



Reprinted  
April 13, 2021

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# ENGROSSED HOUSE BILL No. 1396

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DIGEST OF HB 1396 (Updated April 12, 2021 9:09 pm - DI 107)

**Citations Affected:** IC 7.1-1; IC 7.1-2; IC 7.1-3; IC 7.1-4; IC 7.1-5;  
IC 36-3; IC 36-4.

**Synopsis:** Alcoholic beverages and tobacco. Provides that if any provision, or application of any provision, concerning the manufacture, importation, distribution, or retail sale of alcoholic beverages is deemed to be in conflict with federal law or unconstitutional, certain alcoholic beverage laws shall be construed to limit rather than expand the manufacture, importation, distribution, and retail sale of alcoholic beverages through a three-tier system. Provides a definition of "three-tier system". Defines the term "channel price". Allows a wholesaler to offer a channel price to a retailer if certain conditions are met. Amends the "entertainment complex" definition. Provides that the alcohol and tobacco commission (commission) has additional powers with regard to tobacco. Provides that certain references to alcoholic beverages in bottles include alcoholic beverages in containers. Modifies certain  
(Continued next page)

**Effective:** Upon passage; July 1, 2021.

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## Smaltz, Clere, Bartels, May

(SENATE SPONSORS — ALTING, MESSMER)

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January 14, 2021, read first time and referred to Committee on Public Policy.  
February 11, 2021, amended, reported — Do Pass.  
February 16, 2021, read second time, amended, ordered engrossed.  
February 17, 2021, engrossed.  
February 18, 2021, read third time, passed. Yeas 90, nays 4.

SENATE ACTION

March 1, 2021, read first time and referred to Committee on Public Policy.  
April 8, 2021, amended, reported favorably — Do Pass.  
April 12, 2021, read second time, amended, ordered engrossed.

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## Digest Continued

dates concerning alcohol retailer and dealer permits that are deposited with the commission and that may revert to the commission if the permit does not become active. Requires the disclosure of the names of the officers of a corporation or other entity applying for a permit in a published notice or Internet web site. Adds requirements for a permit holder when making an initial request for deposit of a permit. Eliminates Indiana residency requirements for retailers, dealers, and brewers. Provides that residential delivery by a beer retailer, liquor retailer, or wine retailer may only be performed by the permit holder or an employee who holds an employee permit. Requires a permit holder to maintain a written record of each delivery for at least one year that shows the customer's name, location of delivery, and quantity sold. Provides for "grab and go stores" that are accessible only by ticketed event attendees and provide self-service sales of alcoholic beverages in addition to sales of food and nonalcoholic beverages. Provides that certain provisions of the food master hall permit section do not apply to a food hall that: (1) is located in a certified technology park; and (2) operates in a certain type of building or complex of buildings. With certain exceptions, requires a permit applicant to provide the name and address of each person or entity holding at least a 2% interest in the permit and business. Removes the requirement that the department of local government finance consent to the continuation of a permittee's business by the permittee's heir. Requires a municipality to notify the chairman of the commission of any retailer or dealer premises annexed into the municipality, in order to ensure the correct distribution of excise funds. Allows the holder of a food hall vendor's permit and a retailer's permit who also holds a permit for a small brewery, a farm winery, or an artisan distillery to sell certain carry out alcoholic beverages at the retailer's permit premises. Provides that a farm winery may place wine in bottles or other permissible containers. Allows a farm winery to sell wine by the can. Allows a farm winery to transfer wine from a storage facility or certain locations. Allows a farm winery to sell or transfer wine directly to a wine wholesaler. Provides that an artisan distiller may transfer liquor from a separate storage facility back to the artisan distiller. Allows an artisan distiller to sell or transfer liquor directly to a liquor wholesaler. Makes technical corrections and stylistic changes.

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April 13, 2021

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.

## ENGROSSED HOUSE BILL No. 1396

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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 7.1-1-2-1.5 IS ADDED TO THE INDIANA CODE  
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
3 1, 2021]: **Sec. 1.5. If any provision, or application of any provision,**  
4 **of this title concerning the manufacture, importation, distribution,**  
5 **or retail sale of alcoholic beverages is deemed to be in conflict with**  
6 **federal law or unconstitutional, the remainder of this title**  
7 **concerning the manufacture, importation, distribution, or retail**  
8 **sale of alcoholic beverages shall be construed to limit rather than**  
9 **expand the manufacture, importation, distribution, and retail sale**  
10 **of alcoholic beverages through a three-tier system.**

11 SECTION 2. IC 7.1-1-3-9.3 IS ADDED TO THE INDIANA CODE  
12 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
13 1, 2021]: **Sec. 9.3. The term "channel price" means a sale of an**  
14 **alcoholic beverage to a permittee, exclusively for on-premises**  
15 **consumption, at a different price than what the same alcoholic**

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1 **beverage, in the same:**

2 **(1) size;**

3 **(2) container; and**

4 **(3) quantity;**

5 **is being sold to other permittees.**

6 SECTION 3. IC 7.1-1-3-16.5, AS AMENDED BY P.L.285-2019,  
7 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
8 JULY 1, 2021]: Sec. 16.5. The term "entertainment complex" means a  
9 premises that complies with one (1) or more of the following  
10 requirements:

11 (1) The premises:

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

14 (B) includes an area where at least ~~eight hundred (800)~~ **six**  
15 **hundred (600)** individuals may be seated at one (1) time in  
16 permanent seating.

17 (2) The premises:

18 (A) is located entirely within a ~~one (1)~~ **four (4)** mile radius of  
19 the center of a consolidated city;

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

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

25 SECTION 4. IC 7.1-1-3-46.8 IS ADDED TO THE INDIANA  
26 CODE AS A **NEW** SECTION TO READ AS FOLLOWS  
27 [EFFECTIVE JULY 1, 2021]: **Sec. 46.8. The term "three-tier**  
28 **system" means the legal and regulatory framework for the:**

29 **(1) manufacture or importation;**

30 **(2) distribution; and**

31 **(3) retail sale;**

32 **of alcoholic beverages within Indiana. The term includes the real**  
33 **and substantial segregation by state law prohibiting common**  
34 **interests, ownership, and operations among the tiers set forth in**  
35 **subdivisions (1) through (3).**

36 SECTION 5. IC 7.1-2-3-3 IS AMENDED TO READ AS  
37 FOLLOWS [EFFECTIVE JULY 1, 2021]: Sec. 3. ~~Forms.~~ The  
38 commission, in accordance with IC 5-15-5.1, shall have the power to  
39 prescribe the forms for all applications, permits, licenses, **certificates,**  
40 and other documents and records used in the administration of this title.

41 SECTION 6. IC 7.1-2-3-7 IS AMENDED TO READ AS  
42 FOLLOWS [EFFECTIVE JULY 1, 2021]: Sec. 7. ~~Rules and~~

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1 ~~Regulations~~. The commission shall have the power to promulgate rules  
2 and regulations governing **the following**:

3 (a) **(1)** The conduct of the meetings and business of the  
4 commission.

5 (b) **(2)** The conduct of hearings before any of the commission's  
6 representatives.

7 (c) **(3)** The conduct of the business of a permittee **or certificate**  
8 **holder** authorized or governed by the provisions of this title.

9 (d) **(4)** The enforcement of the provisions of this title and of the  
10 rules and regulations of the commission.

11 (e) **(5)** The standards of purity and methods of manufacturing  
12 used in the production of alcohol and alcoholic beverages.

13 (f) **(6)** The prevention of misbranding or adulteration of alcohol  
14 or alcoholic beverages. ~~and~~

15 (g) **(7)** The prevention of fraud, evasion, trickery, or deceit in the  
16 manufacture, labeling, importation, advertisement, transportation,  
17 or sale of alcohol or alcoholic beverages, or the evasion of other  
18 laws of Indiana relating to alcohol or alcoholic beverages.

19 SECTION 7. IC 7.1-2-3-9 IS AMENDED TO READ AS  
20 FOLLOWS [EFFECTIVE JULY 1, 2021]: Sec. 9. ~~Permits~~. The  
21 commission shall have the discretionary authority to issue, deny,  
22 suspend, revoke, or not renew all permits **and certificates** authorized  
23 by this title, unless the exercise of discretion or authority is limited by  
24 applicable provisions of this title.

25 SECTION 8. IC 7.1-2-3-11 IS AMENDED TO READ AS  
26 FOLLOWS [EFFECTIVE JULY 1, 2021]: Sec. 11. ~~Emergencies~~. The  
27 commission shall have the power to prohibit the sale, transportation, or  
28 movement of alcoholic beverages **or tobacco** when, in the judgment of  
29 the commission, it is necessary during a time of public emergency, civil  
30 disturbance, riot, or epidemic. The prohibition may be imposed without  
31 prior notice or advertisement and may be continued in force as long as  
32 the need continues.

33 SECTION 9. IC 7.1-2-3-22 IS AMENDED TO READ AS  
34 FOLLOWS [EFFECTIVE JULY 1, 2021]: Sec. 22. ~~Regulation of~~  
35 ~~Business Relationships~~. The commission shall have the power to  
36 ascertain the business relationships, including ~~non-alcoholic~~  
37 **nonalcoholic** beverage business relationships, between permittees **or**  
38 **certificate holders** under this title. The commission shall have the  
39 power to regulate or prohibit a practice, relationship, or dealing by or  
40 between permittees **or certificate holders**, which in the judgment of  
41 the commission is inimical to or a violation of a provision of this title  
42 or of a rule or regulation of the commission. The commission may take



1 action in these matters by rule or regulation or by individual order upon  
 2 hearing after five (5) days notice to the effected permittee **or**  
 3 **certificate holder.**

4 SECTION 10. IC 7.1-2-5-11 IS AMENDED TO READ AS  
 5 FOLLOWS [EFFECTIVE JULY 1, 2021]: Sec. 11. ~~Evidence of~~  
 6 ~~Misbranding.~~ An unbroken bottle **or container** which contains, or has  
 7 contained, liquor or wine and which bears a brand, label, trade-mark,  
 8 name or other device, marking, inscription, or a reference to quality,  
 9 nature, character, origin, or manufacturer of the alcoholic beverage  
 10 contents of that bottle **or container**, that has been altered, defaced,  
 11 restored, or upon which the tax stamp of the federal government has  
 12 been forged, counterfeited, restored, or reused, or which brand, label,  
 13 trade-mark, name or other device, marking or inscription does not truly  
 14 describe the contents or former contents shall be received in evidence  
 15 in a court as prima facie proof that the person chargeable with the  
 16 possession of it either is, or was, or both, maintaining a public nuisance  
 17 and either is, or was, or both, keeping and possessing misbranded or  
 18 adulterated alcoholic beverages.

19 SECTION 11. IC 7.1-2-5-12, AS AMENDED BY P.L.1-2009,  
 20 SECTION 62, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 21 JULY 1, 2021]: Sec. 12. The court shall receive oral testimony also  
 22 upon a matter referred to in section 11 of this chapter for the purpose  
 23 of showing a violation of this title whether the bottle **or container** is  
 24 offered in evidence or not.

25 SECTION 12. IC 7.1-2-5-13 IS AMENDED TO READ AS  
 26 FOLLOWS [EFFECTIVE JULY 1, 2021]: Sec. 13. ~~Destroyed~~  
 27 ~~Evidence.~~ If a fluid is poured out or otherwise destroyed or carried  
 28 away by the tenant or other person when a premises is being searched,  
 29 the fluid shall be held to be, prima facie, an alcoholic beverage held or  
 30 possessed contrary to this title and intended for unlawful possession  
 31 and sale. Proof of the possession of an empty bottle **or container**, keg,  
 32 case and vessel that has contained a destroyed alcoholic beverage shall  
 33 be admitted as evidence of the illegal possession of that alcoholic  
 34 beverage.

35 SECTION 13. IC 7.1-3-1-3.5, AS AMENDED BY P.L.285-2019,  
 36 SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 37 UPON PASSAGE]: Sec. 3.5. (a) This section only applies to a retailer  
 38 or dealer permit that is deposited with the commission before July 1,  
 39 2019.

40 (b) A permittee to whom a retailer or dealer permit has been issued  
 41 under this title may deposit that permit with the commission for a  
 42 period of one (1) year if the permittee is unable to immediately operate



1 the business to which the permit applies. Subject to subsections (d)  
 2 through ~~(e)~~, **(f)**, the commission may extend the term of the deposit  
 3 under IC 7.1-3-1.1.

4 (c) This subsection applies to a permit that is deposited with the  
 5 commission before July 1, 2016. The permit reverts to the commission  
 6 if the permit is not active before July 1, 2020.

7 (d) This subsection applies to a permit that is deposited with the  
 8 commission after June 30, 2016, and before July 1, ~~2018~~: **2017**. The  
 9 permit reverts to the commission if the permit is not active before July  
 10 1, 2021.

11 **(e) This subsection applies to a permit that is deposited with the**  
 12 **commission after June 30, 2017, and before July 1, 2018. The**  
 13 **permit reverts to the commission if the permit is not active before**  
 14 **July 1, 2022.**

15 ~~(e)~~ **(f)** This subsection applies to a permit that is deposited with the  
 16 commission after June 30, 2018, and before July 1, 2019. The permit  
 17 reverts to the commission if the permit is not active before July 1,  
 18 ~~2022~~: **2023**.

19 ~~(f)~~ **(g)** This section expires July 1, 2024.

20 SECTION 14. IC 7.1-3-1-5, AS AMENDED BY P.L.285-2019,  
 21 SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 22 JULY 1, 2021]: Sec. 5. (a) Except as provided in subsection (b), an  
 23 application for a permit to sell alcoholic beverages of any kind, and the  
 24 required publication of notice, shall disclose the name of the applicant  
 25 and the specific address where the alcoholic beverages are to be sold,  
 26 and any assumed business name under which the business will be  
 27 conducted. The application and notice also shall disclose:

28 **(1)** the names ~~and addresses~~ of the president and secretary of the  
 29 corporation, club, association, or organization who will be  
 30 responsible to the public for the sale of the alcoholic beverage if  
 31 the applicant is a corporation, club, association, or other type of  
 32 organization; **or**

33 **(2) the Internet web site where a member of the public may**  
 34 **access the information in subdivision (1).**

35 (b) An application for a permit may be processed by the commission  
 36 while the location of the permit premises is pending, upon a showing  
 37 of need by the permit applicant. Any permit issued by the commission  
 38 while the location of the permit premises is pending shall be placed  
 39 immediately on deposit with the commission under IC 7.1-3-1-3.5  
 40 (before July 1, 2019) or (after June 30, 2019) IC 7.1-3-1.1 upon  
 41 approval of the permit by the commission. If a permit issued by the  
 42 commission is deposited with the commission under this subsection:



- 1 (1) the applicant must go before the local board for approval of  
 2 the applicant; and  
 3 (2) before making the permit active, the permittee must go before  
 4 the local board for approval of the location.
- 5 SECTION 15. IC 7.1-3-1-29, AS AMENDED BY P.L.35-2016,  
 6 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 7 JULY 1, 2021]: Sec. 29. (a) For purposes of this section, "health  
 8 facility" does not include an intermediate care facility for individuals  
 9 with intellectual disabilities.
- 10 (b) As used in this section, "senior residence facility" means a:  
 11 (1) health facility licensed under IC 16-28; or  
 12 (2) housing with services establishment (as defined in  
 13 IC 12-10-15-3).
- 14 (c) For purposes of this section, "senior residence facility campus"  
 15 means a senior residence facility and the property on which a senior  
 16 residence facility is located.
- 17 (d) A senior residence facility may, without a permit issued under  
 18 this title, possess and give or furnish an alcoholic beverage, by the  
 19 bottle, **by the container**, or by the glass, on the premises of the senior  
 20 residence facility campus for consumption on the premises to any of  
 21 the following:  
 22 (1) A resident who:  
 23 (A) is not a minor; and  
 24 (B) resides on the premises of the senior residence facility.  
 25 (2) A guest or family member of a resident described in  
 26 subdivision (1) who:  
 27 (A) is not a minor; and  
 28 (B) is visiting the resident at the senior residence facility.
- 29 (e) Subject to subsection (f), this section may not be construed to  
 30 authorize a senior residence facility to sell alcoholic beverages on the  
 31 premises of the senior residence facility campus without a permit under  
 32 this title.
- 33 (f) For purposes of this section, a senior residence facility that:  
 34 (1) charges a:  
 35 (A) room and board fee to residents of the senior residence  
 36 facility; or  
 37 (B) fee for organizing activities for:  
 38 (i) residents of the senior residence facility; and  
 39 (ii) guests or family members of the residents;  
 40 (2) uses a portion of a fee described in subdivision (1) to:  
 41 (A) purchase alcoholic beverages; and  
 42 (B) furnish the alcoholic beverages to individuals described in





- 1 subsection (d); and  
 2 (3) does not purchase and furnish the alcoholic beverages for  
 3 profit;  
 4 is not considered to be selling alcoholic beverages.  
 5 SECTION 16. IC 7.1-3-1.1-4, AS ADDED BY P.L.285-2019,  
 6 SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 7 JULY 1, 2021]: Sec. 4. This section sets out the procedure for a permit  
 8 holder to request deposit of a permit or extension of a term of deposit.  
 9 A permit holder must do the following:  
 10 (1) Submit the permit holder's request for deposit or an extension  
 11 of the term of deposit to the commission in writing. A permit  
 12 holder must submit a request for extension at least sixty (60) days  
 13 before the term of deposit expires.  
 14 **(2) To make an initial request for deposit of a permit, the**  
 15 **permit holder must submit documentation of the following:**  
 16 **(A) The specific reasons why the business for which the**  
 17 **permit was issued is not immediately operational.**  
 18 **(B) A timetable for making the business and the permit**  
 19 **active.**  
 20 **(C) A detailed statement of the permit holder's efforts to**  
 21 **make the business operational and the permit active.**  
 22 ~~(2)~~ **(3) To request an extension of a term of deposit,** appear at  
 23 a public meeting of the commission and provide to the  
 24 commission's satisfaction an explanation of the following:  
 25 (A) The specific reasons why the business for which the  
 26 permit was issued is not immediately operational.  
 27 (B) A timetable for making the business operational and the  
 28 permit active.  
 29 (C) A detailed statement of the permit holder's efforts to make  
 30 the business operational and the permit active.  
 31 ~~(3)~~ **(4) The permit holder shall** Submit to the commission any  
 32 other documentation of the permit holder's efforts under  
 33 subdivision ~~(2)(C)~~; **(3)(C)**, including:  
 34 (A) contracts for construction or renovation of the permit  
 35 premises;  
 36 (B) zoning applications and approvals; and  
 37 (C) building permits and any other necessary government  
 38 approvals.  
 39 ~~(4)~~ **(5) If the commission approves the permit holder's initial**  
 40 **request for deposit or request for an extension of a term of**  
 41 **deposit,** pay any permit renewal fees that are due.  
 42 SECTION 17. IC 7.1-3-2-2, AS AMENDED BY P.L.79-2015,



1 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 2 JULY 1, 2021]: Sec. 2. (a) The commission may issue a brewer's  
 3 permit for a brewery that manufactures more than ninety thousand  
 4 (90,000) barrels of beer in a calendar year for sale or distribution  
 5 within Indiana. The commission may issue a brewer's permit under this  
 6 subsection for a brewery that manufactures not more than ninety  
 7 thousand (90,000) barrels of beer in a calendar year for sale or  
 8 distribution within Indiana if the brewer holds more than one (1)  
 9 brewer's permit and manufactures, at all of the brewer's breweries  
 10 located in Indiana, an aggregate of more than ninety thousand (90,000)  
 11 barrels of beer in a calendar year for sale or distribution within Indiana.  
 12 The commission may issue a permit under this subsection only to:

- 13 (1) an individual;
- 14 (2) a partnership; ~~all the partners of which are bona fide residents~~  
 15 ~~of Indiana;~~
- 16 (3) a limited liability company; ~~all the members of which are bona~~  
 17 ~~fide residents of Indiana;~~ or
- 18 (4) a corporation organized and existing under the laws of Indiana  
 19 and having authority under its charter to manufacture or sell beer.

20 The permit does not limit the number of barrels of beer in a calendar  
 21 year that the brewer may manufacture for sale or distribution outside  
 22 Indiana.

23 (b) The commission may issue a brewer's permit to a brewer for a  
 24 brewery that manufactures not more than ninety thousand (90,000)  
 25 barrels of beer in a calendar year for sale or distribution within Indiana.  
 26 The commission may issue more than one (1) permit under this  
 27 subsection to a brewer if the brewer manufactures, at all of the brewer's  
 28 breweries located in Indiana, an aggregate of not more than ninety  
 29 thousand (90,000) barrels of beer in a calendar year for sale or  
 30 distribution within Indiana. The commission may issue a permit under  
 31 this subsection only to:

- 32 (1) an individual;
- 33 (2) a partnership organized and existing under the laws of  
 34 Indiana;
- 35 (3) a limited liability company organized and existing under the  
 36 laws of Indiana; or
- 37 (4) a corporation organized and existing under the laws of  
 38 Indiana.

39 The permit does not limit the number of barrels of beer in a calendar  
 40 year that the brewer may manufacture for sale or distribution outside  
 41 Indiana.

42 SECTION 18. IC 7.1-3-4-6 IS AMENDED TO READ AS

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1 FOLLOWS [EFFECTIVE JULY 1, 2021]: Sec. 6. (a) The holder of a  
 2 beer retailer's permit shall be entitled to purchase beer for sale under  
 3 his permit only from a permittee entitled to sell to him under this title.  
 4 A beer retailer shall be entitled to possess beer and sell it at retail to a  
 5 customer for consumption on the licensed premises. A beer retailer also  
 6 shall be entitled to sell beer to a customer and deliver it in permissible  
 7 containers to the customer on the licensed premises, or to the  
 8 customer's house. **This delivery may only be performed by the**  
 9 **permit holder or an employee who holds an employee permit. The**  
 10 **permit holder shall maintain a written record of each delivery for**  
 11 **at least one (1) year that shows the customer's name, location of**  
 12 **delivery, and quantity sold.**

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

20 (c) A beer retailer shall be entitled to sell and deliver warm or cold  
 21 beer for carry out, or for at-home delivery, in barrels or other  
 22 commercial containers in a quantity that does not exceed fifteen and  
 23 one-half (15 1/2) gallons at any one (1) time.

24 SECTION 19. IC 7.1-3-5-2, AS AMENDED BY P.L.285-2019,  
 25 SECTION 20, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 26 JULY 1, 2021]: Sec. 2. (a) As used in this section, "proprietor of a  
 27 package liquor store" means the person that:

- 28 (1) holds the financial investment in; and  
 29 (2) exercises the financial and operational oversight of;  
 30 a package liquor store.

31 (b) The commission may issue a beer dealer's permit only to an  
 32 applicant who is the proprietor of a drug store, grocery store, or  
 33 package liquor store.

34 (c) ~~Subject to subsection (d)~~, The commission may issue a beer  
 35 dealer's permit to an applicant that is a foreign corporation if:

- 36 (1) the applicant is duly admitted to do business in Indiana;  
 37 (2) the sale of beer is within the applicant's corporate powers; and  
 38 (3) the applicant is otherwise qualified under this title.

39 (d) ~~Except as provided under IC 7.1-3-21-5.6, the commission may~~  
 40 ~~issue a beer dealer's permit under subsection (c) for the premises of a~~  
 41 ~~package liquor store only if the proprietor of the package liquor store~~  
 42 ~~satisfies the Indiana resident ownership requirements described in~~



1 IC 7.1-3-21-5(b); IC 7.1-3-21-5.2(b); or IC 7.1-3-21-5.4(b).

2 (e) (d) The commission shall not issue a beer dealer's permit to a  
3 person who is disqualified under the special disqualifications.  
4 However, the special disqualification listed in IC 7.1-3-4-2(a)(14) shall  
5 not apply to an applicant for a beer dealer's permit.

6 (f) (e) Notwithstanding subsection (b), the commission may renew  
7 a beer dealer's permit for an applicant who:

8 (1) held a permit before July 1, 1997; and

9 (2) is the proprietor of a confectionery or a store that:

10 (A) is not a drug store, grocery store, or package liquor store;

11 (B) is in good repute; and

12 (C) in the judgment of the commission, deals in merchandise  
13 that is not incompatible with the sale of beer.

14 SECTION 20. IC 7.1-3-5-3 IS AMENDED TO READ AS  
15 FOLLOWS [EFFECTIVE JULY 1, 2021]: Sec. 3. (a) The holder of a  
16 beer dealer's permit shall be entitled to purchase beer for sale under the  
17 permit only from a permittee entitled to sell to a beer dealer under this  
18 title.

19 (b) A beer dealer shall be entitled to possess beer and sell it at retail  
20 to a customer in permissible containers only.

21 (c) A beer dealer may not sell beer by the drink nor for consumption  
22 on the licensed premises nor shall a beer dealer allow it to be consumed  
23 on the licensed premises.

24 (d) Except as provided in subsection (e), a beer dealer shall be  
25 entitled to sell beer to a customer and deliver it in permissible  
26 containers to the customer on the licensed premises, or to the  
27 customer's residence or office. A beer dealer shall not be entitled to sell  
28 and deliver beer on the street or at the curb outside the licensed  
29 premises, nor shall a beer dealer be entitled to sell beer at a place other  
30 than the licensed premises. A beer dealer shall not be entitled to sell  
31 beer and deliver beer for carry-out, or for delivery to a customer's  
32 residence or office, in a quantity that exceeds eight hundred sixty-four  
33 (864) ounces in a single transaction. **This delivery may only be**  
34 **performed by the permit holder or an employee who holds an**  
35 **employee permit.** However, notwithstanding IC 7.1-5-10-11, a beer  
36 dealer who is licensed pursuant to IC 7.1-3-10-4 shall be entitled to sell  
37 and deliver warm or cold beer for carry-out, or for delivery to a  
38 customer's residence, office, or a designated location in barrels or other  
39 commercial containers that do not exceed two thousand sixteen (2,016)  
40 ounces per container. **This delivery may only be performed by the**  
41 **permit holder or an employee who holds an employee permit.** The  
42 permit holder shall maintain a written record of each delivery for at



1 least one (1) year that shows the customer's name, location of delivery,  
 2 and quantity sold.  
 3 (e) Unless a beer dealer is a grocery store or drug store, a beer  
 4 dealer may not sell or deliver alcoholic beverages or any other item  
 5 through a window in the licensed premises to a patron who is outside  
 6 the licensed premises. A beer dealer that is a grocery store or drug store  
 7 may sell any item except alcoholic beverages through a window in the  
 8 licensed premises to a patron who is outside the licensed premises.  
 9 SECTION 21. IC 7.1-3-6-2, AS AMENDED BY P.L.285-2019,  
 10 SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 11 JULY 1, 2021]: Sec. 2. The commission may issue a temporary beer  
 12 permit to a person who is qualified to hold a beer retailer's permit and  
 13 who has such other qualifications as the commission may prescribe by  
 14 a provisional order until it adopts a rule or regulation on the matter.  
 15 However, the special disqualifications listed in IC 7.1-3-4-2(a)(4),  
 16 IC 7.1-3-4-2(a)(9), and IC 7.1-3-4-2(a)(14) ~~and the residency~~  
 17 ~~requirements provided in IC 7.1-3-21-3~~, shall not apply to an applicant  
 18 for a temporary beer permit.  
 19 SECTION 22. IC 7.1-3-7-3, AS AMENDED BY P.L.285-2019,  
 20 SECTION 23, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 21 JULY 1, 2021]: Sec. 3. (a) The holder of a distiller's permit shall be  
 22 entitled to:  
 23 (1) manufacture liquor;  
 24 (2) ~~to rectify it; liquor; and to~~  
 25 (3) ~~bottle it liquor; and~~  
 26 (4) **insert liquor into containers.**  
 27 (b) A distiller shall enjoy all the privileges accorded the holder of  
 28 a rectifier's permit, but the distiller shall not have to obtain a separate  
 29 rectifier's permit nor pay an additional fee.  
 30 (c) A distiller shall be entitled to transport liquor and to sell and  
 31 deliver it in shipments to points outside this state, or to the holder of a  
 32 liquor wholesaler's permit, or to the holder of a rectifier's permit.  
 33 (d) A distiller may not sell liquor produced under a distiller's permit  
 34 as issued under ~~IC 7.1-3-7-1~~ **section 1 of this chapter** to a consumer,  
 35 nor to a person for the purpose of having it retailed by the person,  
 36 whether that person holds a liquor retailer's permit under this title or  
 37 not.  
 38 (e) A distiller may transport liquor to and from a brewery located  
 39 within the same county for the purposes of carbonating and canning by  
 40 the brewery.  
 41 (f) The activity under this section is not an interest under IC 7.1-5-9.  
 42 SECTION 23. IC 7.1-3-9-9 IS AMENDED TO READ AS



1 FOLLOWS [EFFECTIVE JULY 1, 2021]: Sec. 9. (a) The holder of a  
 2 liquor retailer's permit shall be entitled to purchase liquor only from a  
 3 permittee entitled to sell to him under this title. A liquor retailer shall  
 4 be entitled to possess liquor and sell it at retail to a customer for  
 5 consumption on the licensed premises. A liquor retailer also shall be  
 6 entitled to sell liquor to a customer and deliver it in permissible  
 7 containers to the customer on the licensed premises, or to the  
 8 customer's house. **This delivery may only be performed by the**  
 9 **permit holder or an employee who holds an employee permit. The**  
 10 **permit holder shall maintain a written record of each delivery for**  
 11 **at least one (1) year that shows the customer's name, location of**  
 12 **delivery, and quantity sold.**

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

20 (c) A liquor retailer shall not be entitled to sell and deliver liquor for  
 21 carry out, or for at-home delivery, in a quantity that exceeds four (4)  
 22 quarts at any one (1) time.

23 SECTION 24. IC 7.1-3-9-12, AS AMENDED BY P.L.1-2018,  
 24 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 25 UPON PASSAGE]: Sec. 12. (a) This section applies to:

- 26 (1) the holder of a three-way permit that is issued to a civic  
 27 center, a sports arena, a stadium, an exhibition hall, an  
 28 auditorium, a theater, a tract that contains a premises that is  
 29 described in IC 7.1-3-1-14(d)(2), or a convention center; or  
 30 (2) the holder of a catering permit while catering alcoholic  
 31 beverages at a civic center, a sports arena, a stadium, an  
 32 exhibition hall, an auditorium, a theater, a tract that contains a  
 33 premises that is described in IC 7.1-3-1-14(d)(2), or a convention  
 34 center.

35 (b) **As used in this section, "grab and go store" means an area**  
 36 **in a building or facility referred to in subsection (a) that satisfies**  
 37 **all of the following:**

- 38 (1) **The area customarily offers food, alcoholic beverages,**  
 39 **nonalcoholic beverages, and other items for sale.**  
 40 (2) **The area is:**  
 41 (A) **within a tract that contains a premises that is described**  
 42 **in IC 7.1-3-1-14(d)(2);**



- 1           **(B) in close proximity or adjacent to the concourse of or**  
 2           **within the building or facility; or**  
 3           **(C) within a restricted access club area of or within the**  
 4           **building or facility.**  
 5           **(3) The area is:**  
 6           **(A) delineated by nonpermanent stanchions or some other**  
 7           **barrier providing for clear entrance and exit points; and**  
 8           **(B) indicated on the floor plan approved by the**  
 9           **commission.**  
 10           **(4) The area is accessible only by persons who possess a ticket**  
 11           **to an event held in the building or facility.**  
 12           **The term does not include a suite, restaurant, lounge, or concession**  
 13           **area, even if access to the suite, restaurant, lounge, or concession**  
 14           **area is limited to certain ticket holders. However, a grab and go**  
 15           **store may operate within a restricted access club area that is in**  
 16           **close proximity, adjacent to, or within a restaurant or lounge.**  
 17           ~~(b)~~ **(c)** As used in this section, "suite" means an area in a building  
 18           or facility referred to in subsection (a) that:  
 19           (1) is not accessible to the general public;  
 20           (2) has accommodations for not more than seventy-five (75)  
 21           persons per suite; and  
 22           (3) is accessible only to persons who possess a ticket:  
 23           (A) to an event in a building or facility referred to in  
 24           subsection (a); and  
 25           (B) that entitles the person to occupy the area while viewing  
 26           the event described in clause (A).  
 27           The term does not include a restaurant, lounge, or concession area,  
 28           even if access to the restaurant, lounge, or concession area is limited to  
 29           certain ticket holders.  
 30           ~~(e)~~ **(d)** A permittee may allow the self-service of individual servings  
 31           of alcoholic beverages in a suite **or grab and go store.**  
 32           ~~(d)~~ **(e)** A person who:  
 33           (1) possesses a ticket described in subsection ~~(b)(3)~~ **(b)(4) or**  
 34           **(c)(3);** and  
 35           (2) is at least twenty-one (21) years of age;  
 36           may obtain an alcoholic beverage in a suite **or grab and go store** by  
 37           self-service.  
 38           ~~(e)~~ **(f)** A permittee may do any of the following:  
 39           (1) Demand that a person occupying a suite provide:  
 40           (A) a written statement under IC 7.1-5-7-4; **and or**  
 41           (B) identification indicating that the person is at least  
 42           twenty-one (21) years of age.



- 1 (2) Supervise the self-service of alcoholic beverages **in the suite.**
- 2 (3) Have an employee in the suite who **has a valid server**
- 3 **certificate under IC 7.1-3-1.5 and** holds an employee permit
- 4 under IC 7.1-3-18-9 to serve ~~some or all~~ of the alcoholic
- 5 beverages.
- 6 **(g) In a grab and go store, a permittee shall do the following:**
- 7 **(1) Require a purchaser to provide proof of age in accordance**
- 8 **with IC 7.1-5-10-23.**
- 9 **(2) Ensure all employees are at least twenty-one (21) years of**
- 10 **age.**
- 11 **(3) Have employees supervise the self-service of alcoholic**
- 12 **beverages.**
- 13 **(4) Have an employee present during the store's business**
- 14 **hours who has a valid server certificate under IC 7.1-3-1.5**
- 15 **and holds an employee permit under IC 7.1-3-18-9 to sell**
- 16 **alcoholic beverages to ensure compliance with this title,**
- 17 **including compliance with IC 7.1-5-7-8 and IC 7.1-5-10-15.**
- 18 **(5) Sell a purchaser not more than two (2) servings of**
- 19 **alcoholic beverages at one (1) time.**

20 SECTION 25. IC 7.1-3-10-7 IS AMENDED TO READ AS  
 21 FOLLOWS [EFFECTIVE JULY 1, 2021]: Sec. 7. (a) The holder of a  
 22 liquor dealer's permit shall be entitled to purchase liquor only from a  
 23 permittee entitled to sell to a liquor dealer under this title.

24 (b) A liquor dealer shall be entitled to possess liquor and sell it at  
 25 retail in its original package to a customer only for consumption off the  
 26 licensed premises.

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

38 (d) A liquor dealer may not sell or deliver alcoholic beverages or  
 39 any other item through a window in the licensed premises to a patron  
 40 who is outside the licensed premises. However, a liquor dealer that is  
 41 a drug store may sell prescription drugs and health and beauty aids  
 42 through a window in the licensed premises to a patron who is outside





- 1 the licensed premises.
- 2 SECTION 26. IC 7.1-3-12-3, AS AMENDED BY P.L.165-2006,  
3 SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
4 JULY 1, 2021]: Sec. 3. The commission may issue a farm winery  
5 permit to a person who:
- 6 (1) is the proprietor of a farm winery;
  - 7 (2) desires to commercially manufacture wine; and
  - 8 (3) is either:
    - 9 (A) an individual; or
    - 10 (B) a partnership, limited liability company, or corporation  
11 domiciled in or admitted to do business in Indiana.
- 12 A farm winery permit shall be valid from July 1, of the then current  
13 year to June 30, of the following year. ~~IC 7.1-3-21-5 does not apply to~~  
14 ~~a farm winery permit issued under this chapter.~~
- 15 SECTION 27. IC 7.1-3-12-5, AS AMENDED BY P.L.285-2019,  
16 SECTION 29, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
17 JULY 1, 2021]: Sec. 5. (a) The following apply to the holder of a farm  
18 winery permit:
- 19 (1) A holder is entitled to manufacture wine and to **bottle place**  
20 wine produced by the permit holder's farm winery **in bottles or**  
21 **other permissible containers.**
  - 22 (2) A holder is entitled to serve complimentary samples of the  
23 winery's wine on the licensed premises or an outside area that is  
24 contiguous to the licensed premises, as approved by the  
25 commission if each employee who serves wine on the licensed  
26 premises:
    - 27 (A) holds an employee's permit under IC 7.1-3-18-9; and
    - 28 (B) completes a server training program approved by the  
29 commission.
  - 30 (3) A holder is entitled to sell the winery's wine on the licensed  
31 premises to consumers either by:
    - 32 (A) the glass;
    - 33 (B) the bottle;
    - 34 (C) a box that contains a bag designed for storing and  
35 dispensing wine; ~~or~~
    - 36 (D) any combination of receptacles listed in clauses (A)  
37 through (C); **or**
    - 38 **(E) any other container permissible under federal law.**
  - 39 (4) A holder is entitled to sell the winery's wine to consumers by  
40 the bottle at a farmers' market that is operated on a nonprofit  
41 basis.
  - 42 (5) A holder is entitled to sell wine by:



- 1 (A) the bottle;  
 2 **(B) the can;**  
 3 ~~(B)~~ (C) a box that contains a bag designed for storing and  
 4 dispensing wine;  
 5 ~~(C)~~ (D) bulk container;  
 6 ~~(D)~~ (E) the case; or  
 7 ~~(E)~~ (F) any combination of receptacles listed in clauses (A)  
 8 through ~~(D)~~; ~~(E)~~;  
 9 to a person who is the holder of a permit to sell wine at wholesale.  
 10 (6) A holder is exempt from the provisions of IC 7.1-3-14.  
 11 (7) A holder is entitled to advertise the name and address of any  
 12 retailer or dealer who sells wine produced by the permit holder's  
 13 winery.  
 14 (8) A holder for wine described in IC 7.1-1-2-3(a)(4):  
 15 (A) may allow transportation to and consumption of the wine  
 16 on the licensed premises; and  
 17 (B) may not sell, offer to sell, or allow the sale of the wine on  
 18 the licensed premises.  
 19 (9) A holder is entitled to purchase and sell bulk wine as set forth  
 20 in this chapter.  
 21 (10) A holder is entitled to sell wine as authorized by this section  
 22 for carryout on Sunday.  
 23 (11) A holder is entitled to sell and ship the farm winery's wine to  
 24 a person located in another state in accordance with the laws of  
 25 the other state.  
 26 (12) A holder is entitled to sell the farm winery's wine to the  
 27 holder of a supplemental caterer's permit issued under  
 28 IC 7.1-3-9.5 for on-premises consumption only at an event that is  
 29 held outdoors on property that is contiguous to the farm winery as  
 30 approved by the commission.  
 31 (13) A holder is entitled to be the proprietor of a restaurant that is  
 32 not subject to the minimum gross food sales or the minimum  
 33 projected food sales set forth in 905 IAC 1-41-2 and the gross  
 34 retail income requirements to sell carryout under IC 7.1-3-20-9.5.  
 35 A holder is entitled to conduct the following activities:  
 36 (A) Hold a beer retailer's permit, a wine retailer's permit, or a  
 37 liquor retailer's permit for a restaurant.  
 38 (B) Transfer wine directly from the farm winery to a restaurant  
 39 that the farm winery has an interest in by means of:  
 40 (i) bottles **or cans**;  
 41 (ii) bulk containers; or  
 42 (iii) a continuous flow system.



- 1 (C) Install a window between the farm winery and an adjacent  
 2 restaurant that allows the public and the holder of the permit  
 3 to view both premises.
- 4 (D) Install a doorway or other opening between the farm  
 5 winery and an adjacent restaurant that provides the public and  
 6 the holder of the permit with access to both the farm winery  
 7 and restaurant.
- 8 (b) With the approval of the commission, a holder of a permit under  
 9 this chapter may conduct business at not more than three (3) additional  
 10 locations that are separate from the winery. At the additional locations,  
 11 the holder of a permit may conduct any business that is authorized at  
 12 the first location, except for ~~the manufacturing wine or bottling of~~  
 13 **placing wine in bottles or containers.**
- 14 **(c) A farm winery may transfer wine from a storage facility or**  
 15 **an additional location described in subsection (b). A farm winery**  
 16 **may sell or transfer wine directly to a wine wholesaler from a**  
 17 **storage facility separate from the farm winery or an additional**  
 18 **location described in subsection (b). A farm winery may not sell or**  
 19 **transfer wine from a storage facility to any other permittee or a**  
 20 **consumer. The farm winery shall maintain an adequate written**  
 21 **record of wine transferred:**
- 22 **(1) between the farm winery and the storage facility; and**  
 23 **(2) from the storage facility to the wholesaler.**
- 24 (e) (d) With the approval of the commission, a holder of a permit  
 25 under this chapter may:
- 26 (1) individually; or  
 27 (2) with other permit holders under this chapter, holders of artisan  
 28 distiller's permits, holders of brewer's permits issued under  
 29 IC 7.1-3-2-2(b), or any combination of holders described in this  
 30 subdivision;
- 31 participate in a trade show or an exposition at which products of each  
 32 permit holder participant are displayed, promoted, and sold. All of the  
 33 permit holders may occupy the same tent, structure, or building. The  
 34 commission may not grant approval under this subsection to a holder  
 35 of a permit under this chapter for more than forty-five (45) days in a  
 36 calendar year.
- 37 SECTION 28. IC 7.1-3-14-4 IS AMENDED TO READ AS  
 38 FOLLOWS [EFFECTIVE JULY 1, 2021]: Sec. 4. (a) The holder of a  
 39 wine retailer's permit is entitled to purchase wine only from a permittee  
 40 entitled to sell to the wine retailer under this title. A wine retailer is  
 41 entitled to possess wine and sell it at retail to a customer for  
 42 consumption on the licensed premises. A wine retailer is also entitled



1 to sell wine to a customer and deliver it in permissible containers to the  
 2 customer on the licensed premises or to the customer's house. **This**  
 3 **delivery may only be performed by the permit holder or an**  
 4 **employee who holds an employee permit. The permit holder shall**  
 5 **maintain a written record of each delivery for at least one (1) year**  
 6 **that shows the customer's name, location of delivery, and quantity**  
 7 **sold.**

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

15 (c) A wine retailer is entitled to sell and deliver wine for carry out,  
 16 or for at-home delivery.

17 SECTION 29. IC 7.1-3-16-6, AS AMENDED BY P.L.285-2019,  
 18 SECTION 32, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 19 JULY 1, 2021]: Sec. 6. The commission may issue a temporary wine  
 20 permit to a person who is qualified to hold a beer retailer's permit and  
 21 who has such other qualifications as the commission may prescribe by  
 22 a provisional order until it adopts a rule or regulation on the matter.  
 23 However, the special disqualifications listed in IC 7.1-3-4-2(a)(4),  
 24 IC 7.1-3-4-2(a)(9), and IC 7.1-3-4-2(a)(14) ~~and the residency~~  
 25 ~~requirements provided in IC 7.1-3-21-3~~, shall not apply to an applicant  
 26 for a temporary wine permit.

27 SECTION 30. IC 7.1-3-20-29, AS ADDED BY P.L.285-2019,  
 28 SECTION 40, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 29 UPON PASSAGE]: Sec. 29. (a) As used in this section, "food hall"  
 30 means the premises:

- 31 (1) located within a retail shopping and food service district; and
- 32 (2) to which a master permit is issued under this section.

33 (b) As used in this section, "master permit" means a food hall master  
 34 permit issued under this section.

35 (c) **Except as provided in subsection (d)**, the commission may  
 36 issue a master permit, which is a three-way retailer's permit for on  
 37 premises consumption, to a food hall located in a retail shopping and  
 38 food service district that meets the following requirements:

- 39 (1) The district consists of an area that:
  - 40 (A) has been redeveloped, renovated, or environmentally
  - 41 remediated in part with grants from the federal, state, or local
  - 42 government under IC 36-7-11; and



- 1 (B) is entirely located within an incorporated city or town.
- 2 (2) The district consists of land and a building or group of
- 3 buildings that are part of a common development.
- 4 (3) The district is located within a locally designated historic
- 5 district under IC 36-7-11 established by a city or town ordinance.
- 6 (4) The district contains at least one (1) building that:
- 7 (A) is on the list of the National Register for Historic Places or
- 8 qualifies as a historic building worthy of preservation under
- 9 IC 36-7-11; and
- 10 (B) has been approved for present commercial use by the local
- 11 historic preservation commission of the city or town.

12 **(d) Subsection (c)(3) and (c)(4) does not apply to a food hall**  
 13 **that:**

- 14 **(1) is located within a certified technology park established**
- 15 **under IC 36-7-32; and**
- 16 **(2) operates within a previously vacant building that was or**
- 17 **a complex of buildings that were:**
- 18 **(A) placed in service at least twenty-five (25) years prior to**
- 19 **the redevelopment of the building or buildings; and**
- 20 **(B) owned by a unit of local government or a public**
- 21 **charitable trust prior to redevelopment.**

22 ~~(d)~~ **(e)** The commission may issue a master permit to the owner or  
 23 developer of a food hall. The food hall constitutes a single permit  
 24 premises that:

- 25 (1) contains not less than seven (7) distinct, nonaffiliated retail
- 26 food and beverage vendors, each of which may apply for a food
- 27 hall vendor permit under section 30 of this chapter; and
- 28 (2) has a seating capacity of the type traditionally designed for
- 29 food and drink for at least one hundred (100) people.

30 ~~(e)~~ **(f)** An applicant for a master permit shall post notice and appear  
 31 in front of the local board in which the permit premises is situated. The  
 32 local board shall determine the eligibility of the applicant under this  
 33 section and hear evidence in support of or against the master permit  
 34 location. A master permit may not be transferred to a location outside  
 35 the food hall permit premises. A permit that is inactive for more than  
 36 six (6) months shall revert back to the commission or may be deposited  
 37 with the commission under IC 7.1-3-1.1 with the commission's  
 38 permission.

39 ~~(f)~~ **(g)** A master permit authorized by this section may be issued  
 40 without regard to the proximity provisions of IC 7.1-3-21-11 or the  
 41 quota provisions of IC 7.1-3-22.

42 SECTION 31. IC 7.1-3-20-30, AS ADDED BY P.L.285-2019,



1 SECTION 41, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
2 JULY 1, 2021]: Sec. 30. (a) The definitions in section 29 of this  
3 chapter apply to this section.

4 (b) As used in this section, "vendor's permit" means a food hall  
5 vendor's permit issued to an individual vendor operating within the  
6 premises of a food hall for which a master permit is issued under  
7 section 29 of this chapter.

8 (c) The commission may issue a one-, two-, or three-way retailer's  
9 permit for on-premises consumption only to an applicant for a vendor's  
10 permit that has been approved by the commission to operate within a  
11 food hall. **However, a vendor to which section 31 of this chapter**  
12 **applies may also sell the alcoholic beverages set forth in section**  
13 **31(c) of this chapter for off the premises consumption.** Each vendor  
14 that sells alcoholic beverages within the food hall must obtain a  
15 vendor's permit.

16 (d) Each vendor permittee must satisfy the following requirements:

17 (1) Each vendor permittee shall:

18 (A) maintain the vendor permittee's own retail merchant's  
19 certificate; and

20 (B) be responsible for the payment of the vendor permittee's  
21 own state gross retail taxes under IC 6-2.5 and withholding  
22 taxes required to be remitted under IC 6-3-4.

23 (2) Each vendor permittee shall conform to all health and safety  
24 requirements of local and state agencies.

25 (3) Each vendor permittee shall comply with all requirements  
26 under IC 7.1-5-9-15.

27 (4) Each vendor permittee shall comply with IC 7.1-5-10-20 with  
28 regard to the vendor permittee's own food and beverage vending  
29 space. However, IC 7.1-5-10-20 does not prohibit a vendor  
30 permittee from establishing sale prices for drinks that are different  
31 from the sale prices for comparable drinks that are set by other  
32 vendor permittees.

33 (5) Each vendor permittee is not required to comply with section  
34 9(b) of this chapter.

35 (6) Each vendor permittee is responsible to the commission for  
36 any and all violations of alcohol laws and rules associated with  
37 the vendor's permit.

38 (7) Each applicant for a vendor's permit must comply with 905  
39 IAC 1-36-1 and 905 IAC 1-36-2 and appear before the local  
40 alcohol board in the county in which the food hall vendor's permit  
41 will be situated. The local board shall only hear evidence on and  
42 determine the vendor's permit applicant's eligibility to hold a



- 1 vendor's permit.
- 2 (8) Any vendor permittee that desires to relocate its food and  
3 beverage space within the food hall premises may relocate upon  
4 the commission's approval of a floor plan change.
- 5 (e) A vendor's permit authorized by this section may be issued  
6 without regard to the proximity provisions of IC 7.1-3-21-11 or the  
7 quota provisions of IC 7.1-3-22.
- 8 (f) A vendor's permit may not be transferred to a location outside the  
9 permit premises of the food hall. A vendor's permit that is inactive for  
10 more than six (6) months shall revert back to the commission or may  
11 be deposited with the commission subject to the approval of the  
12 commission.
- 13 SECTION 32. IC 7.1-3-20-31 IS ADDED TO THE INDIANA  
14 CODE AS A NEW SECTION TO READ AS FOLLOWS  
15 [EFFECTIVE JULY 1, 2021]: **Sec. 31. (a) This section applies to the**  
16 **holder of a vendor's permit that owns in whole or in part:**  
17 **(1) a retailer's permit described in section 30(c) of this**  
18 **chapter; and**  
19 **(2) one (1) of the following:**  
20 **(A) A brewer's permit described in IC 7.1-3-2-7(5).**  
21 **(B) A farm winery permit described in IC 7.1-3-12-3.**  
22 **(C) An artisan distiller's permit described in IC 7.1-3-27.**  
23 **(b) The definitions in sections 29 and 30 of this chapter apply to**  
24 **this section.**  
25 **(c) A holder of a vendor's permit may sell for carryout at the**  
26 **premises for which the retailer's permit was issued:**  
27 **(1) beer manufactured under the brewer's permit, if the**  
28 **vendor's permit holder has a one-, two-, or three-way**  
29 **retailer's permit;**  
30 **(2) wine manufactured under the farm winery permit, if the**  
31 **vendor's permit holder has a two- or three-way retailer's**  
32 **permit; or**  
33 **(3) liquor manufactured under the artisan distiller's permit,**  
34 **if the vendor's permit holder has a three-way retailer's**  
35 **permit.**
- 36 SECTION 33. IC 7.1-3-21-3 IS REPEALED [EFFECTIVE JULY  
37 1, 2021]. **Sec. 3:** The commission shall not issue an alcoholic beverage  
38 retailer's or dealer's permit of any type to a person who has not been a  
39 continuous and bona fide resident of Indiana for five (5) years  
40 immediately preceding the date of the application for a permit.
- 41 SECTION 34. IC 7.1-3-21-5, AS AMENDED BY P.L.214-2016,  
42 SECTION 24, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE



1 JULY 1, 2021]: Sec. 5. (a) The commission shall not issue an alcoholic  
 2 beverage retailer's permit of any type to a corporation unless sixty  
 3 percent (60%) of the outstanding common stock is owned by persons  
 4 who have been continuous and bona fide residents of Indiana for five  
 5 (5) years:

6 (b) The commission shall not issue an alcoholic beverage dealer's  
 7 permit of any type for the premises of a package liquor store to a  
 8 corporation unless:

9 (1) sixty percent (60%) of the outstanding stock in the corporation  
 10 is owned by persons who have been continuous and bona fide  
 11 residents of Indiana for five (5) years; and

12 (2) the stock described in subdivision (1) constitutes a controlling  
 13 interest in the corporation:

14 (c) Each officer and stockholder of a corporation shall possess all  
 15 other qualifications required of an individual applicant for that  
 16 particular type of permit.

17 SECTION 35. IC 7.1-3-21-5.2, AS AMENDED BY P.L.214-2016,  
 18 SECTION 25, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 19 JULY 1, 2021]: Sec. 5.2. (a) The commission shall not issue an  
 20 alcoholic beverage retailer's permit of any type to a limited partnership  
 21 unless at least sixty percent (60%) of the partnership interest is owned  
 22 by persons who have been continuous and bona fide residents of  
 23 Indiana for five (5) years:

24 (b) The commission shall not issue an alcoholic beverage dealer's  
 25 permit of any type for the premises of a package liquor store to a  
 26 limited partnership unless:

27 (1) at least sixty percent (60%) of the partnership interest is  
 28 owned by persons who have been continuous and bona fide  
 29 residents of Indiana for five (5) years; and

30 (2) the partnership interest described in subdivision (1)  
 31 constitutes a controlling interest in the limited partnership:

32 (c) Each general partner and limited partner of a limited partnership  
 33 must possess all other qualifications required of an individual applicant  
 34 for that particular type of permit.

35 SECTION 36. IC 7.1-3-21-5.4, AS AMENDED BY P.L.44-2017,  
 36 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 37 JULY 1, 2021]: Sec. 5.4. (a) The commission shall not issue an  
 38 alcoholic beverage retailer's permit of any type to a limited liability  
 39 company unless at least sixty percent (60%) of the membership interest  
 40 is owned by persons who have been continuous and bona fide residents  
 41 of Indiana for five (5) years:

42 (b) The commission shall not issue an alcoholic beverage dealer's





1 permit of any type for the premises of a package liquor store to a  
2 limited liability company unless:

3 (1) at least sixty percent (60%) of the outstanding membership  
4 interest in the limited liability company is owned by persons who  
5 have been continuous and bona fide residents of Indiana for five  
6 (5) years; and

7 (2) the membership interest described in subdivision (1)  
8 constitutes a controlling interest in the limited liability company.

9 (e) Each manager and member of a limited liability company must  
10 possess all other qualifications required of an individual applicant for  
11 that particular type of permit.

12 SECTION 37. IC 7.1-3-21-5.6 IS REPEALED [EFFECTIVE JULY  
13 1, 2021]. Sec. 5-6. (a) Notwithstanding section 5, 5-2, or 5-4 of this  
14 chapter, the commission may renew or transfer ownership of a dealer's  
15 permit of any type for the holder of a dealer's permit who:

16 (1) held the permit for the premises of a package liquor store  
17 before January 1, 2016; and

18 (2) does not qualify for the permit under section 5(b), 5-2(b), or  
19 5-4(b) of this chapter.

20 (b) The commission may transfer ownership of a dealer's permit  
21 under this section only to an applicant who satisfies the Indiana  
22 resident ownership requirements under this chapter.

23 SECTION 38. IC 7.1-3-21-7 IS REPEALED [EFFECTIVE JULY  
24 1, 2021]. Sec. 7. The provisions of section 5 of this chapter shall not  
25 apply to the common stock ownership of a corporation holding a  
26 restaurant permit and having less than sixty percent (60%) resident  
27 ownership prior to March 14, 1963.

28 SECTION 39. IC 7.1-3-21-8 IS AMENDED TO READ AS  
29 FOLLOWS [EFFECTIVE JULY 1, 2021]: Sec. 8. The commission  
30 shall not issue an alcoholic beverage permit of any type to a person  
31 unless that person has on file with the commission a verified list  
32 containing the name and address of each person ~~who is, or will be,~~  
33 ~~financially or beneficially interested or entity holding at least a two~~  
34 **percent (2%) interest** in the permit and the business conducted, or to  
35 be conducted, under it. **If a publicly traded corporation has an**  
36 **interest, the list shall provide the name and address of only:**

37 (1) **the chief executive officer;**

38 (2) **the chief financial officer;**

39 (3) **the chief operating officer; and**

40 (4) **the members of the board of directors;**

41 **of the corporation.** At all times, a change in the list shall be filed by  
42 the applicant or permittee with the commission within ten (10) days of



1 the date when the change became effective. The lists, together with any  
 2 changes, shall be kept on file in the office of the commission and they  
 3 shall be open to public inspection.

4 SECTION 40. IC 7.1-3-24-7 IS AMENDED TO READ AS  
 5 FOLLOWS [EFFECTIVE JULY 1, 2021]: Sec. 7. ~~Surviving Spouse or~~  
 6 ~~Heir.~~ The surviving spouse or heir of a deceased permittee may be  
 7 permitted to continue the business conducted by the deceased  
 8 permittee, without probate proceedings, if ~~the consent of the~~  
 9 ~~department of local government finance is procured; and if both of the~~  
 10 **following occur:**

11 (1) The court having probate jurisdiction ~~shall find~~ **finds** that the  
 12 surviving spouse or heir of the deceased permittee possesses the  
 13 qualifications required of an applicant for that particular type of  
 14 permit.

15 (2) ~~A~~ **The** surviving spouse or heir who desires to carry on the  
 16 business of the deceased permittee ~~as authorized by this section;~~  
 17 ~~must apply~~ **applies** for and ~~receive~~ **receives** the written consent  
 18 of the chairman. A copy of the court's findings on the  
 19 qualifications of the applicant must accompany the application for  
 20 written consent.

21 SECTION 41. IC 7.1-3-27-8, AS AMENDED BY P.L.285-2019,  
 22 SECTION 48, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 23 JULY 1, 2021]: Sec. 8. (a) The holder of an artisan distiller's permit  
 24 may do only the following:

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

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

29 (3) **Insert liquor manufactured by the artisan distiller into a**  
 30 **container.**

31 ~~(3)~~ (4) Store liquor manufactured by the artisan distiller,  
 32 including at a facility **located** within ten (10) miles of the artisan  
 33 distiller's distillery.

34 ~~(4)~~ (5) Transport, sell, and deliver liquor manufactured by the  
 35 artisan distiller to:

36 (A) places outside Indiana; or

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

38 ~~(5)~~ (6) Sell liquor manufactured by the artisan distiller to  
 39 consumers by the drink, bottle, **container**, or case from the  
 40 **licensed** premises of the distillery where the liquor was  
 41 manufactured.

42 ~~(6)~~ (7) Serve complimentary samples of the liquor manufactured



1 by the artisan distiller to consumers on the premises of the  
2 distillery where the liquor was manufactured.

3 ~~(7)~~ **(8)** Sell liquor as authorized by this section for carryout on  
4 Sunday in a quantity at any one (1) time of not more than four and  
5 five-tenths (4.5) liters.

6 ~~(8)~~ **(9)** With the approval of the commission, participate:

7 (A) individually; or

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

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

19 ~~(9)~~ **(10)** Be the proprietor of a restaurant that is not subject to the  
20 minimum gross food sales or the minimum projected food sales  
21 set forth in 905 IAC 1-41-2 and the gross retail income  
22 requirements to sell carryout under IC 7.1-3-20-9.5. A holder is  
23 entitled to conduct the following activities:

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

26 (B) Transfer liquor directly from the artisan distillery to a  
27 restaurant that the artisan distiller has an interest in by means  
28 of:

29 (i) bottles;

30 (ii) bulk containers; or

31 (iii) a continuous flow system.

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

35 (D) Install a doorway or other opening between the artisan  
36 distillery and an adjacent restaurant that provides the public  
37 and the holder of the permit with access to both the artisan  
38 distillery and restaurant.

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

42 (c) A storage facility used by an artisan distiller under subsection



1 ~~(a)(3)~~ ~~(1)~~ **(a)(4)** must conform with federal laws, rules, and regulations.  
 2 and ~~(2)~~ must not be used for any purposes except for the storage of  
 3 liquor. **An artisan distiller may transfer liquor from a separate**  
 4 **storage facility back to the artisan distillery. An artisan distiller**  
 5 **may sell or transfer liquor directly to a liquor wholesaler from a**  
 6 **storage facility that is separate from the artisan distillery. An**  
 7 **artisan distiller may not sell or transfer liquor from a storage**  
 8 **facility to any other permittee or a consumer. The artisan distiller**  
 9 **shall maintain an adequate written record of the liquor**  
 10 **transferred:**

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

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

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

19 SECTION 42. IC 7.1-4-3-7 IS AMENDED TO READ AS  
 20 FOLLOWS [EFFECTIVE JULY 1, 2021]: Sec. 7. (a) All sales of  
 21 alcoholic beverages made by a primary source of supply to a liquor  
 22 wholesaler shall at the time of the sale be accompanied by an invoice  
 23 that must show the following:

- 24 (1) The name and address of the seller and the purchaser.  
 25 (2) The date of disposition.  
 26 (3) The name or names of each brand sold.  
 27 (4) The number of packages, if any.  
 28 (5) The number of cases by size of bottle **or container**.  
 29 (6) The quantity of each kind of alcoholic beverage sold.

30 (b) The primary source of supply shall send a copy of the invoice to  
 31 the department of revenue and the commission at the time of the sale.

32 SECTION 43. IC 7.1-4-9-7, AS AMENDED BY P.L.224-2005,  
 33 SECTION 27, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 34 JULY 1, 2021]: Sec. 7. **(a)** Thirty-three percent (33%) of the money in  
 35 the excise fund shall, upon warrant of the state auditor, be paid into the  
 36 general fund of the treasury of the city or town in which the retailer's  
 37 or dealer's licensed premises are located. The money shall be paid to  
 38 the treasurer of the county in which the retailer's or dealer's premises  
 39 are located if they are located outside the corporate limits of a city or  
 40 town.

41 **(b) Not later than ten (10) days after:**

- 42 **(1) an annexation ordinance is filed under IC 36-4-3-22; or**



1           **(2) the second of the two (2) approvals of an annexation is**  
 2           **filed under IC 36-3-2-7;**  
 3           **the annexing municipality shall provide notice to the chairman of**  
 4           **the commission of any retailer's or dealer's premises located within**  
 5           **the annexed territory. The notice shall be in writing, sent by**  
 6           **certified mail, and must include the effective date of the annexation**  
 7           **and the business name and street address of the retailer's or**  
 8           **dealer's premises.**

9           **(c) The distribution from the excise fund shall continue to be**  
 10          **paid to the jurisdiction on record with the commission, until the**  
 11          **chairman of the commission receives the notice under this section**  
 12          **that the retailer's or dealer's premises have been annexed into the**  
 13          **city or town. An annexing city or town:**

14           **(1) shall be paid distributions that accrue after the date the**  
 15           **chairman receives notice; and**

16           **(2) is not entitled to retroactive payment of any distributions**  
 17           **accruing before the date the chairman receives notice.**

18          SECTION 44. IC 7.1-5-1-1, AS AMENDED BY P.L.32-2019,  
 19          SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 20          JULY 1, 2021]: Sec. 1. (a) It is unlawful for a person to manufacture  
 21          for sale, bottle, **insert into a container**, sell, barter, import, transport,  
 22          deliver, furnish, or possess, alcohol or alcoholic beverages, malt, malt  
 23          syrup, malt extract, liquid malt or wort, for commercial purposes  
 24          except as authorized in this title.

25          (b) A person who knowingly or intentionally violates this section  
 26          commits a Class C infraction. However, the violation is a Class B  
 27          misdemeanor if the person has a prior unrelated adjudication or  
 28          conviction for a violation of this section within the previous five (5)  
 29          years.

30          SECTION 45. IC 7.1-5-5-7, AS AMENDED BY P.L.159-2014,  
 31          SECTION 37, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 32          JULY 1, 2021]: Sec. 7. (a) It is unlawful for a permittee in a sale or  
 33          contract to sell alcoholic beverages to discriminate between purchasers  
 34          by granting a price, discount, allowance, or service charge which is not  
 35          available to all purchasers at the same time. However, this section does  
 36          not authorize or require a permittee to sell to a person to whom the  
 37          permittee is not authorized to sell under this title.

38          (b) A premises that operates at least two (2) restaurants that are  
 39          separate and distinct from each other on the same premises may  
 40          provide for a different schedule of prices in each restaurant if each  
 41          restaurant conforms to all other laws and rules of the commission  
 42          regarding pricing and price discrimination in its separate and distinct



- 1 areas.
- 2 (c) This section does not apply to the holder of a gaming site permit  
3 that complies with IC 7.1-3-17.5-6.
- 4 (d) Notwithstanding subsection (a), a beer wholesaler may offer a  
5 special discount price to a beer dealer or beer retailer for beer or  
6 flavored malt beverage, if the beer or flavored malt beverage:
- 7 (1) is a brand or package the beer wholesaler has discontinued; or  
8 (2) will expire in not more than:
- 9 (A) twenty (20) days for packaged beer or packaged flavored  
10 malt beverage; and  
11 (B) ten (10) days for draft beer or draft flavored malt beverage.
- 12 (e) The special discount under subsection (d) only applies to beer or  
13 flavored malt beverage that will expire and be subject to removal from  
14 retailer or dealer shelves in accordance with the primary source of  
15 supply's coding data clearly identified on the container.
- 16 (f) Any beer or flavored malt beverage sold at a special discount  
17 price under subsection (d) shall be accompanied by an invoice clearly  
18 designating, in addition to all other information required by law, all the  
19 following information:
- 20 (1) The date of delivery.  
21 (2) The expiration date of each brand, package type, and quantity  
22 delivered.  
23 (3) The per unit price for each package.
- 24 **(g) Notwithstanding subsection (a), a wholesaler may offer a**  
25 **channel price (as defined in IC 7.1-1-3-9.3) to a retailer if the**  
26 **following conditions are met:**
- 27 **(1) The channel price and product name must be clearly and**  
28 **separately noted on the invoice for the sale of the channel**  
29 **priced product.**
- 30 **(2) A retailer may only offer a channel priced product for**  
31 **consumption on the licensed premises.**
- 32 **(3) Channel priced products must be listed on the wholesaler's**  
33 **price sheet and offered in a nondiscriminatory manner to all**  
34 **retailers.**
- 35 **(4) A wholesaler must annually submit to the commission, by**  
36 **January 1, a list of all products sold for a channel price**  
37 **during the previous twelve (12) month period. This list must**  
38 **contain the following:**
- 39 **(A) The name of the channel priced product.**  
40 **(B) The price for which the channel priced product was**  
41 **sold.**  
42 **(C) The price for which the same product, in the same**



- 1                    **quantity, would have been sold without a channel price.**  
 2                    **(5) A wholesaler may not offer a channel price to a retailer**  
 3                    **who participates in a group purchasing agreement under**  
 4                    **IC 7.1-2-3-32.**  
 5                    ~~(g)~~ **(h)** A person who knowingly or intentionally violates this section  
 6                    commits a Class B misdemeanor.  
 7                    SECTION 46. IC 36-3-2-7, AS AMENDED BY P.L.113-2010,  
 8                    SECTION 114, IS AMENDED TO READ AS FOLLOWS  
 9                    [EFFECTIVE JULY 1, 2021]: Sec. 7. (a) This section governs the  
 10                    transfer of territory that is either:  
 11                    (1) inside the corporate boundaries of the consolidated city and  
 12                    contiguous to an excluded city; or  
 13                    (2) inside the corporate boundaries of an excluded city and  
 14                    contiguous to the consolidated city.  
 15                    IC 36-4-3 does not apply to such a transfer.  
 16                    (b) If the owners of land located in territory described in subsection  
 17                    (a) want to have that territory transferred from one (1) municipality to  
 18                    the other, they must file:  
 19                    (1) a petition for annexation of that territory with the legislative  
 20                    body of the contiguous municipality; and  
 21                    (2) a petition for disannexation of that territory with the legislative  
 22                    body of the municipality containing that territory.  
 23                    Each petition must be signed by at least fifty-one percent (51%) of the  
 24                    owners of land in the territory sought to be transferred. The territory  
 25                    must be reasonably compact in configuration, and its boundaries must  
 26                    generally follow streets or natural boundaries.  
 27                    (c) Each legislative body shall, not later than sixty (60) days after a  
 28                    petition is filed with it under subsection (b), either approve or  
 29                    disapprove the petition, with the following results:  
 30                    (1) Except as provided in subsection ~~(g)~~, **(h)**, if both legislative  
 31                    bodies approve, the transfer of territory takes effect:  
 32                    (A) on the effective date of the approval of the latter  
 33                    legislative body to act; and  
 34                    (B) when a copy of each transfer approval has been filed under  
 35                    subsection (f).  
 36                    (2) If the legislative body of the contiguous municipality  
 37                    disapproves or fails to act within the prescribed period, the  
 38                    proceedings are terminated.  
 39                    (3) If the legislative body of the contiguous municipality approves  
 40                    but the legislative body of the other municipality disapproves or  
 41                    fails to act within the prescribed period, the proceedings are  
 42                    terminated unless there is an appeal under subsection (d).



1 (d) In the case described by subsection (c)(3), the petitioners may,  
 2 not later than sixty (60) days after the disapproval or expiration of the  
 3 prescribed period, appeal to the circuit court. The appeal must allege  
 4 that the benefits to be derived by the petitioners from the transfer  
 5 outweigh the detriments to the municipality that has failed to approve,  
 6 which is defendant in the appeal.

7 (e) The court shall try an appeal under subsection (d) as other civil  
 8 actions, but without a jury. If the court determines that:

9 (1) the requirements of this section have been met; and

10 (2) the benefits to be derived by the petitioners outweigh the  
 11 detriments to the municipality;

12 it shall order the transfer of territory to take effect on the date its order  
 13 becomes final, subject to subsection ~~(g)~~, **(h)**, and shall file the order  
 14 under subsection (f). However, if the municipality, or a district of it, is  
 15 furnishing sanitary sewer service or municipal water service in the  
 16 territory, or otherwise has expended substantial sums for public  
 17 facilities (other than roads) specially benefiting the territory, the court  
 18 shall deny the transfer.

19 (f) A municipal legislative body that approves a transfer of territory  
 20 under subsection (c) or a court that approves a transfer under  
 21 subsection (e) shall file a copy of the approval or order, setting forth a  
 22 legal description of the territory to be transferred, with:

23 (1) the office of the secretary of state; and

24 (2) the circuit court clerk of each county in which the  
 25 municipality is located.

26 **(g) Not later than ten (10) days after the second of the two (2)**  
 27 **approvals is filed under subsection (f), the municipality that**  
 28 **annexes the territory shall provide notice to the chairman of the**  
 29 **alcohol and tobacco commission as set forth in IC 7.1-4-9-7 of any**  
 30 **retailer's or dealer's premises located within the annexed territory.**

31 ~~(g)~~ **(h)** A transfer of territory under this section may not take effect  
 32 during the year preceding a year in which a federal decennial census is  
 33 conducted. A transfer of territory that would otherwise take effect  
 34 during the year preceding a year in which a federal decennial census is  
 35 conducted takes effect January 1 of the year in which a federal  
 36 decennial census is conducted.

37 ~~(h)~~ **(i)** A petition for annexation or disannexation under this section  
 38 may not be filed with respect to land as to which a transfer of territory  
 39 has been disapproved or denied within the preceding three (3) years.

40 ~~(i)~~ **(j)** The legislative body of a municipality annexing territory  
 41 under this section shall assign the territory to at least one (1) municipal  
 42 legislative body district under IC 36-3-4-3 or IC 36-4-6 not later than





1 thirty (30) days after the transfer of territory becomes effective under  
2 this section.  
3       ~~(g)~~ **(k)** Notwithstanding subsection ~~(g)~~ **(h)** as that subsection existed  
4 on December 31, 2009, a transfer of territory that took effect January  
5 2, 2010, because of the application of subsection ~~(g)~~ **(h)**, as that  
6 subsection existed on December 31, 2009, is instead considered to take  
7 effect January 1, 2010, without any additional action being required.  
8       SECTION 47. IC 36-4-3-22.1 IS ADDED TO THE INDIANA  
9 CODE AS A **NEW SECTION TO READ AS FOLLOWS**  
10 **[EFFECTIVE JULY 1, 2021]: Sec. 22.1. Not later than ten (10) days**  
11 **after an annexation ordinance is filed under section 22 of this**  
12 **chapter, the annexing municipality shall provide notice to the**  
13 **chairman of the alcohol and tobacco commission in accordance**  
14 **with IC 7.1-4-9-7 of any licensed premises located within the**  
15 **annexed territory.**  
16       SECTION 48. **An emergency is declared for this act.**



## COMMITTEE REPORT

Mr. Speaker: Your Committee on Public Policy, to which was referred House Bill 1396, 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 7.1-1-3-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2021]: Sec. 6. ~~Beer.~~ The term "beer" means an alcoholic beverage obtained by the fermentation of:

- (1) an infusion or decoction of:
    - (A) barley malt or other cereal; and
    - (B) hops;
- in water; **or**

(2) **cereal byproducts.**"

Page 1, line 13, strike "one (1)" and insert "**two (2)**".

Page 1, line 15, after "primarily" insert "**as a fine arts theater or**".

Page 2, between lines 4 and 5, begin a new paragraph and insert:

"SECTION 3. IC 7.1-1-3-16.7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2021]: Sec. 16.7. The term "flavored malt beverage" means an alcoholic beverage that has all of the following attributes:

(1) The alcoholic beverage is made from a malt beverage base that is flavored with aromatic essences or other flavorings in quantities and proportions that result in a product that possesses a character and flavor distinctive from the malt beverage base and is distinguishable from other malt beverages.

(2) The label, packaging, container, and any advertising or depiction of the alcoholic beverage disseminated, broadcast, or available in Indiana do not contain any of the following words, or a derivative, version, or non-English translation of the following words:

- (A) Beer.
- (B) Lager.
- (C) Pilsner.
- (D) Stout.
- (E) Porter.
- (F) Ale.
- (G) Cider.
- (H) Framboise.
- (I) Lambic.



- (J) Draft.
- (K) Liquor.
- (L) Bitter.
- (M) Brew.

However, the label and packaging may contain in only one (1) location the words "flavored beer" placed adjacent to each other in type not to exceed two (2) millimeters in height.

~~(3) The alcoholic beverage is not distributed in aluminum or other metal containers.~~

~~(4)~~ (3) The alcoholic beverage creates no foam that gives the appearance of beer when the alcoholic beverage is poured from its container."

Page 6, between lines 9 and 10, begin a new paragraph and insert:

**"(m) Upon written request, the local board must provide to an individual by electronic mail a copy of the local board monthly hearing schedule. After an individual first requests the monthly hearing schedule, the local board must provide that individual with all subsequent monthly hearing schedules, unless the individual requests to no longer receive the monthly schedules. The schedule must be provided to the requesting individual not later than twenty-four (24) hours after the schedule is posted."**

Page 11, line 14, delete "the employee of the permittee:" and insert "an employee of the permittee who is at least twenty-one (21) years of age:".

Page 14, line 28, delete "the employee of the permittee:" and insert "an employee of the permittee who is at least twenty-one (21) years of age:".

Page 15, between lines 40 and 41, begin a new paragraph and insert:

**"SECTION 20. IC 7.1-3-6-17 IS ADDED TO INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2021]: Sec. 17. (a) Notwithstanding any other law, the holder of a retailer's permit, may allow:**

- (1) a brewery under IC 7.1-3-2-7(5);**
- (2) a farm winery under IC 7.1-3-12;**
- (3) an artisan distillery under IC 7.1-3-27; or**
- (4) any combination of (1) through (3);**

**to host a trade show or an exposition at which products of a permittee participant are displayed, promoted, and sold on the licensed premises for which a retailer's permit or supplemental permit (if the retailer permittee also holds a supplemental caterer's permit) has been issued.**

**(b) The permittee or permittees described in subsection (a) may**



**provide complimentary samples of their own products and sell their own products to consumers by the glass or for carryout at the location that is subject to the retailer's permit or supplemental caterer's permit."**

Page 16, line 28, delete "the employee of the permittee:" and insert **"an employee of the permittee who is at least twenty-one (21) years of age:"**.

Page 17, delete lines 16 through 19, begin a new line block indented and insert:

**"(2) The area is:**

**(A) within a tract that contains a premises that is described in IC 7.1-3-1-14(d)(2);**

**(B) in close proximity or adjacent to the concourse of or within the building or facility; or**

**(C) within a restricted access club area of or within the building or facility."**

Page 18, line 21, delete "A" and insert **"In a grab and go store, a"**.

Page 18, line 24, delete "in the grab and go store".

Page 18, line 28, delete "in the grab and go store".

Page 19, delete line 26.

Page 19, line 27, reset in roman "(C)".

Page 19, line 27, delete "(D)".

Page 19, line 28, strike "or".

Page 19, line 29, reset in roman "(D)".

Page 19, line 29, delete "(E)".

Page 19, line 30, delete "(C). (D)." and insert "(C); or

**(E) any other container permissible under federal law."**

Page 21, delete lines 7 through 19, begin a new line block indented and insert:

**"(14) A holder that:**

**(A) 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:**

**(i) a total of not more than one thousand (1,000) gallons of the farm winery's wine in a calendar year, if the farm winery has taken not more than five thousand (5,000) gallons out of bond the previous calendar year;**

**(ii) a total of not more than two thousand (2,000) gallons of the farm winery's wine in a calendar year, if the farm winery has taken more than five thousand (5,000) gallons out of bond and not more than ten thousand (10,000)**



gallons out of bond the previous calendar year; or  
 (iii) 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 taken more than ten thousand (10,000) gallons out of bond and not more than fifteen thousand (15,000) gallons out of bond the previous calendar year; or

**(B) distributes 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 the greater of:**

- (i) one thousand (1,000) gallons; or**
- (ii) fifty percent (50%) of the amount the permit holder distributed through an Indiana wholesaler the previous calendar year, not to exceed three thousand (3,000) gallons."**

Page 22, line 15, delete "the employee of the permittee:" and insert **"an employee of the permittee who is at least twenty-one (21) years of age:"**.

Page 23, line 9, delete "the employee of the permittee:" and insert **"an employee of the permittee who is at least twenty-one (21) years of age:"**.

Page 29, line 33, delete "including" and insert **"excluding"**.

Page 33, delete lines 33 through 42, begin a new line block indented and insert:

**"(10) A holder that:**

**(A) 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:**

- (i) a total of not more than one hundred (100) proof gallons of the artisan distillery's liquor in a calendar year, if the artisan distillery has taken not more than five hundred (500) proof gallons out of bond the previous calendar year;**
- (ii) a total of not more than two hundred (200) proof gallons of the artisan distillery's liquor in a calendar year, if the artisan distillery has taken more than five hundred (500) proof gallons out of bond and not more than one thousand (1,000) proof gallons out of bond the previous calendar year; or**
- (iii) a total of not more than three hundred (300) proof**



**gallons of the artisan distillery's liquor in a calendar year, if the artisan distillery has taken more than one thousand (1,000) proof gallons out of bond and not more than fifteen hundred (1,500) proof gallons out of bond the previous calendar year; or**

**(B) distributes 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 the greater of:**

**(i) one hundred (100) proof gallons; or**

**(ii) fifty percent (50%) of the amount the permit holder distributed through an Indiana liquor wholesaler the previous calendar year, not to exceed three hundred (300) proof gallons."**

Page 34, delete lines 1 through 2.

Page 34, line 33, delete "the employee of the permittee:" and insert **"an employee of the permittee who is at least twenty-one (21) years of age:"**.

Page 35, between lines 28 and 29, begin a new paragraph and insert:  
**"SECTION 46. IC 7.1-3-31 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2021]:**

**Chapter 31. Craft Festival Organizer Permit**

**Sec. 1. As used in this chapter, "festival area" means a building, structure, tent, or outdoor area contiguous to a building, structure, or tent that is approved by the commission as the location for a festival conducted by an organizer permittee.**

**Sec. 2. As used in this chapter, "festival participant" means the holder of:**

**(1) a brewer's permit that has received the commission's approval under IC 7.1-3-2-7(5)(J);**

**(2) a farm winery that has received the commission's approval under IC 7.1-3-12-5(c); or**

**(3) an artisan distiller's permit that has received the commission's approval under IC 7.1-3-27-8(a)(8);**

**to participate in an event, trade show, or exposition.**

**Sec. 3. As used in this chapter, "organizer permittee" means a person issued a festival organizer permit under this chapter.**

**Sec. 4. An applicant for a festival organizer permit shall provide the commission with a floor plan of the festival area and the location of the festival participants within the festival area.**

**Sec. 5. An organizer permittee shall comply with the following:**



- (1) Provide service of alcoholic beverages only by servers certified under IC 7.1-3-1.5.
- (2) Allow sales only during the times prescribed under IC 7.1-3-1-14.
- (3) Prohibit sales prohibited under IC 7.1-5-10-1.
- (4) Operate under rules adopted by the commission to protect the public interest under IC 7.1-1-1.

**Sec. 6.** A municipality or county (if the festival area is located in the unincorporated area of the county) may, by ordinance, establish requirements for the operation of the festival, including:

- (1) requiring festival participants to use only nonbreakable plastic bottles or plastic or paper cups for alcoholic beverages consumed in the festival area; or
- (2) requiring bottles or cups to be affixed with a logo that identifies the container for use only in the festival area.

**Sec. 7.** If the application is approved, the organizer permittee is entitled to allow festival participants to:

- (1) occupy the same building, structure, tent, or contiguous area; and
- (2) sell and serve alcoholic beverages to consumers by the drink and in the original containers for carryout.

**Sec. 8.** The term of an organizer permit is up to and including, three (3) days from its issuance. The commission may issue not more than one (1) organizer permit per calendar quarter for each county.

**Sec. 9. (a)** An organizer permittee shall provide every person within the festival area who is at least twenty-one (21) years of age with a nontransferable wristband identification imprinted with the name or logo of the festival.

**(b)** A festival participant may not sell alcoholic beverages to a person unless the person is wearing a wristband identification imprinted with the name or logo of the festival area.

**(c)** A organizer permittee commits a Class B infraction for a violation of this section.

**Sec. 10. (a)** An applicant for an organizer permit is not required to post notice and appear in front of the local board in which the permit premises is situated.

**(b)** An organizer permit authorized by this section may be issued without regard to the quota provisions of IC 7.1-3-22.

**Sec. 11.** A festival participant may sell or serve a consumer not more than one (1) open container of an alcoholic beverage at a time. The open container may not exceed the following:



**(1) An open container of beer or flavored malt beverage may not exceed sixteen (16) fluid ounces.**

**(2) An open container of wine, including cider or hard seltzer, may not exceed twelve (12) fluid ounces.**

**(3) An open container of a mixed drink containing at least one (1) liquor and at least one (1) nonalcoholic mixer other than water or ice may not exceed ten (10) fluid ounces.**

**(4) An open container of only liquor, liquor and water, or liquor and ice may not exceed two (2) ounces.**

**Sec. 12. A person may consume an alcoholic beverage purchased from a festival participant anywhere within the festival area designated as a common area for the consumption of alcoholic beverages.**

**Sec. 13. A person may not consume an alcoholic beverage within the festival area that was purchased outside of the festival area or that was purchased from a festival participant for carryout.**

**Sec. 14. An organizer permittee is responsible to the commission for any and all violations of alcohol laws and rules regarding sales and service of alcoholic beverages by festival participants.**

**Sec. 15. An organizer permittee who violates section 9 or 11 of this chapter commits a Class B infraction.**

**Sec. 16. An applicant for an organizer permit must pay the license fee under IC 7.1-4-4.1-5.**

SECTION 47. IC 7.1-4-4.1-5, AS AMENDED BY P.L.214-2016, SECTION 29, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2021]: Sec. 5. (a) This section applies to the following permits:

(1) Temporary beer permit.

(2) Temporary wine permit.

(b) Except as provided in subsection (d), a license fee for a temporary permit is the greater of the following:

(1) Two dollars (\$2) per day of operation.

(2) The amount per day set by the commission under subsection (c).

(c) Subject to any rates or schedules adopted by the commission, the commission may set a higher daily rate for a temporary beer permit under subsection (b)(2) if, in the judgment of the commission, the number of persons likely to be accommodated, or any other facts bearing on the value of the permit warrant the increase. However, except as provided under subsection (d), the fee may not exceed one thousand dollars (\$1,000) per day.

(d) A license fee for a temporary permit issued under IC 7.1-3-6-3.8





is two thousand five hundred dollars (\$2,500).

**(e) A fee for a craft festival organizer permit under IC 7.1-3-31 is five hundred dollars (\$500)."**

Page 36, between lines 14 and 15, begin a new paragraph and insert:  
 "SECTION 49. IC 7.1-5-7-11, AS AMENDED BY P.L.285-2019, SECTION 59, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2021]: 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 4-31-2-20.5).
- (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 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.

(28) 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; 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.

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

(30) 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.

**(31) A festival area under IC 7.1-3-31.**

(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."  
Renumber all SECTIONS consecutively.  
and when so amended that said bill do pass.

(Reference is to HB 1396 as introduced.)

SMALTZ

Committee Vote: yeas 10, nays 0.

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HOUSE MOTION

Mr. Speaker: I move that House Bill 1396 be amended to read as follows:

Page 7, between lines 18 and 19, begin a new paragraph and insert:  
"SECTION 11. IC 7.1-3-1-30 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2021]: (a) This section applies to a permittee that sells and delivers alcoholic beverages to a consumer's residence, regardless of whether the delivery is made by the permittee, permittee's employees, or (if allowed under the permittee's permit) a third party delivery service.**

**(b) A person delivering alcoholic beverages to a customer's residence must require the customer to provide proof of age in accordance with IC 7.1-5-10-23."**

Page 12, between lines 27 and 28, begin a new paragraph and insert:  
**"(c) The employee of the permittee that conveys the alcoholic beverages to the customer must require the customer to provide proof of age in accordance with IC 7.1-5-10-23."**

Page 12, line 28, delete "(c)" and insert "(d)".

Page 15, line 27, after "time." insert **"A beer retailer that delivers beer to a customer's residence must require the customer to provide proof of age in accordance with IC 7.1-5-10-23."**

Page 16, between lines 4 and 5, begin a new paragraph and insert:  
**"(e) The employee of the permittee that conveys the alcoholic beverages to the customer must require the customer to provide proof of age in accordance with IC 7.1-5-10-23."**

Page 16, line 5, delete "(e)" and insert "(f)".

Page 18, line 4, after "time." insert **"A liquor retailer that delivers liquor to a customer's residence must require the customer to**



**provide proof of age in accordance with IC 7.1-5-10-23."**

Page 18, between lines 23 and 24, begin a new paragraph and insert:

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

Page 18, line 24, delete "(e)" and insert "(f)".

Page 24, between lines 25 and 26, begin a new paragraph and insert:

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

Page 24, line 26, delete "(c)" and insert "(d)".

Page 25, line 5, after "delivery." insert **"A wine retailer that delivers wine to a customer's residence must require the customer to provide proof of age in accordance with IC 7.1-5-10-23."**

Page 25, between lines 24 and 25, begin a new paragraph and insert:

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

Page 25, line 25, delete "(e)" and insert "(f)".

Page 37, between lines 22 and 23, begin a new paragraph and insert:

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

Page 37, line 23, delete "(c)" and insert "(d)".

Renumber all SECTIONS consecutively.

(Reference is to HB 1396 as printed February 11, 2021.)

AUSTIN

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COMMITTEE REPORT

Madam President: The Senate Committee on Public Policy, to which was referred House Bill No. 1396, 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 1, delete lines 1 through 8, begin a new paragraph and insert:

**"SECTION 1. IC 7.1-1-2-1.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2021]: Sec. 1.5. If any provision, or application of any provision, of this title concerning the manufacture, importation, distribution,**

**EH 1396—LS 7378/DI 87**



or retail sale of alcoholic beverages is deemed to be in conflict with federal law or unconstitutional, the remainder of this title concerning the manufacture, importation, distribution, or retail sale of alcoholic beverages shall be construed to limit rather than expand the manufacture, importation, distribution, and retail sale of alcoholic beverages through a three-tier system.

SECTION 2. IC 7.1-1-3-9.3 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2021]: **Sec. 9.3. The term "channel price" means a sale of an alcoholic beverage to a permittee, exclusively for on-premises consumption, at a different price than what the same alcoholic beverage, in the same:**

- (1) size;
- (2) container; and
- (3) quantity;

**is being sold to other permittees."**

Page 2, line 2, reset in roman "eight".

Page 2, line 2, delete "six".

Page 2, line 2, reset in roman "(800)".

Page 2, line 3, delete "(600)".

Page 2, line 6, delete "two (2)" and insert "**four (4)**".

Page 2, line 8, delete "as a fine arts".

Page 2, line 9, delete "theater or".

Page 2, delete lines 13 through 42.

Page 3, delete lines 1 through 5, begin a new paragraph and insert:

"SECTION 6. IC 7.1-1-3-46.8 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2021]: **Sec. 46.8. The term "three-tier system" means the legal and regulatory framework for the:**

- (1) manufacture or importation;
- (2) distribution; and
- (3) retail sale;

**of alcoholic beverages within Indiana. The term includes the real and substantial segregation by state law prohibiting common interests, ownership, and operations among the tiers set forth in subdivisions (1) through (3)."**

Page 4, between lines 15 and 16, begin a new paragraph and insert:

"SECTION 12. IC 7.1-2-5-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2021]: **Sec. 11. Evidence of Misbranding.** An unbroken bottle **or container** which contains, or has contained, liquor or wine and which bears a brand, label, trade-mark, name or other device, marking, inscription, or a reference to quality,



nature, character, origin, or manufacturer of the alcoholic beverage contents of that bottle **or container**, that has been altered, defaced, restored, or upon which the tax stamp of the federal government has been forged, counterfeited, restored, or reused, or which brand, label, trade-mark, name or other device, marking or inscription does not truly describe the contents or former contents shall be received in evidence in a court as prima facie proof that the person chargeable with the possession of it either is, or was, or both, maintaining a public nuisance and either is, or was, or both, keeping and possessing misbranded or adulterated alcoholic beverages.

SECTION 13. IC 7.1-2-5-12, AS AMENDED BY P.L.1-2009, SECTION 62, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2021]: Sec. 12. The court shall receive oral testimony also upon a matter referred to in section 11 of this chapter for the purpose of showing a violation of this title whether the bottle **or container** is offered in evidence or not.

SECTION 14. IC 7.1-2-5-13 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2021]: Sec. 13. ~~Destroyed Evidence:~~ If a fluid is poured out or otherwise destroyed or carried away by the tenant or other person when a premises is being searched, the fluid shall be held to be, prima facie, an alcoholic beverage held or possessed contrary to this title and intended for unlawful possession and sale. Proof of the possession of an empty bottle **or container**, keg, case and vessel that has contained a destroyed alcoholic beverage shall be admitted as evidence of the illegal possession of that alcoholic beverage.

SECTION 15. IC 7.1-3-1-3.5, AS AMENDED BY P.L.285-2019, SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3.5. (a) This section only applies to a retailer or dealer permit that is deposited with the commission before July 1, 2019.

(b) A permittee to whom a retailer or dealer permit has been issued under this title may deposit that permit with the commission for a period of one (1) year if the permittee is unable to immediately operate the business to which the permit applies. Subject to subsections (d) through ~~(e)~~, **(f)**, the commission may extend the term of the deposit under IC 7.1-3-1.1.

(c) This subsection applies to a permit that is deposited with the commission before July 1, 2016. The permit reverts to the commission if the permit is not active before July 1, 2020.

(d) This subsection applies to a permit that is deposited with the commission after June 30, 2016, and before July 1, ~~2018~~: **2017**. The



permit reverts to the commission if the permit is not active before July 1, 2021.

**(e) This subsection applies to a permit that is deposited with the commission after June 30, 2017, and before July 1, 2018. The permit reverts to the commission if the permit is not active before July 1, 2022.**

~~(e)~~ **(f)** This subsection applies to a permit that is deposited with the commission after June 30, 2018, and before July 1, 2019. The permit reverts to the commission if the permit is not active before July 1, ~~2022~~: **2023**.

~~(f)~~ **(g)** This section expires July 1, 2024."

Delete pages 5 through 6.

Page 7, delete lines 1 through 28., begin a new paragraph and insert:

"SECTION 21. IC 7.1-3-1-29, AS AMENDED BY P.L.35-2016, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2021]: Sec. 29. (a) For purposes of this section, "health facility" does not include an intermediate care facility for individuals with intellectual disabilities.

(b) As used in this section, "senior residence facility" means a:

- (1) health facility licensed under IC 16-28; or
- (2) housing with services establishment (as defined in IC 12-10-15-3).

(c) For purposes of this section, "senior residence facility campus" means a senior residence facility and the property on which a senior residence facility is located.

(d) A senior residence facility may, without a permit issued under this title, possess and give or furnish an alcoholic beverage, by the bottle, **by the container**, or by the glass, on the premises of the senior residence facility campus for consumption on the premises to any of the following:

- (1) A resident who:
  - (A) is not a minor; and
  - (B) resides on the premises of the senior residence facility.
- (2) A guest or family member of a resident described in subdivision (1) who:
  - (A) is not a minor; and
  - (B) is visiting the resident at the senior residence facility.

(e) Subject to subsection (f), this section may not be construed to authorize a senior residence facility to sell alcoholic beverages on the premises of the senior residence facility campus without a permit under this title.

(f) For purposes of this section, a senior residence facility that:



- (1) charges a:
  - (A) room and board fee to residents of the senior residence facility; or
  - (B) fee for organizing activities for:
    - (i) residents of the senior residence facility; and
    - (ii) guests or family members of the residents;
- (2) uses a portion of a fee described in subdivision (1) to:
  - (A) purchase alcoholic beverages; and
  - (B) furnish the alcoholic beverages to individuals described in subsection (d); and
- (3) does not purchase and furnish the alcoholic beverages for profit;

is not considered to be selling alcoholic beverages."

Page 8, line 4, delete "the permit".

Page 8, line 5, delete "holder must".

Page 8, line 14, strike "The permit holder shall".

Page 8, line 14, delete "submit" and insert "Submit".

Page 9, delete lines 25 through 42.

Delete pages 10 through 14.

Page 15, delete lines 1 through 20.

Page 15, line 29, after "house." insert "**This delivery may only be performed by the permit holder or an employee who holds an employee permit. The permit holder shall maintain a written record of each delivery for at least one (1) year that shows the customer's name, location of delivery, and quantity sold.**".

Page 15, line 40, delete "A beer retailer that".

Page 15, delete lines 41 through 42.

Page 16, delete lines 1 through 27.

Page 17, between lines 17 and 18, begin a new paragraph and insert:

"SECTION 29. IC 7.1-3-5-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2021]: Sec. 3. (a) The holder of a beer dealer's permit shall be entitled to purchase beer for sale under the permit only from a permittee entitled to sell to a beer dealer under this title.

(b) A beer dealer shall be entitled to possess beer and sell it at retail to a customer in permissible containers only.

(c) A beer dealer may not sell beer by the drink nor for consumption on the licensed premises nor shall a beer dealer allow it to be consumed on the licensed premises.

(d) Except as provided in subsection (e), a beer dealer shall be entitled to sell beer to a customer and deliver it in permissible containers to the customer on the licensed premises, or to the





customer's residence or office. A beer dealer shall not be entitled to sell and deliver beer on the street or at the curb outside the licensed premises, nor shall a beer dealer be entitled to sell beer at a place other than the licensed premises. A beer dealer shall not be entitled to sell beer and deliver beer for carry-out, or for delivery to a customer's residence or office, in a quantity that exceeds eight hundred sixty-four (864) ounces in a single transaction. **This delivery may only be performed by the permit holder or an employee who holds an employee permit.** However, notwithstanding IC 7.1-5-10-11, a beer dealer who is licensed pursuant to IC 7.1-3-10-4 shall be entitled to sell and deliver warm or cold beer for carry-out, or for delivery to a customer's residence, office, or a designated location in barrels or other commercial containers that do not exceed two thousand sixteen (2,016) ounces per container. **This delivery may only be performed by the permit holder or an employee who holds an employee permit.** The permit holder shall maintain a written record of each delivery for at least one (1) year that shows the customer's name, location of delivery, and quantity sold.

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

Page 17, delete lines 28 through 42, begin a new paragraph and insert:

"SECTION 32. IC 7.1-3-7-3, AS AMENDED BY P.L.285-2019, SECTION 23, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2021]: Sec. 3. (a) The holder of a distiller's permit shall be entitled to:

- (1) manufacture liquor;
- (2) ~~to rectify it; liquor; and to~~
- (3) ~~bottle it liquor; and~~
- (4) **insert liquor into containers.**

(b) A distiller shall enjoy all the privileges accorded the holder of a rectifier's permit, but the distiller shall not have to obtain a separate rectifier's permit nor pay an additional fee.

(c) A distiller shall be entitled to transport liquor and to sell and deliver it in shipments to points outside this state, or to the holder of a liquor wholesaler's permit, or to the holder of a rectifier's permit.

(d) A distiller may not sell liquor produced under a distiller's permit as issued under ~~IC 7.1-3-7-1~~ **section 1 of this chapter** to a consumer,



nor to a person for the purpose of having it retailed by the person, whether that person holds a liquor retailer's permit under this title or not.

(e) A distiller may transport liquor to and from a brewery located within the same county for the purposes of carbonating and canning by the brewery.

(f) The activity under this section is not an interest under IC 7.1-5-9."

Page 18, delete lines 1 through 3.

Page 18, line 12, after "house." insert "**This delivery may only be performed by the permit holder or an employee who holds an employee permit. The permit holder shall maintain a written record of each delivery for at least one (1) year that shows the customer's name, location of delivery, and quantity sold.**"

Page 18, line 22, delete "A liquor retailer that delivers liquor to a".

Page 18, delete lines 23 through 42.

Page 19, delete lines 1 through 9.

Page 21, between lines 6 and 7, begin a new paragraph and insert: "SECTION 36. IC 7.1-3-10-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2021]: Sec. 7. (a) The holder of a liquor dealer's permit shall be entitled to purchase liquor only from a permittee entitled to sell to a liquor dealer under this title.

(b) A liquor dealer shall be entitled to possess liquor and sell it at retail in its original package to a customer only for consumption off the licensed premises.

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

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



Page 21, delete lines 20 through 42.

Delete pages 22 through 24.

Page 25, delete lines 1 through 14.

Page 25, line 22, after "house." insert "**This delivery may only be performed by the permit holder or an employee who holds an employee permit. The permit holder shall maintain a written record of each delivery for at least one (1) year that shows the customer's name, location of delivery, and quantity sold.**".

Page 25, line 31, delete "A wine retailer that delivers wine to a".

Page 25, delete lines 32 through 42.

Page 26, delete lines 1 through 18.

Page 26, delete lines 29 through 42, begin a new paragraph and insert:

"SECTION 42. IC 7.1-3-20-29, AS ADDED BY P.L.285-2019, SECTION 40, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 29. (a) As used in this section, "food hall" means the premises:

- (1) located within a retail shopping and food service district; and
- (2) to which a master permit is issued under this section.

(b) As used in this section, "master permit" means a food hall master permit issued under this section.

(c) **Except as provided in subsection (d)**, the commission may issue a master permit, which is a three-way retailer's permit for on premises consumption, to a food hall located in a retail shopping and food service district that meets the following requirements:

- (1) The district consists of an area that:
  - (A) has been redeveloped, renovated, or environmentally remediated in part with grants from the federal, state, or local government under IC 36-7-11; and
  - (B) is entirely located within an incorporated city or town.
- (2) The district consists of land and a building or group of buildings that are part of a common development.
- (3) The district is located within a locally designated historic district under IC 36-7-11 established by a city or town ordinance.
- (4) The district contains at least one (1) building that:
  - (A) is on the list of the National Register for Historic Places or qualifies as a historic building worthy of preservation under IC 36-7-11; and
  - (B) has been approved for present commercial use by the local historic preservation commission of the city or town.

**(d) Subsection (c)(3) and (c)(4) does not apply to a food hall that:**



**(1) is located within a certified technology park established under IC 36-7-32; and**

**(2) operates within a previously vacant building that was or a complex of buildings that were:**

**(A) placed in service at least twenty-five (25) years prior to the redevelopment of the building or buildings; and**

**(B) owned by a unit of local government or a public charitable trust prior to redevelopment.**

~~(d)~~ **(e)** The commission may issue a master permit to the owner or developer of a food hall. The food hall constitutes a single permit premises that:

(1) contains not less than seven (7) distinct, nonaffiliated retail food and beverage vendors, each of which may apply for a food hall vendor permit under section 30 of this chapter; and

(2) has a seating capacity of the type traditionally designed for food and drink for at least one hundred (100) people.

~~(e)~~ **(f)** An applicant for a master permit shall post notice and appear in front of the local board in which the permit premises is situated. The local board shall determine the eligibility of the applicant under this section and hear evidence in support of or against the master permit location. A master permit may not be transferred to a location outside the food hall permit premises. A permit that is inactive for more than six (6) months shall revert back to the commission or may be deposited with the commission under IC 7.1-3-1.1 with the commission's permission.

~~(f)~~ **(g)** A master permit authorized by this section may be issued without regard to the proximity provisions of IC 7.1-3-21-11 or the quota provisions of IC 7.1-3-22."

Delete page 27.

Page 28, delete lines 1 through 22.

Page 30, delete lines 33 through 42.

Delete page 31.

Page 32, delete lines 1 through 32.

Page 33, delete lines 8 through 42.

Delete page 34.

Page 35, delete lines 1 through 8.

Page 35, between lines 16 and 17, begin a new line block indented and insert:

**"(3) Insert liquor manufactured by the artisan distiller into a container."**

Page 35, line 17, strike "(3)" and insert "(4)".

Page 35, line 20, strike "(4)" and insert "(5)".



- Page 35, line 24, strike "(5)" and insert "(6)".
- Page 35, line 25, after "bottle," insert "**container**".
- Page 35, line 26, delete "Notwithstanding".
- Page 35, delete lines 27 through 32.
- Page 35, line 33, strike "(6)" and insert "(7)".
- Page 35, line 36, strike "(7)" and insert "(8)".
- Page 35, line 39, strike "(8)" and insert "(9)".
- Page 36, line 10, strike "(9)" and insert "(10)".
- Page 36, delete lines 30 through 42.
- Page 37, delete lines 1 through 18.
- Page 37, line 23, delete "(a)(3) must" and insert "**(a)(4) must**".
- Page 37, line 23, after "regulations" delete ".".
- Page 37, line 24, reset in roman "and".
- Page 37, line 24, reset in roman "must not be used for any purposes except for the storage of".
- Page 37, line 25, reset in roman "liquor".
- Page 37, line 25, delete "An artisan distiller may transfer liquor from a separate".
- Page 37, delete lines 26 through 34.
- Page 37, delete lines 41 through 42.
- Delete pages 38 through 40.
- Page 41, delete lines 1 through 32, begin a new paragraph and insert:
- "SECTION 63. IC 7.1-4-3-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2021]: Sec. 7. (a) All sales of alcoholic beverages made by a primary source of supply to a liquor wholesaler shall at the time of the sale be accompanied by an invoice that must show the following:
- (1) The name and address of the seller and the purchaser.
  - (2) The date of disposition.
  - (3) The name or names of each brand sold.
  - (4) The number of packages, if any.
  - (5) The number of cases by size of bottle **or container**.
  - (6) The quantity of each kind of alcoholic beverage sold.
- (b) The primary source of supply shall send a copy of the invoice to the department of revenue and the commission at the time of the sale."
- Page 42, delete lines 19 through 42, begin a new paragraph and insert:
- "SECTION 64. IC 7.1-5-1-1, AS AMENDED BY P.L.32-2019, SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2021]: Sec. 1. (a) It is unlawful for a person to manufacture for sale, bottle, **insert into a container**, sell, barter, import, transport,



deliver, furnish, or possess, alcohol or alcoholic beverages, malt, malt syrup, malt extract, liquid malt or wort, for commercial purposes except as authorized in this title.

(b) A person who knowingly or intentionally violates this section commits a Class C infraction. However, the violation is a Class B misdemeanor if the person has a prior unrelated adjudication or conviction for a violation of this section within the previous five (5) years.

SECTION 65. IC 7.1-5-5-7, AS AMENDED BY P.L.159-2014, SECTION 37, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2021]: Sec. 7. (a) It is unlawful for a permittee in a sale or contract to sell alcoholic beverages to discriminate between purchasers by granting a price, discount, allowance, or service charge which is not available to all purchasers at the same time. However, this section does not authorize or require a permittee to sell to a person to whom the permittee is not authorized to sell under this title.

(b) A premises that operates at least two (2) restaurants that are separate and distinct from each other on the same premises may provide for a different schedule of prices in each restaurant if each restaurant conforms to all other laws and rules of the commission regarding pricing and price discrimination in its separate and distinct areas.

(c) This section does not apply to the holder of a gaming site permit that complies with IC 7.1-3-17.5-6.

(d) Notwithstanding subsection (a), a beer wholesaler may offer a special discount price to a beer dealer or beer retailer for beer or flavored malt beverage, if the beer or flavored malt beverage:

- (1) is a brand or package the beer wholesaler has discontinued; or
- (2) will expire in not more than:
  - (A) twenty (20) days for packaged beer or packaged flavored malt beverage; and
  - (B) ten (10) days for draft beer or draft flavored malt beverage.

(e) The special discount under subsection (d) only applies to beer or flavored malt beverage that will expire and be subject to removal from retailer or dealer shelves in accordance with the primary source of supply's coding data clearly identified on the container.

(f) Any beer or flavored malt beverage sold at a special discount price under subsection (d) shall be accompanied by an invoice clearly designating, in addition to all other information required by law, all the following information:

- (1) The date of delivery.
- (2) The expiration date of each brand, package type, and quantity



delivered.

(3) The per unit price for each package.

**(g) Notwithstanding subsection (a), a wholesaler may offer a channel price (as defined in IC 7.1-1-3-9.3) to a retailer if the following conditions are met:**

**(1) The channel price and product name must be clearly and separately noted on the invoice for the sale of the channel priced product.**

**(2) A retailer may only offer a channel priced product for consumption on the licensed premises.**

**(3) Channel priced products must be listed on the wholesaler's price sheet and offered in a nondiscriminatory manner to all retailers.**

**(4) A wholesaler must annually submit to the commission, by January 1, a list of all products sold for a channel price during the previous twelve (12) month period. This list must contain the following:**

**(A) The name of the channel priced product.**

**(B) The price for which the channel priced product was sold.**

**(C) The price for which the same product, in the same quantity, would have been sold without a channel price.**

**(5) A wholesaler may not offer a channel price to a retailer who participates in a group purchasing agreement under IC 7.1-2-3-32.**

~~(g)~~ **(h) A person who knowingly or intentionally violates this section commits a Class B misdemeanor."**

Delete pages 43 through 45.

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1396 as reprinted February 17, 2021.)

ALTING, Chairperson

Committee Vote: Yeas 10, Nays 0.



## SENATE MOTION

Madam President: I move that Engrossed House Bill 1396 be amended to read as follows:

Page 2, line 14, strike "eight hundred (800)" and insert "**six hundred (600)**".

(Reference is to EHB 1396 as printed April 9, 2021.)

ZAY

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 SENATE MOTION

Madam President: I move that Engrossed House Bill 1396 be amended to read as follows:

Page 15, between lines 14 and 15, begin a new paragraph and insert:

"SECTION 26. IC 7.1-3-12-5, AS AMENDED BY P.L.285-2019, SECTION 29, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2021]: Sec. 5. (a) The following apply to the holder of a farm winery permit:

(1) A holder is entitled to manufacture wine and to **bottle 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; ~~or~~

(D) any combination of receptacles listed in clauses (A) through (C); **or**

**(E) any other container permissible under federal law.**

(4) A holder is entitled to 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;**

~~(B)~~ (C) a box that contains a bag designed for storing and dispensing wine;

~~(C)~~ (D) bulk container;

~~(D)~~ (E) the case; or

~~(E)~~ (F) any combination of receptacles listed in clauses (A) through ~~(D)~~; **(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.

(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 ~~the manufacturing wine or bottling of~~ **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.**

~~(e)~~ **(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."

Page 21, line 27, delete "regulations" and insert "regulations."

Page 21, line 28, strike "and".

Page 21, line 28, strike "must not be used for any purposes except for the storage of".



Page 21, line 29, strike "liquor." and insert "**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."**

Re-number all SECTIONS consecutively.

(Reference is to EHB 1396 as printed April 9, 2021.)

HOUCHIN

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SENATE MOTION

Madam President: I move that Engrossed House Bill 1396 be amended to read as follows:

Page 2, line 20, after "primarily" insert "**as a fine arts theater or**".

(Reference is to EHB 1396 as printed April 9, 2021.)

ALTING

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SENATE MOTION

Madam President: I move that Engrossed House Bill 1396 be amended to read as follows:

Page 17, between lines 19 and 20, begin a new paragraph and insert:  
"SECTION 30. IC 7.1-3-20-30, AS ADDED BY P.L.285-2019, SECTION 41, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2021]: Sec. 30. (a) The definitions in section 29 of this chapter apply to this section.

(b) As used in this section, "vendor's permit" means a food hall vendor's permit issued to an individual vendor operating within the premises of a food hall for which a master permit is issued under section 29 of this chapter.

(c) The commission may issue a one-, two-, or three-way retailer's permit for on-premises consumption only to an applicant for a vendor's



permit that has been approved by the commission to operate within a food hall. **However, a vendor to which section 31 of this chapter applies may also sell the alcoholic beverages set forth in section 31(c) of this chapter for off the premises consumption.** Each vendor that sells alcoholic beverages within the food hall must obtain a vendor's permit.

(d) Each vendor permittee must satisfy the following requirements:

(1) Each vendor permittee shall:

(A) maintain the vendor permittee's own retail merchant's certificate; and

(B) be responsible for the payment of the vendor permittee's own state gross retail taxes under IC 6-2.5 and withholding taxes required to be remitted under IC 6-3-4.

(2) Each vendor permittee shall conform to all health and safety requirements of local and state agencies.

(3) Each vendor permittee shall comply with all requirements under IC 7.1-5-9-15.

(4) Each vendor permittee shall comply with IC 7.1-5-10-20 with regard to the vendor permittee's own food and beverage vending space. However, IC 7.1-5-10-20 does not prohibit a vendor permittee from establishing sale prices for drinks that are different from the sale prices for comparable drinks that are set by other vendor permittees.

(5) Each vendor permittee is not required to comply with section 9(b) of this chapter.

(6) Each vendor permittee is responsible to the commission for any and all violations of alcohol laws and rules associated with the vendor's permit.

(7) Each applicant for a vendor's permit must comply with 905 IAC 1-36-1 and 905 IAC 1-36-2 and appear before the local alcohol board in the county in which the food hall vendor's permit will be situated. The local board shall only hear evidence on and determine the vendor's permit applicant's eligibility to hold a vendor's permit.

(8) Any vendor permittee that desires to relocate its food and beverage space within the food hall premises may relocate upon the commission's approval of a floor plan change.

(e) A vendor's permit authorized by this section may be issued without regard to the proximity provisions of IC 7.1-3-21-11 or the quota provisions of IC 7.1-3-22.

(f) A vendor's permit may not be transferred to a location outside the permit premises of the food hall. A vendor's permit that is inactive for



more than six (6) months shall revert back to the commission or may be deposited with the commission subject to the approval of the commission.

SECTION 31. IC 7.1-3-20-31 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2021]: **Sec. 31. (a) This section applies to the holder of a vendor's permit that owns in whole or in part:**

**(1) a retailer's permit described in section 30(c) of this chapter; and**

**(2) one (1) of the following:**

**(A) A brewer's permit described in IC 7.1-3-2-7(5).**

**(B) A farm winery permit described in IC 7.1-3-12-3.**

**(C) An artisan distiller's permit described in IC 7.1-3-27.**

**(b) The definitions in sections 29 and 30 of this chapter apply to this section.**

**(c) A holder of a vendor's permit may sell for carryout at the premises for which the retailer's permit was issued:**

**(1) beer manufactured under the brewer's permit, if the vendor's permit holder has a one-, two-, or three-way retailer's permit;**

**(2) wine manufactured under the farm winery permit, if the vendor's permit holder has a two- or three-way retailer's permit; or**

**(3) liquor manufactured under the artisan distiller's permit, if the vendor's permit holder has a three-way retailer's permit."**

Renumber all SECTIONS consecutively.

(Reference is to EHB 1396 as printed April 9, 2021.)

ALTING

