment for an infraction under this chapter for an act or omission that occurred not more than ten (10) years before the act or omission that is the basis for the most recent conviction or judgment for an infraction; and

(2) a Level 6 felony if the seller:

(A) knowingly or intentionally violates this section; and

(B) has at least two (2) prior unrelated convictions or judgments for infractions under this chapter for acts or omissions that occurred not more than ten (10) years before the act or omission that is the basis for the most recent conviction or judgment for an infraction.

SECTION 10. IC 7.1-4-4.1-23 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2021]: Sec. 23. The annual permit fee for a liquor bottler's permit is two thousand dollars (\$2,000).



1 SECTION 11. IC 7.1-4-4.1-24 IS ADDED TO THE INDIANA
2 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
3 [EFFECTIVE JULY 1, 2021]: **Sec. 24. The annual permit fee for a**
4 **direct liquor seller's permit is five hundred dollars (\$500).**

5 SECTION 12. IC 7.1-4-7-1, AS AMENDED BY P.L.109-2013,
6 SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
7 JULY 1, 2021]: Sec. 1. The chairman shall collect the required annual
8 license fee paid in connection with the issuance of a brewer's permit,
9 a beer wholesaler's permit, a temporary beer permit, a dining car permit
10 of any type, a boat permit of any type, an artisan distiller's permit, a
11 distiller's permit, a rectifier's permit, a liquor wholesaler's permit, a
12 vintner's permit, a farm winery permit, a farm winery brandy distiller's
13 permit, a wine wholesaler's permit, a wine bottler's permit, a temporary
14 wine permit, a direct wine seller's permit, a salesman's permit, ~~and~~ a
15 carrier's alcoholic permit, **a liquor bottler's permit, and a direct**
16 **liquor seller's permit.**

17 SECTION 13. IC 35-52-7-13.5 IS ADDED TO THE INDIANA
18 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
19 [EFFECTIVE JULY 1, 2021]: **Sec. 13.5. IC 7.1-3-31-9 defines a**
20 **crime concerning direct liquor seller's permits.**

