



March 31, 2017

ENGROSSED HOUSE BILL No. 1496

DIGEST OF HB 1496 (Updated March 29, 2017 6:51 pm - DI 106)

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

Synopsis: Alcohol matters. Provides that an applicant for an artisan distiller's permit must hold a farm winery, brewer's, or distiller's permit for two years (instead of three years) before the date of the application. Allows a farm winery, brewery, and distillery to occupy the same tent or structure at a trade show or exposition. Allows a small brewer to manufacture and sell hard cider to the same extent as beer. Allows a small brewer, farm winery, or artisan distiller, to employ a minor who is a family member in a capacity that does not involve the sale or serving of alcoholic beverages. Allows a minor to be on the premises of a farm winery or an artisan distillery under certain circumstances. Allows an artisan distiller to store liquor manufactured by the artisan distiller at a facility within 10 miles of the artisan distiller's distillery. Prohibits the alcohol and tobacco commission from issuing or transferring an alcohol permit if the applicant has unpaid taxes. Changes the definition of "banquet or gathering space" to include a contiguous area of the licensed premises. Allows a holder of a retailer's permit issued for the premises of a hotel or restaurant that has a banquet or gathering space to temporarily amend the floor plans of the
(Continued next page)

Effective: Upon passage; July 1, 2017.

Smaltz, Clere, GiaQuinta, Lehman

(SENATE SPONSORS — ALTING, TAYLOR G)

January 18, 2017, read first time and referred to Committee on Public Policy.
February 21, 2017, amended, reported — Do Pass.
February 23, 2017, read second time, ordered engrossed. Engrossed.
February 27, 2017, read third time, passed. Yeas 88, nays 4.

SENATE ACTION

March 1, 2017, read first time and referred to Committee on Public Policy.
March 30, 2017, amended, reported favorably — Do Pass.

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Digest Continued

licensed premises to use the banquet or gathering space to securely store alcoholic beverages if the beverages are properly refrigerated, and requires the alcohol and tobacco commission to approve amended floor plans that are consistent with the provision. Provides that after May 14, 2017, only a retailer permittee that is a restaurant may sell alcoholic beverages for carryout. Provides that after June 30, 2017, a restaurant must have a supplemental retailer permit in order to sell carryout. Provides that an establishment issued a retailer restaurant permit after May 14, 2017, must derive at least 90% of its annual gross retail income from the sale of food and beverages that are subject to the state gross retail tax. Establishes a \$50 fee for a supplemental retailer's permit for deposit in the enforcement and administration fund of the alcohol and tobacco commission. Provides that after May 14, 2017, a restaurant located within a grocery store, convenience store, or drug store (store) or that has internal access to a store: (1) may not obtain a retailer's permit or continue to sell alcoholic beverages under an existing retailer's permit for the restaurant; and (2) may sell or transfer an existing retailer's permit for the premises to another location. Repeals a statute that provides that a beer dealer's permit may be issued to a grocery store or drug store. Provides that to qualify as a specialty or gourmet food store, at least 51% of the annual gross retail income of all items sold on the premises must be from the retail sale of miscellaneous specialty foods.



March 31, 2017

First Regular Session of the 120th General Assembly (2017)

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 2016 Regular Session of the General Assembly.

ENGROSSED HOUSE BILL No. 1496

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

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

- 1 SECTION 1. IC 7.1-1-3-18.5, AS ADDED BY P.L.94-2008,
2 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2017]: Sec. 18.5. (a) "Grocery store" means a store or part of
4 a store that is known generally as:
5 (1) a supermarket, grocery store, or delicatessen and is primarily
6 engaged in the retail sale of a general food line, which may
7 include:
8 (A) canned and frozen foods;
9 (B) fresh fruits and vegetables; and
10 (C) fresh and prepared meats, fish, and poultry;
11 (2) subject to subsection (b), a convenience store or food mart and
12 is primarily engaged in:
13 (A) the retail sale of a line of goods that may include milk,
14 bread, soda, and snacks; or
15 (B) the retail sale of automotive fuels and the retail sale of a
16 line of goods that may include milk, bread, soda, and snacks;
17 (3) a warehouse club, superstore, supercenter, or general

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1 merchandise store and is primarily engaged in the retail sale of a
 2 general line of groceries or gourmet foods in combination with
 3 general lines of new merchandise, which may include apparel,
 4 furniture, and appliances; or

5 (4) a specialty or gourmet food store **primarily** engaged in the
 6 retail sale of miscellaneous specialty foods not for immediate
 7 consumption and not made on the premises, not including:

8 (A) meat, fish, and seafood;

9 (B) fruits and vegetables;

10 (C) confections, nuts, and popcorn; and

11 (D) baked goods;

12 **only if the retail sale of miscellaneous specialty foods**
 13 **described in this subdivision represents a percentage of**
 14 **annual gross retail income (as defined in IC 6-2.5-1-5) of at**
 15 **least fifty-one percent (51%) of all items sold on the premises**
 16 **of the specialty or gourmet food store.**

17 (b) The term includes a convenience store or food mart as described
 18 in subsection (a)(2) only if the sale of alcoholic beverages on the
 19 premises of the convenient store or food mart represents a percentage
 20 of annual gross sales of twenty-five percent (25%) or less of all items
 21 sold on the premises, excluding gasoline and automotive oil products.

22 (c) The term does not include an establishment known generally as
 23 a gas station that is primarily engaged in:

24 (1) the retail sale of automotive fuels, which may include diesel
 25 fuel, gasohol, or gasoline; or

26 (2) the retail sale of automotive fuels, which may include diesel
 27 fuel, gasohol, or gasoline and activities that may include
 28 providing repair service, selling automotive oils, replacement
 29 parts, and accessories, or providing food services.

30 SECTION 2. IC 7.1-1-3-40 IS AMENDED TO READ AS
 31 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 40. ~~Restaurant.~~ (a)
 32 The term "restaurant" means, **with regard to** an establishment ~~which~~
 33 ~~meets for which a retailer permit was issued before May 15, 2017,~~
 34 **premises that meet** the requirements provided in ~~IC 1971, 7.1-3-20-9.~~
 35 **IC 7.1-3-20-9.**

36 (b) The term "restaurant" means, with regard to an
 37 establishment for which a retailer permit is issued after May 14,
 38 2017, an establishment that meets all of the following
 39 requirements:

40 (1) The requirements provided in IC 7.1-3-20-9.

41 (2) At least ninety percent (90%) of the gross retail income (as
 42 defined in IC 6-2.5-1-5) of all items sold on the licensed



1 **premises of the establishment are from the sale of food and**
 2 **beverages that are subject to the state gross retail tax under**
 3 **IC 6-2.5.**

4 SECTION 3. IC 7.1-3-1-25, AS AMENDED BY P.L.119-2012,
 5 SECTION 79, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 6 JULY 1, 2017]: Sec. 25. (a) A city or county listed in this subsection
 7 that by itself or in combination with any other municipal body acquires
 8 by ownership or by lease any stadium, exhibition hall, auditorium,
 9 theater, convention center, or civic center may permit the retail sale of
 10 alcoholic beverages upon the premises if the governing board of the
 11 facility first applies for and secures the necessary permits as required
 12 by this title. The cities and counties to which this subsection applies are
 13 as follows:

14 (1) A consolidated city or its county.

15 (2) A second class city.

16 (3) A county having a population of more than one hundred
 17 eighty-five thousand (185,000) but less than two hundred fifty
 18 thousand (250,000).

19 (4) A county having a population of more than one hundred
 20 seventy-five thousand (175,000) but less than one hundred
 21 eighty-five thousand (185,000).

22 (5) A county having a population of more than one hundred
 23 twenty-five thousand (125,000) but less than one hundred
 24 thirty-five thousand (135,000).

25 (6) A county having a population of more than three hundred
 26 thousand (300,000) but less than four hundred thousand
 27 (400,000).

28 (7) A city having a population of more than four thousand nine
 29 hundred fifty (4,950) but less than five thousand (5,000).

30 (8) A county having a population of more than one hundred
 31 thirty-five thousand (135,000) but less than one hundred
 32 thirty-eight thousand (138,000).

33 (9) A county having a population of more than two hundred
 34 seventy thousand (270,000) but less than three hundred thousand
 35 (300,000).

36 (b) A county having a population of more than four hundred
 37 thousand (400,000) but less than seven hundred thousand (700,000) or
 38 a township located in such a county that has established a public park
 39 with a golf course within its jurisdiction under IC 36-10-3 or
 40 IC 36-10-7 may be issued a permit for the retail sale of alcoholic
 41 beverages on the premises of any community center within the park,
 42 including a clubhouse, social center, or pavilion.

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- 1 (c) A township that:
 2 (1) is located in a county having a population of more than one
 3 hundred five thousand (105,000) but less than one hundred ten
 4 thousand (110,000); and
 5 (2) acquires ownership of a golf course;
 6 may permit the retail sale of alcoholic beverages upon the premises of
 7 the golf course, if the governing board of the golf course first applies
 8 for and secures the necessary permits required by this title.
- 9 (d) A township:
 10 (1) having a population of more than thirty-five thousand (35,000)
 11 but less than one hundred thousand (100,000); and
 12 (2) located in a county having a population of more than four
 13 hundred thousand (400,000) but less than seven hundred thousand
 14 (700,000);
 15 may be issued a permit for the retail sale of alcoholic beverages on the
 16 premises of any community center or social center that is located
 17 within the township and operated by the township.
- 18 (e) A city that owns a golf course may permit the retail sale of
 19 alcoholic beverages upon the premises of the golf course if the
 20 governing board of the golf course first applies for and secures the
 21 necessary permits required by this title.
- 22 (f) A city that:
 23 (1) has a population of more than twenty-nine thousand six
 24 hundred (29,600) but less than twenty-nine thousand nine
 25 hundred (29,900); and
 26 (2) owns or leases a marina;
 27 may permit the retail sale of alcoholic beverages upon the premises of
 28 the marina if the governing board of the marina first applies for and
 29 secures the necessary permits required by this title. The permit may
 30 include the carryout sale of alcoholic beverages in accordance with
 31 ~~IC 7.1-3-4-6(c)~~; ~~IC 7.1-3-9-9(c)~~; ~~IC 7.1-3-14-4(c)~~; **IC 7.1-3-4-6(d)**,
 32 **IC 7.1-3-9-9(d)**, **IC 7.1-3-14-4(d)**, and 905 IAC 1-29 but may not
 33 include at-home delivery of alcoholic beverages.
- 34 (g) A city listed in this subsection that owns a marina may be issued
 35 a permit for the retail sale of alcoholic beverages on the premises of the
 36 marina. The permit may include the carryout sale of alcoholic
 37 beverages in accordance with ~~IC 7.1-3-4-6(c)~~; ~~IC 7.1-3-9-9(c)~~;
 38 ~~IC 7.1-3-14-4(c)~~; **IC 7.1-3-4-6(d)**, **IC 7.1-3-9-9(d)**, **IC 7.1-3-14-4(d)**,
 39 and 905 IAC 1-29 but may not include at-home delivery of alcoholic
 40 beverages. However, the city must apply for and secure the necessary
 41 permits that this title requires. This subsection applies to the following
 42 cities:



- 1 (1) A city having a population of more than eighty thousand
- 2 (80,000) but less than eighty thousand four hundred (80,400).
- 3 (2) A city having a population of more than eighty thousand five
- 4 hundred (80,500) but less than one hundred thousand (100,000).
- 5 (3) A city having a population of more than thirty-one thousand
- 6 (31,000) but less than thirty-one thousand five hundred (31,500).
- 7 (4) A city having a population of more than thirty-six thousand
- 8 eight hundred twenty-five (36,825) but less than forty thousand
- 9 (40,000).
- 10 (5) A city having a population of more than forty-four thousand
- 11 five hundred (44,500) but less than forty-five thousand (45,000).

12 (h) Notwithstanding subsection (a), the commission may issue a
 13 civic center permit to a person that:

- 14 (1) by the person's self or in combination with another person is
- 15 the proprietor, as owner or lessee, of an entertainment complex;
- 16 or
- 17 (2) has an agreement with a person described in subdivision (1)
- 18 to act as a concessionaire for the entertainment complex for the
- 19 full period for which the permit is to be issued.

20 SECTION 4. IC 7.1-3-1-27 IS AMENDED TO READ AS
 21 FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 27. (a) **This section**
 22 **does not apply to supplemental retailer's permits under**
 23 **IC 7.1-3-28.** Notwithstanding any other provision of this article, a
 24 retailer permittee who is required to comply with the gross food and
 25 beverage sales, or gross food sales, standards contained in this article
 26 as a condition of receiving, continuing to hold, or renewing, the
 27 permittee's permit, or otherwise doing business, may attest to the
 28 permittee's compliance with those standards by filing an affidavit of
 29 compliance with the commission.

30 (b) The affidavit of compliance authorized by subsection (a) must
 31 be in writing and signed by the permittee, or by a responsible officer or
 32 partner, under the penalties of perjury, that the representations
 33 contained in it are true.

34 (c) If the commission has reasonable grounds to doubt the
 35 truthfulness of an affidavit filed pursuant to subsection (a), it may
 36 require the permittee to support it by audited financial statements. If the
 37 audited financial statements do not support the affidavit and show the
 38 required compliance with the applicable standards of this article, the
 39 commission may revoke the permit.

40 SECTION 5. IC 7.1-3-2-7, AS AMENDED BY P.L.214-2016,
 41 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 42 UPON PASSAGE]: Sec. 7. The holder of a brewer's permit or an



1 out-of-state brewer holding either a primary source of supply permit or
 2 an out-of-state brewer's permit may do the following:

- 3 (1) Manufacture beer.
 4 (2) Place beer in containers or bottles.
 5 (3) Transport beer.
 6 (4) Sell and deliver beer to a person holding a beer wholesaler's
 7 permit issued under IC 7.1-3-3.
 8 (5) If the brewer manufactures, at all of the brewer's breweries
 9 located in Indiana, an aggregate of not more than ninety thousand
 10 (90,000) barrels of beer in a calendar year for sale or distribution
 11 within Indiana, the permit holder may do the following:

12 (A) Sell and deliver a total of not more than thirty thousand
 13 (30,000) barrels of beer in a calendar year to a person holding
 14 a retailer or a dealer permit under this title. The total number
 15 of barrels of beer that the permit holder may sell and deliver
 16 under this clause in a calendar year may not exceed thirty
 17 thousand (30,000) barrels of beer.

18 (B) Be the proprietor of a restaurant.

19 (C) Hold a beer retailer's permit, a wine retailer's permit, or a
 20 liquor retailer's permit for a restaurant established under clause
 21 (B).

22 (D) Transfer beer **or hard cider** directly from the brewery to
 23 the restaurant by means of:

- 24 (i) bulk containers; or
 25 (ii) a continuous flow system.

26 (E) Install a window between the brewery and an adjacent
 27 restaurant that allows the public and the permittee to view both
 28 premises.

29 (F) Install a doorway or other opening between the brewery
 30 and an adjacent restaurant that provides the public and the
 31 permittee with access to both premises.

32 (G) Sell the brewery's beer **and hard cider** by the glass for
 33 consumption on the premises. Brewers permitted to sell beer
 34 **and hard cider** by the glass under this clause must make food
 35 available for consumption on the premises. A brewer may
 36 comply with the requirements of this clause by doing any of
 37 the following:

- 38 (i) Allowing a vehicle of transportation that is a food
 39 establishment (as defined in IC 16-18-2-137) to serve food
 40 near the brewer's licensed premises.
 41 (ii) Placing menus in the brewer's premises of restaurants
 42 that will deliver food to the brewery.



- 1 (iii) Providing food prepared at the brewery.
 2 (H) Sell and deliver beer **and hard cider** to a consumer at the
 3 permit premises of the brewer or at the residence of the
 4 consumer. The delivery to a consumer may be made only in a
 5 quantity at any one (1) time of not more than one-half (1/2)
 6 barrel, but the beer **or hard cider** may be contained in bottles
 7 or other permissible containers.
 8 (I) Sell the brewery's beer **or hard cider** as authorized by this
 9 section for carryout on Sunday in a quantity at any one (1)
 10 time of not more than five hundred seventy-six (576) ounces.
 11 A brewer's beer **or hard cider** may be sold under this clause
 12 at any address for which the brewer holds a brewer's permit
 13 issued under this chapter if the address is located within the
 14 same city boundaries in which the beer **or hard cider** was
 15 manufactured.
 16 (J) With the approval of the commission, participate:
 17 (i) individually; or
 18 (ii) with other permit holders under this chapter, holders of
 19 artisan distiller's permits, holders of farm winery permits, or
 20 any combination of holders described in this item;
 21 in a trade show or an exposition at which products of each
 22 permit holder participant are displayed, promoted, and sold.
 23 **All of the permit holders may occupy the same tent,**
 24 **structure, or building.** The commission may not grant to a
 25 holder of a permit under this chapter approval under this
 26 clause to participate in a trade show or exposition for more
 27 than forty-five (45) days in a calendar year.
 28 (K) **Package**, store, or condition beer **and hard cider** in a
 29 secure building that is:
 30 (i) separate from the brewery; and
 31 (ii) owned or leased by the permit holder.
 32 A brewer may not sell or transfer beer **or hard cider** directly
 33 to a permittee or consumer from a building described in this
 34 clause.
 35 **(L) Manufacture hard cider, place hard cider in containers**
 36 **or bottles, transport hard cider, and sell and deliver hard**
 37 **cider in accordance with this subdivision or IC 7.1-3-6-3.8.**
 38 (6) If the brewer's brewery manufactures more than ninety
 39 thousand (90,000) barrels of beer in a calendar year for sale or
 40 distribution within Indiana, the permit holder may own a portion
 41 of the corporate stock of another brewery that:
 42 (A) is located in the same county as the brewer's brewery;



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

20 SECTION 6. IC 7.1-3-4-4 IS REPEALED [EFFECTIVE UPON
 21 PASSAGE]: ~~Sec. 4. Premises Outside Corporate Limits: Persons~~
 22 ~~Eligible. The commission may issue a beer retailer's permit as~~
 23 ~~authorized by IC 1971, 7.1-3-4-3, only to an applicant who is the~~
 24 ~~proprietor of a drug store, grocery store, confectionery, or of a store in~~
 25 ~~good repute which, in the judgment of the commission, deals in other~~
 26 ~~merchandise that is not incompatible with the sale of beer.~~

27 SECTION 7. IC 7.1-3-4-6 IS AMENDED TO READ AS
 28 FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 6. **(a) Notwithstanding**
 29 **this section or any other law, a beer retailer may not sell and**
 30 **deliver beer for carryout unless the beer retailer has a**
 31 **supplemental retailer's permit under IC 7.1-3-28.**

32 ~~(a)~~ **(b)** The holder of a beer retailer's permit shall be entitled to
 33 purchase beer for sale under ~~his~~ **the permit holder's** permit only from
 34 a permittee entitled to sell to ~~him~~ **the permit holder** under this title. A
 35 beer retailer shall be entitled to possess beer and sell it at retail to a
 36 customer for consumption on the licensed premises. A beer retailer also
 37 shall be entitled to sell beer to a customer and deliver it in permissible
 38 containers to the customer on the licensed premises, or to the
 39 customer's house.

40 ~~(b)~~ **(c)** A beer retailer shall not be entitled to sell beer at wholesale.
 41 ~~He~~ **A beer retailer** shall not be entitled to sell and deliver beer on the
 42 street or at the curb outside the licensed premises, nor shall ~~he~~ **a beer**



1 **retailer** be entitled to sell beer at a place other than the licensed
 2 premises. However, a beer retailer may offer food service (excluding
 3 alcoholic beverages) to a patron who is outside the licensed premises
 4 by transacting business through a window in the licensed premises.

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

9 SECTION 8. IC 7.1-3-6-3.8, AS ADDED BY P.L.214-2016,
 10 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 11 UPON PASSAGE]: Sec. 3.8. (a) Notwithstanding any other provision
 12 in this chapter, the commission may issue a temporary beer permit if all
 13 the following apply:

14 (1) The temporary beer permit is issued for a festival or event that
 15 meets all the following:

16 (A) The festival or event promotes, at least in part, beer **or**
 17 **hard cider** manufactured at a brewery described in
 18 IC 7.1-3-2-7(5).

19 (B) The anticipated attendance of the festival or event is at
 20 least seven thousand five hundred (7,500) people.

21 (C) Adequate security measures will be provided at the festival
 22 or event.

23 (D) Individuals less than twenty-one (21) years of age will not
 24 be allowed to attend the festival or event.

25 (2) The applicant for the temporary beer permit:

26 (A) has held a brewer's permit for a brewery described in
 27 IC 7.1-3-2-7(5) for at least three (3) years; and

28 (B) pays an application fee to the commission of two thousand
 29 five hundred dollars (\$2,500).

30 (b) The commission may issue a temporary beer permit only for an
 31 area at a festival or event that is enclosed by fencing, barricades, or
 32 structures. The area may be an outside area that is contiguous to a
 33 brewery described in IC 7.1-3-2-7(5) or restaurant or at another
 34 location that is not on or near the premises of a brewery or restaurant.

35 (c) The commission may issue a temporary beer permit under this
 36 section for a term, up to and including, three (3) days from its issuance.

37 (d) The commission may not issue a temporary beer permit under
 38 this section to any one (1) person more than two (2) times in a calendar
 39 year.

40 (e) Notwithstanding any other provision of this title, the holder of
 41 the temporary beer permit may allow an individual who attends the
 42 festival or event to carry beer **or hard cider**, in a quantity that does not



1 exceed a total of two hundred eighty-eight (288) ounces, into the
 2 permitted area. Beer **or hard cider** carried in to a festival or event
 3 under this subsection may be consumed or traded only in the permitted
 4 area.

5 (f) An individual who attends the festival or event may carry out
 6 beer **or hard cider** in sealed, unopened containers from the temporary
 7 beer permit area.

8 SECTION 9. IC 7.1-3-9-9 IS AMENDED TO READ AS
 9 FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 9. **(a) Notwithstanding**
 10 **this section or any other law, a liquor retailer may not sell and**
 11 **deliver liquor for carryout unless the liquor retailer has a**
 12 **supplemental retailer's permit under IC 7.1-3-28.**

13 ~~(a)~~ **(b)** The holder of a liquor retailer's permit shall be entitled to
 14 purchase liquor only from a permittee entitled to sell to ~~him~~ **the permit**
 15 **holder** under this title. A liquor retailer shall be entitled to possess
 16 liquor and sell it at retail to a customer for consumption on the licensed
 17 premises. A liquor retailer also shall be entitled to sell liquor to a
 18 customer and deliver it in permissible containers to the customer on the
 19 licensed premises, or to the customer's house.

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

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

31 SECTION 10. IC 7.1-3-12-5, AS AMENDED BY THE
 32 TECHNICAL CORRECTIONS BILL OF THE 2017 GENERAL
 33 ASSEMBLY, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 34 UPON PASSAGE]: Sec. 5. (a) The holder of a farm winery permit:

- 35 (1) is entitled to manufacture wine and to bottle wine produced by
- 36 the permit holder's farm winery;
- 37 (2) is entitled to serve complimentary samples of the winery's
- 38 wine on the licensed premises or an outside area that is
- 39 contiguous to the licensed premises, as approved by the
- 40 commission if each employee who serves wine on the licensed
- 41 premises:

42 (A) holds an ~~employee~~ **employee's** permit under



- 1 IC 7.1-3-18-9; and
 2 (B) completes a server training program approved by the
 3 commission;
 4 (3) is entitled to sell the winery's wine on the licensed premises to
 5 consumers either by the glass, or by the bottle, or both;
 6 (4) is entitled to sell the winery's wine to consumers by the bottle
 7 at a farmers' market that is operated on a nonprofit basis;
 8 (5) is entitled to sell wine by the bottle or by the case to a person
 9 who is the holder of a permit to sell wine at wholesale;
 10 (6) is exempt from the provisions of IC 7.1-3-14;
 11 (7) is entitled to advertise the name and address of any retailer or
 12 dealer who sells wine produced by the permit holder's winery;
 13 (8) for wine described in IC 7.1-1-2-3(a)(4):
 14 (A) may allow transportation to and consumption of the wine
 15 on the licensed premises; and
 16 (B) may not sell, offer to sell, or allow the sale of the wine on
 17 the licensed premises;
 18 (9) is entitled to purchase and sell bulk wine as set forth in this
 19 chapter;
 20 (10) is entitled to sell wine as authorized by this section for
 21 carryout on Sunday; and
 22 (11) is entitled to sell and ship the farm winery's wine to a person
 23 located in another state in accordance with the laws of the other
 24 state.
 25 (b) With the approval of the commission, a holder of a permit under
 26 this chapter may conduct business at not more than three (3) additional
 27 locations that are separate from the winery. At the additional locations,
 28 the holder of a permit may conduct any business that is authorized at
 29 the first location, except for the manufacturing or bottling of wine.
 30 (c) With the approval of the commission, a holder of a permit under
 31 this chapter may:
 32 (1) individually; or
 33 (2) with other permit holders under this chapter, holders of artisan
 34 distiller's permits, holders of a brewer's permits issued under
 35 IC 7.1-3-2-2(b), or any combination of holders described in this
 36 subdivision;
 37 participate in a trade show or an exposition at which products of each
 38 permit holder participant are displayed, promoted, and sold. **All of the**
 39 **permit holders may occupy the same tent, structure, or building.**
 40 The commission may not grant approval under this subsection to a
 41 holder of a permit under this chapter for more than forty-five (45) days
 42 in a calendar year.



1 SECTION 11. IC 7.1-3-14-4 IS AMENDED TO READ AS
 2 FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 4. **(a) Notwithstanding**
 3 **this section or any other law, a wine retailer may not sell and**
 4 **deliver wine for carryout unless the wine retailer has a**
 5 **supplemental retailer's permit under IC 7.1-3-28.**

6 ~~(a)~~ **(b)** The holder of a wine retailer's permit is entitled to purchase
 7 wine only from a permittee entitled to sell to the wine retailer under
 8 this title. A wine retailer is entitled to possess wine and sell it at retail
 9 to a customer for consumption on the licensed premises. A wine
 10 retailer is also entitled to sell wine to a customer and deliver it in
 11 permissible containers to the customer on the licensed premises or to
 12 the customer's house.

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

20 ~~(c)~~ **(d)** A wine retailer is entitled to sell and deliver wine for carry
 21 out, or for at-home delivery.

22 SECTION 12. IC 7.1-3-19-18 IS ADDED TO THE INDIANA
 23 CODE AS A NEW SECTION TO READ AS FOLLOWS
 24 [EFFECTIVE UPON PASSAGE]: Sec. 18. **(a) This section does not**
 25 **apply to an employee's permit under IC 7.1-3-18-9.**

26 **(b) The commission may not issue or transfer a wholesaler,**
 27 **retailer, dealer, or other permit of any type if the applicant:**

28 **(1) has not paid all the applicant's property taxes under**
 29 **IC 6-1.1 and innkeeper's tax under IC 6-9 that are due;**

30 **(2) is at least thirty (30) days delinquent in remitting state**
 31 **gross retail taxes under IC 6-2.5 or withholding taxes**
 32 **required to be remitted under IC 6-3-4;**

33 **(3) is on the most recent tax warrant list supplied to the**
 34 **commission by the department of revenue; or**

35 **(4) does not provide the commission with property tax**
 36 **clearance Form 1 with an embossed seal from the county**
 37 **treasurer.**

38 **(c) The commission shall issue or transfer a permit that the**
 39 **commission denied under subsection (b) when one (1) of the**
 40 **following occurs:**

41 **(1) The applicant provides to the commission a statement**
 42 **from the commissioner of the department of state revenue**



1 indicating that the applicant's tax warrant has been satisfied,
 2 including any delinquency in innkeeper's tax if the state
 3 collects the innkeeper's tax for the county in which the
 4 applicant seeks the permit.

5 (2) The commission receives a notice of release from the
 6 commissioner of the department of state revenue under
 7 IC 6-8.1-8-2(k).

8 (3) The commission receives a notice from the commissioner
 9 of the department of state revenue stating that the state gross
 10 retail and withholding taxes described in subsection (b)(2)
 11 have been remitted to the department.

12 (d) An applicant may not be considered delinquent in the
 13 payment of listed taxes (as defined by IC 6-8.1-1-1) if the applicant
 14 has filed a proper protest under IC 6-8.1-5-1 contesting the
 15 remittance of those taxes. The applicant shall be considered
 16 delinquent in the payment of those taxes if the applicant does not
 17 remit the taxes owed to the department of state revenue after the
 18 later of the following:

19 (1) The expiration of the period in which the applicant may
 20 appeal the listed tax to the tax court, in the case of an
 21 applicant who does not file a timely appeal of the listed tax.

22 (2) When a decision of the tax court concerning the
 23 applicant's appeal of the listed tax becomes final, in the case
 24 of an applicant who files a timely appeal of the listed tax.

25 (e) The commission may require that an applicant for the
 26 issuance, renewal, or transfer of a wholesaler's, retailer's, dealer's,
 27 or other permit of any type furnish proof of the payment of a listed
 28 tax (as defined by IC 6-8.1-1-1), tax warrant, or taxes imposed by
 29 IC 6-1.1 or receipt of property tax clearance Form 1 with an
 30 embossed seal from the county treasurer.

31 SECTION 13. IC 7.1-3-20-9 IS AMENDED TO READ AS
 32 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 9. ~~Restaurants:~~
 33 ~~General Requirements:~~ In order to be considered a "restaurant" within
 34 the meaning of this title and, **except as provided in section 9.5 of this**
 35 **chapter**, to be eligible to receive an appropriate ~~restaurant~~ **retailer's**
 36 permit under this title, an establishment shall meet **both** of the
 37 following requirements:

38 ~~(a)~~ **(1) † The establishment** shall be provided with special space
 39 and accommodations where, in consideration of payment, food,
 40 without lodging, is habitually furnished to travelers. ~~and;~~

41 ~~(b)~~ **(2) † The establishment** shall have accommodations at which
 42 at least twenty-five (25) persons may be served at one (1) time.



1 SECTION 14. IC 7.1-3-20-9.5 IS ADDED TO THE INDIANA
 2 CODE AS A NEW SECTION TO READ AS FOLLOWS
 3 [EFFECTIVE UPON PASSAGE]: **Sec. 9.5. (a) This section applies**
 4 **after May 14, 2017.**

5 (b) As used in this section, "store" means a grocery store,
 6 convenience store, or drug store.

7 (c) Notwithstanding any other law, the commission may not
 8 issue, renew, or transfer a retailer's permit for a restaurant that is
 9 located within a store.

10 (d) Notwithstanding any other law, the commission may not
 11 issue, renew, or transfer a retailer's permit for a restaurant that
 12 occupies the same building as a store or is under one (1) continuous
 13 roof with a store, if the restaurant and the store lack complete
 14 physical separation. A restaurant lacks complete physical
 15 separation from a store if:

16 (1) the restaurant and the store do not have separate exterior
 17 entrances; or

18 (2) there is any internal access between the restaurant and the
 19 store, including access through a service window, service
 20 counter, or partial wall.

21 (e) The commission may not issue, renew, or transfer a retailer's
 22 permit under this section, regardless of whether the store has a
 23 dealer permit.

24 (f) A retailer permittee to which this section applies that was
 25 issued a retailer's permit before May 15, 2017, may not sell
 26 alcoholic beverages under the retailer's permit on or after May 15,
 27 2017. However, subject to the approval of the commission, the
 28 ownership, location, or ownership and location of the retailer's
 29 permit may be transferred.

30 SECTION 15. IC 7.1-3-20-17.5, AS ADDED BY P.L.214-2016,
 31 SECTION 20, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 32 UPON PASSAGE]: **Sec. 17.5. (a) As used in this section, "banquet or**
 33 **gathering space" means a room or space in which social events are**
 34 **hosted that is located on the licensed premises of a hotel or restaurant,**
 35 **including a contiguous area of the licensed premises.**

36 (b) As used in this section, "social event" means a party, banquet,
 37 wedding or other reception, or any other social event.

38 (c) Subject to ~~subsection~~ **subsections (d) and (f)**, the holder of a
 39 retailer's permit issued for the premises of a hotel or restaurant that has
 40 a banquet or gathering space without a permanent bar over which
 41 alcoholic beverages may be sold or dispensed may temporarily amend
 42 the floor plans of the licensed premises to use the banquet or gathering



1 space to sell, ~~or~~ dispense, **or securely store** alcoholic beverages from
 2 a temporary bar or service bar in the banquet or gathering space.

3 (d) The holder of a retailer's permit shall notify and submit the
 4 amended floor plans described in subsection (c) to the commission not
 5 later than twenty-four (24) hours before the date the holder intends to
 6 sell, ~~or~~ dispense, **or securely store** alcoholic beverages. ~~from a~~
 7 ~~temporary bar or service bar~~.

8 (e) A holder of a retailer's permit who intends to:

9 (1) sell or dispense alcoholic beverages; ~~from a temporary bar or~~
 10 ~~service bar~~; **or**

11 (2) **securely store alcoholic beverages;**

12 as described in this section remains subject to laws and rules requiring
 13 that the area in which minors are allowed be separate from the room or
 14 area in which the bar is located.

15 (f) **If the holder of a retailer's permit stores alcoholic beverages**
 16 **in a contiguous area of the licensed premises, the alcoholic**
 17 **beverages must be properly refrigerated.**

18 (g) **The commission must approve amended floor plans that are**
 19 **consistent with the requirements of this section.**

20 SECTION 16. IC 7.1-3-21-15, AS AMENDED BY P.L.196-2015,
 21 SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 22 UPON PASSAGE]: Sec. 15. (a) This section does not apply to an
 23 employee's permit under IC 7.1-3-18-9.

24 (b) The commission shall not issue, renew, or transfer a wholesaler,
 25 retailer, dealer, or other permit of any type if the applicant:

26 (1) is seeking a renewal and the applicant has not paid all the
 27 property taxes under IC 6-1.1 and the innkeeper's tax under IC 6-9
 28 that are due currently;

29 (2) is seeking a transfer and the applicant has not paid all the
 30 property taxes under IC 6-1.1 and innkeeper's tax under IC 6-9 for
 31 the assessment periods during which the transferor held the
 32 permit;

33 (3) is seeking a renewal or transfer and is at least thirty (30) days
 34 delinquent in remitting state gross retail taxes under IC 6-2.5 or
 35 withholding taxes required to be remitted under IC 6-3-4; ~~or~~

36 (4) is on the most recent tax warrant list supplied to the
 37 commission by the department of state revenue; **or**

38 (5) **does not provide the commission with property tax**
 39 **clearance Form 1 with an embossed seal from the county**
 40 **treasurer.**

41 (c) The commission shall issue, renew, or transfer a permit that the
 42 commission denied under subsection (b) when the appropriate one (1)



- 1 of the following occurs:
- 2 (1) The person, if seeking a renewal, provides to the commission
- 3 a statement from the county treasurer of the county in which the
- 4 property of the applicant was assessed indicating that all the
- 5 property taxes under IC 6-1.1 and, in a county where the county
- 6 treasurer collects the innkeeper's tax, the innkeeper's tax under
- 7 IC 6-9 that were delinquent have been paid.
- 8 (2) The person, if seeking a transfer of ownership, provides to the
- 9 commission a statement from the county treasurer of the county
- 10 in which the property of the transferor was assessed indicating
- 11 that all the property taxes under IC 6-1.1 and, in a county where
- 12 the county treasurer collects the innkeeper's tax, the innkeeper's
- 13 tax under IC 6-9 have been paid for the assessment periods during
- 14 which the transferor held the permit.
- 15 (3) The person provides to the commission a statement from the
- 16 commissioner of the department of state revenue indicating that
- 17 the person's tax warrant has been satisfied, including any
- 18 delinquency in innkeeper's tax if the state collects the innkeeper's
- 19 tax for the county in which the person seeks the permit.
- 20 (4) The commission receives a notice from the commissioner of
- 21 the department of state revenue under IC 6-8.1-8-2(k).
- 22 (5) The commission receives a notice from the commissioner of
- 23 the department of state revenue stating that the state gross retail
- 24 and withholding taxes described in subsection (b)(3) have been
- 25 remitted to the department.
- 26 (d) An applicant may not be considered delinquent in the payment
- 27 of listed taxes if the applicant has filed a proper protest under
- 28 IC 6-8.1-5-1 contesting the remittance of those taxes. The applicant
- 29 shall be considered delinquent in the payment of those taxes if the
- 30 applicant does not remit the taxes owed to the state department of
- 31 revenue after the later of the following:
- 32 (1) The expiration of the period in which the applicant may appeal
- 33 the listed tax to the tax court, in the case of an applicant who does
- 34 not file a timely appeal of the listed tax.
- 35 (2) When a decision of the tax court concerning the applicant's
- 36 appeal of the listed tax becomes final, in the case of an applicant
- 37 who files a timely appeal of the listed tax.
- 38 (e) The commission may require that an applicant for the issuance,
- 39 renewal, or transfer of a wholesaler's, retailer's, or dealer's, or other
- 40 permit of any type furnish proof of the payment of a listed tax (as
- 41 defined by IC 6-8.1-1-1), tax warrant, or taxes imposed by IC 6-1.1.
- 42 SECTION 17. IC 7.1-3-27-5, AS AMENDED BY P.L.144-2015,



1 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
2 UPON PASSAGE]: Sec. 5. (a) Except as provided in section 7 of this
3 chapter, an applicant for an artisan distiller's permit must meet all the
4 following requirements to be eligible for an artisan distiller's permit:

5 (1) The permit applicant must hold one (1) of the following
6 permits for the ~~three (3)~~ **two (2)** year period immediately
7 preceding the date of the application:

8 (A) A farm winery permit under IC 7.1-3-12.

9 (B) A brewer's permit issued under IC 7.1-3-2-2(b).

10 (C) A distiller's permit under IC 7.1-3-7.

11 (2) The permit applicant may not have more than one (1) violation
12 of this title during the ~~three (3)~~ **two (2)** year period immediately
13 preceding the date of the application.

14 (3) The permit applicant may not have any violation of this title
15 during the ~~twelve (12) month~~ **one (1) year** period immediately
16 preceding the date of the permit application.

17 (b) As used in this subsection, "qualifying permit" means a farm
18 winery, brewer's, or distiller's permit under subsection (a)(1)(A),
19 (a)(1)(B), or (a)(1)(C) that is required in order to hold an artisan
20 distiller's permit. The same persons must directly or indirectly own and
21 control more than fifty percent (50%) of the entity that holds the
22 qualifying permit and the artisan distiller's permit.

23 SECTION 18. IC 7.1-3-27-8, AS AMENDED BY P.L.214-2016,
24 SECTION 28, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
25 UPON PASSAGE]: Sec. 8. (a) The holder of an artisan distiller's
26 permit may do only the following:

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

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

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

34 (4) Transport, sell, and deliver liquor manufactured by the artisan
35 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) Sell liquor manufactured by the artisan distiller to consumers
39 by the drink, bottle, or case from the premises of the distillery
40 where the liquor was manufactured.

41 (6) Serve complimentary samples of the liquor manufactured by
42 the artisan distiller to consumers on the premises of the distillery



1 where the liquor was manufactured.

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

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

6 (A) individually; or

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

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

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

21 (c) **A storage facility used by an artisan distiller under**
22 **subsection (a)(3):**

23 (1) **must conform with federal laws, rules, and regulations;**
24 **and**

25 (2) **must not be used for any purposes except for the storage**
26 **of liquor.**

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

29 SECTION 19. IC 7.1-3-28 IS ADDED TO THE INDIANA CODE
30 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
31 JULY 1 2017]:

32 **Chapter 28. Supplemental Retailer's Permits**

33 **Sec. 1. As used in this section, "applicant" means a person who**
34 **applies to the commission under this chapter for a supplemental**
35 **retailer's permit to sell alcoholic beverages for carryout.**

36 **Sec. 2. A retailer permittee may not sell alcoholic beverages for**
37 **carryout unless:**

38 (1) **the permittee is a restaurant; and**

39 (2) **the commission issues a supplemental retailer's permit to**
40 **the retailer permittee.**

41 **A supplemental retailer's permit expires unless the permit is**
42 **renewed annually.**



1 **Sec. 3. To qualify for a supplemental retailer's permit, at least**
2 **ninety percent (90%) of the gross retail income (as defined in**
3 **IC 6-2.5-1-5) of all items sold on the premises of the retailer**
4 **permittee must be from the sale of food and beverages that are**
5 **subject to the state gross retail tax under IC 6-2.5.**

6 **Sec. 4. (a) This section applies only to a supplemental retailer's**
7 **permit for a business that has not opened.**

8 **(b) If the commission approves a retailer's permit for the**
9 **premises, the commission may also issue a supplemental retailer's**
10 **permit for the premises, if the applicant provides the commission**
11 **with a verified certification stating that the projected gross retail**
12 **income from sales on the premises during the first two (2) years of**
13 **operation will meet the requirements of section 3 of this chapter.**

14 **(c) Not more than one hundred eighty (180) days after the date**
15 **the premises opens for business, the applicant shall provide a**
16 **financial statement with sufficient information to show that the**
17 **requirements of section 3 of this chapter were met during the first**
18 **one hundred twenty (120) days after the business opens.**

19 **Sec. 5. (a) This section applies only to renewal of a supplemental**
20 **retailer's permit.**

21 **(b) A retailer permittee shall submit to the commission an**
22 **affidavit of compliance that is signed by the permittee, or by a**
23 **responsible officer or partner, under the penalties of perjury, that**
24 **states that the requirements of section 3 of this chapter continue to**
25 **be met.**

26 **(c) If the commission has reasonable grounds to doubt the**
27 **truthfulness of an affidavit of compliance, the commission may**
28 **require the supplemental retailer permittee to provide audited**
29 **financial statements.**

30 **Sec. 6. (a) This section applies only to licensed premises that are**
31 **already operating under a retailer's permit.**

32 **(b) An applicant for a supplemental retailer's permit for the**
33 **licensed premises must provide the commission with a financial**
34 **statement with information that shows:**

35 **(1) dollar amounts of gross retail income from all items sold**
36 **on the premises; and**

37 **(2) dollar amounts and percentages of sales made on the**
38 **premises of food and beverages that are subject to the state**
39 **gross retail tax under IC 6-2.5;**

40 **during the one hundred eighty (180) days preceding the date of the**
41 **application.**

42 **Sec. 7. The commission may:**



1 (1) require that a financial statement submitted by an
 2 applicant under this chapter be audited by a certified public
 3 accountant; and

4 (2) with the cooperation of the department of state revenue,
 5 verify the information provided by the applicant.

6 **Sec. 8.** If the commission finds that an applicant does not meet
 7 the requirements of section 3 of this chapter, the commission may:

8 (1) deny an application for; or

9 (2) revoke;

10 a supplemental retailer's permit. An applicant is not prohibited
 11 from applying to the commission at a later date to obtain a
 12 supplemental retailer's permit.

13 **Sec. 9.** A supplemental retailer's permit, for the purposes of this
 14 title, shall be considered a separate and distinct type of retailer's
 15 permit. It may not affect the rights, privileges, and restrictions
 16 applicable to any other type of retailer's permit. The rights,
 17 privileges, and restrictions provided in this title for a supplemental
 18 retailer's permit apply only to this type of permit.

19 **Sec. 10.** The information provided to the commission under this
 20 chapter regarding annual gross retail income is confidential
 21 information and may not be disclosed to the public under
 22 IC 5-14-3. However, the commission may disclose the information:

23 (1) to the department of state revenue to verify the accuracy
 24 of the amount of annual gross retail income from sales of food
 25 and beverages; and

26 (2) in any administrative or judicial proceeding to revoke or
 27 suspend the holder's permit as a result of a discrepancy in the
 28 amount of annual gross retail income from sales of food and
 29 beverages discovered by the department of state revenue.

30 **Sec. 11.** Notwithstanding IC 6-8.1-7-1 or any other law, in
 31 fulfilling its obligations under this section, the department of state
 32 revenue may provide to the commission confidential information.
 33 The commission shall maintain the confidentiality of information
 34 provided by the department of state revenue under this chapter.
 35 However, the commission may disclose the information in any
 36 administrative or judicial proceeding to revoke or suspend the
 37 holder's permit as a result of any information provided by the
 38 department of state revenue under section 10 of this chapter.

39 SECTION 20. IC 7.1-4-4.1-2.5 IS ADDED TO THE INDIANA
 40 CODE AS A NEW SECTION TO READ AS FOLLOWS
 41 [EFFECTIVE JULY 1, 2017]: **Sec. 2.5.** The fee for a supplemental
 42 retailer's permit is fifty dollars (\$50) per year. The fees collected



1 **under this section shall be deposited in the enforcement and**
 2 **administration fund under IC 7.1-4-10.**

3 SECTION 21. IC 7.1-4-10-4 IS ADDED TO THE INDIANA CODE
 4 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 5 1, 2017]: **Sec. 4. The fees collected for a supplemental retailer's**
 6 **permit under IC 7.1-4-4.1-2.5 shall be deposited into the**
 7 **enforcement and administration fund.**

8 SECTION 22. IC 7.1-5-7-11, AS AMENDED BY P.L.196-2015,
 9 SECTION 19, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 10 UPON PASSAGE]: Sec. 11. (a) The provisions of sections 9 and 10 of
 11 this chapter shall not apply if the public place involved is one (1) of the
 12 following:

- 13 (1) Civic center.
- 14 (2) Convention center.
- 15 (3) Sports arena.
- 16 (4) Bowling center.
- 17 (5) Bona fide club.
- 18 (6) Drug store.
- 19 (7) Grocery store.
- 20 (8) Boat.
- 21 (9) Dining car.
- 22 (10) Pullman car.
- 23 (11) Club car.
- 24 (12) Passenger airplane.
- 25 (13) Horse racetrack facility holding a recognized meeting permit
 26 under IC 4-31-5.
- 27 (14) Satellite facility (as defined in IC 4-31-2-20.5).
- 28 (15) Catering hall under IC 7.1-3-20-24 that is not open to the
 29 public.
- 30 (16) That part of a restaurant which is separate from a room in
 31 which is located a bar over which alcoholic beverages are sold or
 32 dispensed by the drink.
- 33 (17) Entertainment complex.
- 34 (18) Indoor golf facility.
- 35 (18) Indoor golf facility.
- 36 (19) A recreational facility such as a golf course, bowling center,
 37 or similar facility that has the recreational activity and not the sale
 38 of food and beverages as the principal purpose or function of the
 39 person's business.
- 40 (20) A licensed premises owned or operated by a postsecondary
 41 educational institution described in IC 21-17-6-1.
- 42 (21) An automobile racetrack.



- 1 (22) An indoor theater under IC 7.1-3-20-26.
 2 (23) A senior residence facility campus (as defined in
 3 IC 7.1-3-1-29(c)) at which alcoholic beverages are given or
 4 furnished as provided under IC 7.1-3-1-29.
 5 (24) A hotel other than a part of a hotel that is a room in a
 6 restaurant in which a bar is located over which alcoholic
 7 beverages are sold or dispensed by the drink.
 8 (25) The location of an allowable event to which IC 7.1-3-6.1
 9 applies.
 10 (26) The location of a charity auction to which IC 7.1-3-6.2
 11 applies.
 12 **(27) A farm winery and any additional locations of the farm**
 13 **winery under IC 7.1-3-12, if the minor is in the company of a**
 14 **parent, legal guardian or custodian, or family member who is**
 15 **at least twenty-one (21) years of age.**
 16 **(28) An artisan distillery under IC 7.1-3-27, if:**
 17 **(1) the person who holds the artisan distiller's permit also**
 18 **holds a farm winery permit under IC 7.1-3-12; and**
 19 **(2) the minor is in the company of a parent, legal guardian or**
 20 **custodian, or family member who is at least twenty-one (21)**
 21 **years of age.**
 22 (b) For the purpose of this subsection, "food" means meals prepared
 23 on the licensed premises. It is lawful for a minor to be on licensed
 24 premises in a room in which is located a bar over which alcoholic
 25 beverages are sold or dispensed by the drink if all the following
 26 conditions are met:
 27 (1) The minor is eighteen (18) years of age or older.
 28 (2) The minor is in the company of a parent, guardian, or family
 29 member who is twenty-one (21) years of age or older.
 30 (3) The purpose for being on the licensed premises is the
 31 consumption of food and not the consumption of alcoholic
 32 beverages.
 33 SECTION 23. IC 7.1-5-7-13, AS AMENDED BY P.L.94-2008,
 34 SECTION 51, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 35 UPON PASSAGE]: Sec. 13. **(a)** Section 12 of this chapter does not
 36 prohibit the following:
 37 (1) The employment of a person at least eighteen (18) years of age
 38 but less than twenty-one (21) years of age on or about licensed
 39 premises where alcoholic beverages are sold, furnished, or given
 40 away for consumption either on or off the licensed premises, for
 41 a purpose other than:
 42 (A) selling;



- 1 (B) furnishing, other than serving;
 2 (C) consuming; or
 3 (D) otherwise dealing in;
 4 alcoholic beverages.
- 5 (2) A person at least nineteen (19) years of age but less than
 6 twenty-one (21) years of age from ringing up a sale of alcoholic
 7 beverages in the course of the person's employment.
- 8 (3) A person who is at least nineteen (19) years of age but less
 9 than twenty-one (21) years of age and who has successfully
 10 completed an alcohol server training program certified under
 11 IC 7.1-3-1.5 from serving alcoholic beverages in a dining area or
 12 family room of a restaurant or hotel:
- 13 (A) in the course of a person's employment as a waiter,
 14 waitress, or server; and
- 15 (B) under the supervision of a person who:
- 16 (i) is at least twenty-one (21) years of age;
 17 (ii) is present at the restaurant or hotel; and
 18 (iii) has successfully completed an alcohol server training
 19 program certified under IC 7.1-3-1.5 by the commission.
- 20 This subdivision does not allow a person at least nineteen (19)
 21 years of age but less than twenty-one (21) years of age to be a
 22 bartender.
- 23 **(4) The employment of a person at least eighteen (18) years of
 24 age but less than twenty-one (21) years of age on or about
 25 licensed premises where alcoholic beverages are sold,
 26 furnished, or given away for consumption either on or off the
 27 licensed premises if all the following apply:**
- 28 **(A) The person is employed as an assistant on a delivery
 29 truck.**
- 30 **(B) The person's duties with respect to alcoholic beverages
 31 are limited to handling alcoholic beverages in connection
 32 with the loading, unloading, stowing, or storing of alcoholic
 33 beverages that are being delivered or picked up.**
- 34 **(C) The person does not sell, furnish, or deal in alcoholic
 35 beverages in any manner except as expressly permitted
 36 under clause (B).**
- 37 **(D) The person acts under the supervision of a driver
 38 holding a salesman's permit.**
- 39 **(E) The person does not collect money for the delivery or
 40 pick up.**
- 41 **(b) This chapter does not prohibit a person less than twenty-one
 42 (21) years of age from being on the premises of a brewery under**



1 **IC 7.1-3-2-7(5), a farm winery, including any additional locations**
 2 **of the farm winery, under IC 7.1-3-12-5, or an artisan distillery**
 3 **under IC 7.1-3-27-5, if the person is:**
 4 **(1) the child, stepchild, grandchild, nephew, or niece of an**
 5 **owner of the:**
 6 **(A) brewery;**
 7 **(B) farm winery; or**
 8 **(C) artisan distiller; and**
 9 **(2) employed on the premises for a purpose other than:**
 10 **(A) selling;**
 11 **(B) furnishing, other than serving;**
 12 **(C) consuming; or**
 13 **(D) otherwise dealing in;**
 14 **alcoholic beverages.**
 15 **A minor described in this subsection is not required to be**
 16 **accompanied by a parent, legal guardian or custodian, or family**
 17 **member while on the premises of the brewery or farm winery.**
 18 SECTION 24. IC 7.1-5-10-25, AS ADDED BY P.L.196-2015,
 19 SECTION 22, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 20 JULY 1, 2017]: Sec. 25. If:
 21 (1) a person has an interest in:
 22 (A) a dealer's permit for a drug store or grocery store; and
 23 (B) a retailer's permit for a restaurant; and
 24 (2) the licensed premises of the drug store or grocery store and the
 25 restaurant are located in the same building;
 26 **the person may not obtain a supplemental retailer's permit for the**
 27 **premises to sell beer, wine, and liquor ~~may not be sold~~ for carryout**
 28 **from the licensed premises of the restaurant.**
 29 SECTION 25. **An emergency is declared for this act.**



COMMITTEE REPORT

Mr. Speaker: Your Committee on Public Policy, to which was referred House Bill 1496, 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 7.1-3-2-7, AS AMENDED BY P.L.214-2016, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 7. The holder of a brewer's permit or an out-of-state brewer holding either a primary source of supply permit or an out-of-state brewer's permit may do the following:

- (1) Manufacture beer.
- (2) Place beer in containers or bottles.
- (3) Transport beer.
- (4) Sell and deliver beer to a person holding a beer wholesaler's permit issued under IC 7.1-3-3.
- (5) If the brewer manufactures, at all of the brewer's breweries located in Indiana, an aggregate of not more than ninety thousand (90,000) barrels of beer in a calendar year for sale or distribution within Indiana, the permit holder may do the following:
 - (A) Sell and deliver a total of not more than thirty thousand (30,000) barrels of beer in a calendar year to a person holding a retailer or a dealer permit under this title. The total number of barrels of beer that the permit holder may sell and deliver under this clause in a calendar year may not exceed thirty thousand (30,000) barrels of beer.
 - (B) Be the proprietor of a restaurant.
 - (C) Hold a beer retailer's permit, a wine retailer's permit, or a liquor retailer's permit for a restaurant established under clause (B).
 - (D) Transfer beer **or hard cider** directly from the brewery to the restaurant by means of:
 - (i) bulk containers; or
 - (ii) a continuous flow system.
 - (E) Install a window between the brewery and an adjacent restaurant that allows the public and the permittee to view both premises.
 - (F) Install a doorway or other opening between the brewery and an adjacent restaurant that provides the public and the permittee with access to both premises.



(G) Sell the brewery's beer **and hard cider** by the glass for consumption on the premises. Brewers permitted to sell beer **and hard cider** by the glass under this clause must make food available for consumption on the premises. A brewer may comply with the requirements of this clause by doing any of the following:

- (i) Allowing a vehicle of transportation that is a food establishment (as defined in IC 16-18-2-137) to serve food near the brewer's licensed premises.
- (ii) Placing menus in the brewer's premises of restaurants that will deliver food to the brewery.
- (iii) Providing food prepared at the brewery.

(H) Sell and deliver beer **and hard cider** to a consumer at the permit premises of the brewer or at the residence of the consumer. The delivery to a consumer may be made only in a quantity at any one (1) time of not more than one-half (1/2) barrel, but the beer **or hard cider** may be contained in bottles or other permissible containers.

(I) Sell the brewery's beer **or hard cider** as authorized by this section for carryout on Sunday in a quantity at any one (1) time of not more than five hundred seventy-six (576) ounces. A brewer's beer **or hard cider** may be sold under this clause at any address for which the brewer holds a brewer's permit issued under this chapter if the address is located within the same city boundaries in which the beer **or hard cider** was manufactured.

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

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

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

(K) **Package**, store, or condition beer **and hard cider** in a secure building that is:

- (i) separate from the brewery; and
- (ii) owned or leased by the permit holder.



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

(L) Transfer the beer or hard cider to a brewer that holds a permit under this subdivision. The brewer that receives the beer or hard cider may pick up and transport beer or hard cider from the transferring brewery. The beer that is transferred to a brewer does not count against that brewer's barrel limits under this subdivision until the receiving brewer sells the beer.

(M) Manufacture hard cider, place hard cider in containers or bottles, transport hard cider, and sell and deliver hard cider to a person holding a wine wholesaler's permit.

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

- (A) is located in the same county as the brewer's brewery;
- (B) manufactures less than ninety thousand (90,000) barrels of beer in a calendar year; and
- (C) is the proprietor of a restaurant that operates under subdivision (5).

(7) Provide complimentary samples of beer that are:

- (A) produced by the brewer; and
- (B) offered to consumers for consumption on the brewer's premises.

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

- (A) manages a minor league baseball stadium located in the same county as the brewer's brewery; and
- (B) holds a beer retailer's permit, a wine retailer's permit, or a liquor retailer's permit for a restaurant located in that stadium.

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

- (A) may allow transportation to and consumption of the beer on the licensed premises; and
- (B) may not sell, offer to sell, or allow sale of the beer on the licensed premises.

SECTION 2. IC 7.1-3-6-3.8, AS ADDED BY P.L.214-2016, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 3.8. (a) Notwithstanding any other provision in this chapter, the commission may issue a temporary beer permit if all



the following apply:

- (1) The temporary beer permit is issued for a festival or event that meets all the following:
 - (A) The festival or event promotes, at least in part, beer **or hard cider** manufactured at a brewery described in IC 7.1-3-2-7(5).
 - (B) The anticipated attendance of the festival or event is at least seven thousand five hundred (7,500) people.
 - (C) Adequate security measures will be provided at the festival or event.
 - (D) Individuals less than twenty-one (21) years of age will not be allowed to attend the festival or event.
- (2) The applicant for the temporary beer permit:
 - (A) has held a brewer's permit for a brewery described in IC 7.1-3-2-7(5) for at least three (3) years; and
 - (B) pays an application fee to the commission of two thousand five hundred dollars (\$2,500).
- (b) The commission may issue a temporary beer permit only for an area at a festival or event that is enclosed by fencing, barricades, or structures. The area may be an outside area that is contiguous to a brewery described in IC 7.1-3-2-7(5) or restaurant or at another location that is not on or near the premises of a brewery or restaurant.
- (c) The commission may issue a temporary beer permit under this section for a term, up to and including, three (3) days from its issuance.
- (d) The commission may not issue a temporary beer permit under this section to any one (1) person more than two (2) times in a calendar year.
- (e) Notwithstanding any other provision of this title, the holder of the temporary beer permit may allow an individual who attends the festival or event to carry beer **or hard cider**, in a quantity that does not exceed a total of two hundred eighty-eight (288) ounces, into the permitted area. Beer **or hard cider** carried in to a festival or event under this subsection may be consumed or traded only in the permitted area.
- (f) An individual who attends the festival or event may carry out beer **or hard cider** in sealed, unopened containers from the temporary beer permit area.

SECTION 3. IC 7.1-3-12-5, AS AMENDED BY THE TECHNICAL CORRECTIONS BILL OF THE 2017 GENERAL ASSEMBLY, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]:
 Sec. 5. (a) The holder of a farm winery permit:

- (1) is entitled to manufacture wine and to bottle wine produced by

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the permit holder's farm winery;

(2) 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~~ **employee's** permit under IC 7.1-3-18-9; and

(B) completes a server training program approved by the commission;

(3) is entitled to sell the winery's wine on the licensed premises to consumers either by the glass, or by the bottle, or both;

(4) 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) is entitled to sell wine by the bottle or by the case to a person who is the holder of a permit to sell wine at wholesale;

(6) is exempt from the provisions of IC 7.1-3-14;

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

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

(10) is entitled to sell wine as authorized by this section for carryout on Sunday; and

(11) 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.

(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 or bottling of wine.

(c) 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 a 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 2, after line 6, begin a new paragraph and insert:

"SECTION 5. IC 7.1-3-27-8, AS AMENDED BY P.L.214-2016, SECTION 28, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 8. (a) The holder of an artisan distiller's permit may do only the following:

- (1) Manufacture liquor, including blending liquor purchased from another manufacturer with liquor the artisan distiller manufactures under section 11 of this chapter.
- (2) Bottle liquor manufactured by the artisan distiller.
- (3) Store liquor manufactured by the artisan distiller, **including at a facility within ten (10) miles of the artisan distiller's distillery.**
- (4) Transport, sell, and deliver liquor manufactured by the artisan distiller to:
 - (A) places outside Indiana; or
 - (B) the holder of a liquor wholesaler's permit under IC 7.1-3-8.
- (5) Sell liquor manufactured by the artisan distiller to consumers by the drink, bottle, or case from the premises of the distillery where the liquor was manufactured.
- (6) Serve complimentary samples of the liquor manufactured by the artisan distiller to consumers on the premises of the distillery where the liquor was manufactured.
- (7) Sell liquor as authorized by this section for carryout on Sunday in a quantity at any one (1) time of not more than four and five-tenths (4.5) liters.
- (8) With the approval of the commission, participate:
 - (A) individually; or
 - (B) with other permit holders under this chapter, holders of farm winery permits, holders of brewer's permits issued under IC 7.1-3-2-2(b), or any combination of holders described in this clause;

in a trade show or an exposition at which products of each permit holder participant are displayed, promoted, and sold. **All of the permit holders may occupy the same tent, structure, or building.** The commission may not grant to a holder of a permit



under this chapter approval under this subdivision to participate in a trade show or exposition for more than forty-five (45) days in a calendar year.

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

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

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

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

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

SECTION 6. IC 7.1-5-7-11, AS AMENDED BY P.L.196-2015, SECTION 19, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: 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.
- (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 under IC 7.1-3-12, including a farm winery that holds a brandy distiller's permit under IC 7.1-3-7.5.

(28) An artisan distillery under IC 7.1-3-27.

(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.

SECTION 7. IC 7.1-5-7-13, AS AMENDED BY P.L.94-2008, SECTION 51, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 13. **(a)** Section 12 of this chapter does not prohibit the following:

(1) The employment of a person at least eighteen (18) years of age but less than twenty-one (21) years of age on or about licensed premises where alcoholic beverages are sold, furnished, or given away for consumption either on or off the licensed premises, for a purpose other than:



- (A) selling;
- (B) furnishing, other than serving;
- (C) consuming; or
- (D) otherwise dealing in;

alcoholic beverages.

(2) A person at least nineteen (19) years of age but less than twenty-one (21) years of age from ringing up a sale of alcoholic beverages in the course of the person's employment.

(3) A person who is at least nineteen (19) years of age but less than twenty-one (21) years of age and who has successfully completed an alcohol server training program certified under IC 7.1-3-1.5 from serving alcoholic beverages in a dining area or family room of a restaurant or hotel:

- (A) in the course of a person's employment as a waiter, waitress, or server; and
- (B) under the supervision of a person who:
 - (i) is at least twenty-one (21) years of age;
 - (ii) is present at the restaurant or hotel; and
 - (iii) has successfully completed an alcohol server training program certified under IC 7.1-3-1.5 by the commission.

This subdivision does not allow a person at least nineteen (19) years of age but less than twenty-one (21) years of age to be a bartender.

(b) This chapter does not prohibit a person less than twenty-one (21) years of age from being on the premises of a brewery under IC 7.1-3-2-7(5), a farm winery under IC 7.1-3-12-5, or an artisan distillery under IC 7.1-3-27-5, if the person is:

- (1) the child, stepchild, grandchild, nephew, or niece of an owner of the:**
 - (A) brewery;**
 - (B) farm winery; or**
 - (C) artisan distiller; and**
- (2) employed on the premises for a purpose other than:**
 - (A) selling;**
 - (B) furnishing, other than serving;**
 - (C) consuming; or**



**(D) otherwise dealing in;
alcoholic beverages."**

Renumber all SECTIONS consecutively.
and when so amended that said bill do pass.
(Reference is to HB 1496 as introduced.)

SMALTZ

Committee Vote: yeas 11, nays 1.

COMMITTEE REPORT

Madam President: The Senate Committee on Public Policy, to which was referred House Bill No. 1496, 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:

Replace the effective dates in SECTIONS 1 through 7 with "[EFFECTIVE UPON PASSAGE]".

Page 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 7.1-1-3-18.5, AS ADDED BY P.L.94-2008, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 18.5. (a) "Grocery store" means a store or part of a store that is known generally as:

(1) a supermarket, grocery store, or delicatessen and is primarily engaged in the retail sale of a general food line, which may include:

- (A) canned and frozen foods;
- (B) fresh fruits and vegetables; and
- (C) fresh and prepared meats, fish, and poultry;

(2) subject to subsection (b), a convenience store or food mart and is primarily engaged in:

(A) the retail sale of a line of goods that may include milk, bread, soda, and snacks; or

(B) the retail sale of automotive fuels and the retail sale of a line of goods that may include milk, bread, soda, and snacks;

(3) a warehouse club, superstore, supercenter, or general merchandise store and is primarily engaged in the retail sale of a general line of groceries or gourmet foods in combination with general lines of new merchandise, which may include apparel, furniture, and appliances; or

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(4) a specialty or gourmet food store **primarily** engaged in the retail sale of miscellaneous specialty foods not for immediate consumption and not made on the premises, not including:

- (A) meat, fish, and seafood;
- (B) fruits and vegetables;
- (C) confections, nuts, and popcorn; and
- (D) baked goods;

only if the retail sale of miscellaneous specialty foods described in this subdivision represents a percentage of annual gross retail income (as defined in IC 6-2.5-1-5) of at least fifty-one percent (51%) of all items sold on the premises of the specialty or gourmet food store.

(b) The term includes a convenience store or food mart as described in subsection (a)(2) only if the sale of alcoholic beverages on the premises of the convenient store or food mart represents a percentage of annual gross sales of twenty-five percent (25%) or less of all items sold on the premises, excluding gasoline and automotive oil products.

(c) The term does not include an establishment known generally as a gas station that is primarily engaged in:

- (1) the retail sale of automotive fuels, which may include diesel fuel, gasohol, or gasoline; or
- (2) the retail sale of automotive fuels, which may include diesel fuel, gasohol, or gasoline and activities that may include providing repair service, selling automotive oils, replacement parts, and accessories, or providing food services.

SECTION 2. IC 7.1-1-3-40 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 40. ~~Restaurant:~~ **(a)** The term "restaurant" means, **with regard to** an establishment ~~which meets for which a retailer permit was issued before May 15, 2017,~~ **premises that meet** the requirements provided in ~~IC 1971, 7.1-3-20-9:~~ **IC 7.1-3-20-9.**

(b) The term "restaurant" means, with regard to an establishment for which a retailer permit is issued after May 14, 2017, an establishment that meets all of the following requirements:

- (1) The requirements provided in IC 7.1-3-20-9.**
- (2) At least ninety percent (90%) of the gross retail income (as defined in IC 6-2.5-1-5) of all items sold on the licensed premises of the establishment are from the sale of food and beverages that are subject to the state gross retail tax under IC 6-2.5.**

SECTION 3. IC 7.1-3-1-25, AS AMENDED BY P.L.119-2012,



SECTION 79, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 25. (a) A city or county listed in this subsection that by itself or in combination with any other municipal body acquires by ownership or by lease any stadium, exhibition hall, auditorium, theater, convention center, or civic center may permit the retail sale of alcoholic beverages upon the premises if the governing board of the facility first applies for and secures the necessary permits as required by this title. The cities and counties to which this subsection applies are as follows:

- (1) A consolidated city or its county.
- (2) A second class city.
- (3) A county having a population of more than one hundred eighty-five thousand (185,000) but less than two hundred fifty thousand (250,000).
- (4) A county having a population of more than one hundred seventy-five thousand (175,000) but less than one hundred eighty-five thousand (185,000).
- (5) A county having a population of more than one hundred twenty-five thousand (125,000) but less than one hundred thirty-five thousand (135,000).
- (6) A county having a population of more than three hundred thousand (300,000) but less than four hundred thousand (400,000).
- (7) A city having a population of more than four thousand nine hundred fifty (4,950) but less than five thousand (5,000).
- (8) A county having a population of more than one hundred thirty-five thousand (135,000) but less than one hundred thirty-eight thousand (138,000).
- (9) A county having a population of more than two hundred seventy thousand (270,000) but less than three hundred thousand (300,000).

(b) A county having a population of more than four hundred thousand (400,000) but less than seven hundred thousand (700,000) or a township located in such a county that has established a public park with a golf course within its jurisdiction under IC 36-10-3 or IC 36-10-7 may be issued a permit for the retail sale of alcoholic beverages on the premises of any community center within the park, including a clubhouse, social center, or pavilion.

(c) A township that:

- (1) is located in a county having a population of more than one hundred five thousand (105,000) but less than one hundred ten thousand (110,000); and

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(2) acquires ownership of a golf course; may permit the retail sale of alcoholic beverages upon the premises of the golf course, if the governing board of the golf course first applies for and secures the necessary permits required by this title.

(d) A township:

- (1) having a population of more than thirty-five thousand (35,000) but less than one hundred thousand (100,000); and
- (2) located in a county having a population of more than four hundred thousand (400,000) but less than seven hundred thousand (700,000);

may be issued a permit for the retail sale of alcoholic beverages on the premises of any community center or social center that is located within the township and operated by the township.

(e) A city that owns a golf course may permit the retail sale of alcoholic beverages upon the premises of the golf course if the governing board of the golf course first applies for and secures the necessary permits required by this title.

(f) A city that:

- (1) has a population of more than twenty-nine thousand six hundred (29,600) but less than twenty-nine thousand nine hundred (29,900); and
- (2) owns or leases a marina;

may permit the retail sale of alcoholic beverages upon the premises of the marina if the governing board of the marina first applies for and secures the necessary permits required by this title. The permit may include the carryout sale of alcoholic beverages in accordance with ~~IC 7.1-3-4-6(e)~~, ~~IC 7.1-3-9-9(e)~~, ~~IC 7.1-3-14-4(e)~~, **IC 7.1-3-4-6(d)**, **IC 7.1-3-9-9(d)**, **IC 7.1-3-14-4(d)**, and 905 IAC 1-29 but may not include at-home delivery of alcoholic beverages.

(g) A city listed in this subsection that owns a marina may be issued a permit for the retail sale of alcoholic beverages on the premises of the marina. The permit may include the carryout sale of alcoholic beverages in accordance with ~~IC 7.1-3-4-6(e)~~, ~~IC 7.1-3-9-9(e)~~, ~~IC 7.1-3-14-4(e)~~, **IC 7.1-3-4-6(d)**, **IC 7.1-3-9-9(d)**, **IC 7.1-3-14-4(d)**, and 905 IAC 1-29 but may not include at-home delivery of alcoholic beverages. However, the city must apply for and secure the necessary permits that this title requires. This subsection applies to the following cities:

- (1) A city having a population of more than eighty thousand (80,000) but less than eighty thousand four hundred (80,400).
- (2) A city having a population of more than eighty thousand five hundred (80,500) but less than one hundred thousand (100,000).



(3) A city having a population of more than thirty-one thousand (31,000) but less than thirty-one thousand five hundred (31,500).

(4) A city having a population of more than thirty-six thousand eight hundred twenty-five (36,825) but less than forty thousand (40,000).

(5) A city having a population of more than forty-four thousand five hundred (44,500) but less than forty-five thousand (45,000).

(h) Notwithstanding subsection (a), the commission may issue a civic center permit to a person that:

(1) by the person's self or in combination with another person is the proprietor, as owner or lessee, of an entertainment complex; or

(2) has an agreement with a person described in subdivision (1) to act as a concessionaire for the entertainment complex for the full period for which the permit is to be issued.

SECTION 4. IC 7.1-3-1-27 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 27. (a) **This section does not apply to supplemental retailer's permits under IC 7.1-3-28.** Notwithstanding any other provision of this article, a retailer permittee who is required to comply with the gross food and beverage sales, or gross food sales, standards contained in this article as a condition of receiving, continuing to hold, or renewing, the permittee's permit, or otherwise doing business, may attest to the permittee's compliance with those standards by filing an affidavit of compliance with the commission.

(b) The affidavit of compliance authorized by subsection (a) must be in writing and signed by the permittee, or by a responsible officer or partner, under the penalties of perjury, that the representations contained in it are true.

(c) If the commission has reasonable grounds to doubt the truthfulness of an affidavit filed pursuant to subsection (a), it may require the permittee to support it by audited financial statements. If the audited financial statements do not support the affidavit and show the required compliance with the applicable standards of this article, the commission may revoke the permit."

Page 3, delete lines 21 through 27.

Page 3, line 28, delete "(M)" and insert "(L)".

Page 3, line 30, delete "to a person holding a wine wholesaler's" and insert "**in accordance with this subdivision or IC 7.1-3-6-3.8.**".

Page 3, delete line 31.

Page 4, between lines 13 and 14, begin a new paragraph and insert: "SECTION 6. IC 7.1-3-4-4 IS REPEALED [EFFECTIVE UPON



PASSAGE]: Sec. 4. Premises Outside Corporate Limits: Persons Eligible. The commission may issue a beer retailer's permit as authorized by IC 1971, 7.1-3-4-3, only to an applicant who is the proprietor of a drug store, grocery store, confectionery, or of a store in good repute which, in the judgment of the commission, deals in other merchandise that is not incompatible with the sale of beer.

SECTION 7. IC 7.1-3-4-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 6. **(a) Notwithstanding this section or any other law, a beer retailer may not sell and deliver beer for carryout unless the beer retailer has a supplemental retailer's permit under IC 7.1-3-28.**

~~(a)~~ **(b)** The holder of a beer retailer's permit shall be entitled to purchase beer for sale under ~~his~~ **the permit holder's** permit only from a permittee entitled to sell to ~~him~~ **the permit holder** under this title. A beer retailer shall be entitled to possess beer and sell it at retail to a customer for consumption on the licensed premises. A beer retailer also shall be entitled to sell beer to a customer and deliver it in permissible containers to the customer on the licensed premises, or to the customer's house.

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

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

Page 5, between lines 12 and 13, begin a new paragraph and insert:

"SECTION 9. IC 7.1-3-9-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 9. **(a) Notwithstanding this section or any other law, a liquor retailer may not sell and deliver liquor for carryout unless the liquor retailer has a supplemental retailer's permit under IC 7.1-3-28.**

~~(a)~~ **(b)** The holder of a liquor retailer's permit shall be entitled to purchase liquor only from a permittee entitled to sell to ~~him~~ **the permit holder** under this title. A liquor retailer shall be entitled to possess liquor and sell it at retail to a customer for consumption on the licensed premises. A liquor retailer also shall be entitled to sell liquor to a customer and deliver it in permissible containers to the customer on the



licensed premises, or to the customer's house.

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

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

Page 6, between lines 24 and 25, begin a new paragraph and insert:

"SECTION 8. IC 7.1-3-14-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 4. **(a) Notwithstanding this section or any other law, a wine retailer may not sell and deliver wine for carryout unless the wine retailer has a supplemental retailer's permit under IC 7.1-3-28.**

(a) (b) The holder of a wine retailer's permit is entitled to purchase wine only from a permittee entitled to sell to the wine retailer under this title. A wine retailer is entitled to possess wine and sell it at retail to a customer for consumption on the licensed premises. A wine retailer is also entitled to sell wine to a customer and deliver it in permissible containers to the customer on the licensed premises or to the customer's house.

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

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

SECTION 11. IC 7.1-3-19-18 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION TO READ AS FOLLOWS** [EFFECTIVE UPON PASSAGE]: **Sec. 18. (a) This section does not apply to an employee's permit under IC 7.1-3-18-9.**

(b) The commission may not issue or transfer a wholesaler, retailer, dealer, or other permit of any type if the applicant:

(1) has not paid all the applicant's property taxes under IC 6-1.1 and innkeeper's tax under IC 6-9 that are due;



(2) is at least thirty (30) days delinquent in remitting state gross retail taxes under IC 6-2.5 or withholding taxes required to be remitted under IC 6-3-4;

(3) is on the most recent tax warrant list supplied to the commission by the department of revenue; or

(4) does not provide the commission with property tax clearance Form 1 with an embossed seal from the county treasurer.

(c) The commission shall issue or transfer a permit that the commission denied under subsection (b) when one (1) of the following occurs:

(1) The applicant provides to the commission a statement from the commissioner of the department of state revenue indicating that the applicant's tax warrant has been satisfied, including any delinquency in innkeeper's tax if the state collects the innkeeper's tax for the county in which the applicant seeks the permit.

(2) The commission receives a notice of release from the commissioner of the department of state revenue under IC 6-8.1-8-2(k).

(3) The commission receives a notice from the commissioner of the department of state revenue stating that the state gross retail and withholding taxes described in subsection (b)(2) have been remitted to the department.

(d) An applicant may not be considered delinquent in the payment of listed taxes (as defined by IC 6-8.1-1-1) if the applicant has filed a proper protest under IC 6-8.1-5-1 contesting the remittance of those taxes. The applicant shall be considered delinquent in the payment of those taxes if the applicant does not remit the taxes owed to the department of state revenue after the later of the following:

(1) The expiration of the period in which the applicant may appeal the listed tax to the tax court, in the case of an applicant who does not file a timely appeal of the listed tax.

(2) When a decision of the tax court concerning the applicant's appeal of the listed tax becomes final, in the case of an applicant who files a timely appeal of the listed tax.

(e) The commission may require that an applicant for the issuance, renewal, or transfer of a wholesaler's, retailer's, dealer's, or other permit of any type furnish proof of the payment of a listed tax (as defined by IC 6-8.1-1-1), tax warrant, or taxes imposed by IC 6-1.1 or receipt of property tax clearance Form 1 with an



embossed seal from the county treasurer.

SECTION 12. IC 7.1-3-20-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: ~~Sec. 9. Restaurants: General Requirements.~~ In order to be considered a "restaurant" within the meaning of this title and, **except as provided in section 9.5 of this chapter**, to be eligible to receive an appropriate ~~restaurant retailer's~~ permit under this title, an establishment shall meet **both of** the following requirements:

~~(a) (1) †~~ **The establishment** shall be provided with special space and accommodations where, in consideration of payment, food, without lodging, is habitually furnished to travelers. ~~and;~~

~~(b) (2) †~~ **The establishment** shall have accommodations at which at least twenty-five (25) persons may be served at one (1) time.

SECTION 13. IC 7.1-3-20-9.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 9.5. (a) This section applies after May 14, 2017.**

(b) As used in this section, "store" means a grocery store, convenience store, or drug store.

(c) Notwithstanding any other law, the commission may not issue, renew, or transfer a retailer's permit for a restaurant that is located within a store.

(d) Notwithstanding any other law, the commission may not issue, renew, or transfer a retailer's permit for a restaurant that occupies the same building as a store or is under one (1) continuous roof with a store, if the restaurant and the store lack complete physical separation. A restaurant lacks complete physical separation from a store if:

(1) the restaurant and the store do not have separate exterior entrances; or

(2) there is any internal access between the restaurant and the store, including access through a service window, service counter, or partial wall.

(e) The commission may not issue, renew, or transfer a retailer's permit under this section, regardless of whether the store has a dealer permit.

(f) A retailer permittee to which this section applies that was issued a retailer's permit before May 15, 2017, may not sell alcoholic beverages under the retailer's permit on or after May 15, 2017. However, subject to the approval of the commission, the ownership, location, or ownership and location of the retailer's permit may be transferred.



SECTION 14. IC 7.1-3-20-17.5, AS ADDED BY P.L.214-2016, SECTION 20, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 17.5. (a) As used in this section, "banquet or gathering space" means a room or space in which social events are hosted that is located on the licensed premises of a hotel or restaurant, **including a contiguous area of the licensed premises.**

(b) As used in this section, "social event" means a party, banquet, wedding or other reception, or any other social event.

(c) Subject to ~~subsection~~ **subsections (d) and (f)**, the holder of a retailer's permit issued for the premises of a hotel or restaurant that has a banquet or gathering space without a permanent bar over which alcoholic beverages may be sold or dispensed may temporarily amend the floor plans of the licensed premises to use the banquet or gathering space to sell, ~~or dispense,~~ **or securely store** alcoholic beverages from a temporary bar or service bar in the banquet or gathering space.

(d) The holder of a retailer's permit shall notify and submit the amended floor plans described in subsection (c) to the commission not later than twenty-four (24) hours before the date the holder intends to sell, ~~or dispense,~~ **or securely store** alcoholic beverages. ~~from a temporary bar or service bar.~~

(e) A holder of a retailer's permit who intends to:

(1) sell or dispense alcoholic beverages; ~~from a temporary bar or service bar; or~~

(2) securely store alcoholic beverages;

as described in this section remains subject to laws and rules requiring that the area in which minors are allowed be separate from the room or area in which the bar is located.

(f) If the holder of a retailer's permit stores alcoholic beverages in a contiguous area of the licensed premises, the alcoholic beverages must be properly refrigerated.

(g) The commission must approve amended floor plans that are consistent with the requirements of this section.

SECTION 15. IC 7.1-3-21-15, AS AMENDED BY P.L.196-2015, SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 15. (a) This section does not apply to an employee's permit under IC 7.1-3-18-9.

(b) The commission shall not issue, renew, or transfer a wholesaler, retailer, dealer, or other permit of any type if the applicant:

(1) is seeking a renewal and the applicant has not paid all the property taxes under IC 6-1.1 and the innkeeper's tax under IC 6-9 that are due currently;

(2) is seeking a transfer and the applicant has not paid all the



property taxes under IC 6-1.1 and innkeeper's tax under IC 6-9 for the assessment periods during which the transferor held the permit;

(3) is seeking a renewal or transfer and is at least thirty (30) days delinquent in remitting state gross retail taxes under IC 6-2.5 or withholding taxes required to be remitted under IC 6-3-4; ~~or~~

(4) is on the most recent tax warrant list supplied to the commission by the department of state revenue; **or**

(5) does not provide the commission with property tax clearance Form 1 with an embossed seal from the county treasurer.

(c) The commission shall issue, renew, or transfer a permit that the commission denied under subsection (b) when the appropriate one (1) of the following occurs:

(1) The person, if seeking a renewal, provides to the commission a statement from the county treasurer of the county in which the property of the applicant was assessed indicating that all the property taxes under IC 6-1.1 and, in a county where the county treasurer collects the innkeeper's tax, the innkeeper's tax under IC 6-9 that were delinquent have been paid.

(2) The person, if seeking a transfer of ownership, provides to the commission a statement from the county treasurer of the county in which the property of the transferor was assessed indicating that all the property taxes under IC 6-1.1 and, in a county where the county treasurer collects the innkeeper's tax, the innkeeper's tax under IC 6-9 have been paid for the assessment periods during which the transferor held the permit.

(3) The person provides to the commission a statement from the commissioner of the department of state revenue indicating that the person's tax warrant has been satisfied, including any delinquency in innkeeper's tax if the state collects the innkeeper's tax for the county in which the person seeks the permit.

(4) The commission receives a notice from the commissioner of the department of state revenue under IC 6-8.1-8-2(k).

(5) The commission receives a notice from the commissioner of the department of state revenue stating that the state gross retail and withholding taxes described in subsection (b)(3) have been remitted to the department.

(d) An applicant may not be considered delinquent in the payment of listed taxes if the applicant has filed a proper protest under IC 6-8.1-5-1 contesting the remittance of those taxes. The applicant shall be considered delinquent in the payment of those taxes if the



applicant does not remit the taxes owed to the state department of revenue after the later of the following:

(1) The expiration of the period in which the applicant may appeal the listed tax to the tax court, in the case of an applicant who does not file a timely appeal of the listed tax.

(2) When a decision of the tax court concerning the applicant's appeal of the listed tax becomes final, in the case of an applicant who files a timely appeal of the listed tax.

(e) The commission may require that an applicant for the issuance, renewal, or transfer of a wholesaler's, retailer's, or dealer's, or other permit of any type furnish proof of the payment of a listed tax (as defined by IC 6-8.1-1-1), tax warrant, or taxes imposed by IC 6-1.1.". Page 6, line 31, delete "one (1)" and insert "**two (2)**".

Page 6, line 31, delete "one (1)" and insert "**two (2)**".

Page 6, reset in roman line 36.

Page 6, line 37, reset in roman "of this title during the".

Page 6, line 37, after "(3)" insert "**two (2)**".

Page 6, line 37, reset in roman "year period immediately preceding".

Page 6, reset in roman line 38.

Page 6, line 39, reset in roman "(3)".

Page 6, line 39, delete "(2)".

Page 8, between lines 11 and 12, begin a new paragraph and insert: "SECTION 17. IC 7.1-3-28 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1 2017]:

Chapter 28. Supplemental Retailer's Permits

Sec. 1. As used in this section, "applicant" means a person who applies to the commission under this chapter for a supplemental retailer's permit to sell alcoholic beverages for carryout.

Sec. 2. A retailer permittee may not sell alcoholic beverages for carryout unless:

(1) the permittee is a restaurant; and

(2) the commission issues a supplemental retailer's permit to the retailer permittee.

A supplemental retailer's permit expires unless the permit is renewed annually.

Sec. 3. To qualify for a supplemental retailer's permit, at least ninety percent (90%) of the gross retail income (as defined in IC 6-2.5-1-5) of all items sold on the premises of the retailer permittee must be from the sale of food and beverages that are subject to the state gross retail tax under IC 6-2.5.

Sec. 4. (a) This section applies only to a supplemental retailer's permit for a business that has not opened.



(b) If the commission approves a retailer's permit for the premises, the commission may also issue a supplemental retailer's permit for the premises, if the applicant provides the commission with a verified certification stating that the projected gross retail income from sales on the premises during the first two (2) years of operation will meet the requirements of section 3 of this chapter.

(c) Not more than one hundred eighty (180) days after the date the premises opens for business, the applicant shall provide a financial statement with sufficient information to show that the requirements of section 3 of this chapter were met during the first one hundred twenty (120) days after the business opens.

Sec. 5. (a) This section applies only to renewal of a supplemental retailer's permit.

(b) A retailer permittee shall submit to the commission an affidavit of compliance that is signed by the permittee, or by a responsible officer or partner, under the penalties of perjury, that states that the requirements of section 3 of this chapter continue to be met.

(c) If the commission has reasonable grounds to doubt the truthfulness of an affidavit of compliance, the commission may require the supplemental retailer permittee to provide audited financial statements.

Sec. 6. (a) This section applies only to licensed premises that are already operating under a retailer's permit.

(b) An applicant for a supplemental retailer's permit for the licensed premises must provide the commission with a financial statement with information that shows:

- (1) dollar amounts of gross retail income from all items sold on the premises; and
- (2) dollar amounts and percentages of sales made on the premises of food and beverages that are subject to the state gross retail tax under IC 6-2.5;

during the one hundred eighty (180) days preceding the date of the application.

Sec. 7. The commission may:

- (1) require that a financial statement submitted by an applicant under this chapter be audited by a certified public accountant; and
- (2) with the cooperation of the department of state revenue, verify the information provided by the applicant.

Sec. 8. If the commission finds that an applicant does not meet the requirements of section 3 of this chapter, the commission may:



(1) deny an application for; or
 (2) revoke;
 a supplemental retailer's permit. An applicant is not prohibited from applying to the commission at a later date to obtain a supplemental retailer's permit.

Sec. 9. A supplemental retailer's permit, for the purposes of this title, shall be considered a separate and distinct type of retailer's permit. It may not affect the rights, privileges, and restrictions applicable to any other type of retailer's permit. The rights, privileges, and restrictions provided in this title for a supplemental retailer's permit apply only to this type of permit.

Sec. 10. The information provided to the commission under this chapter regarding annual gross retail income is confidential information and may not be disclosed to the public under IC 5-14-3. However, the commission may disclose the information:

- (1) to the department of state revenue to verify the accuracy of the amount of annual gross retail income from sales of food and beverages; and
- (2) in any administrative or judicial proceeding to revoke or suspend the holder's permit as a result of a discrepancy in the amount of annual gross retail income from sales of food and beverages discovered by the department of state revenue.

Sec. 11. Notwithstanding IC 6-8.1-7-1 or any other law, in fulfilling its obligations under this section, the department of state revenue may provide to the commission confidential information. The commission shall maintain the confidentiality of information provided by the department of state revenue under this chapter. However, the commission may disclose the information in any administrative or judicial proceeding to revoke or suspend the holder's permit as a result of any information provided by the department of state revenue under section 10 of this chapter.

SECTION 18. IC 7.1-4-4.1-2.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: **Sec. 2.5.** The fee for a supplemental retailer's permit is fifty dollars (\$50) per year. The fees collected under this section shall be deposited in the enforcement and administration fund under IC 7.1-4-10.

SECTION 19. IC 7.1-4-10-4 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: **Sec. 4.** The fees collected for a supplemental retailer's permit under IC 7.1-4-4.1-2.5 shall be deposited into the enforcement and administration fund."



Page 9, line 16, delete "under IC 7.1-3-12, including a farm" and insert **"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."**

Page 9, delete lines 17 through 18.

Page 9, line 19, delete "IC 7.1-3-27." and insert **"IC 7.1-3-27, if:**

(1) the person who holds the artisan distiller's permit also holds a farm winery permit under IC 7.1-3-12; and

(2) 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."

Page 10, between lines 20 and 21, begin a new line block indented and insert:

"(4) The employment of a person at least eighteen (18) years of age but less than twenty-one (21) years of age on or about licensed premises where alcoholic beverages are sold, furnished, or given away for consumption either on or off the licensed premises if all the following apply:

(A) The person is employed as an assistant on a delivery truck.

(B) The person's duties with respect to alcoholic beverages are limited to handling alcoholic beverages in connection with the loading, unloading, stowing, or storing of alcoholic beverages that are being delivered or picked up.

(C) The person does not sell, furnish, or deal in alcoholic beverages in any manner except as expressly permitted under clause (B).

(D) The person acts under the supervision of a driver holding a salesman's permit.

(E) The person does not collect money for the delivery or pick up."

Page 10, line 23, after "winery" insert **", including any additional locations of the farm winery,"**.

Page 10, after line 35, begin a new line blocked left and insert:

"A minor described in this subsection is not required to be accompanied by a parent, legal guardian or custodian, or family member while on the premises of the brewery or farm winery.

SECTION 21. IC 7.1-5-10-25, AS ADDED BY P.L.196-2015, SECTION 22, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 25. If:

(1) a person has an interest in:



- (A) a dealer's permit for a drug store or grocery store; and
- (B) a retailer's permit for a restaurant; and
- (2) the licensed premises of the drug store or grocery store and the restaurant are located in the same building;

the person may not obtain a supplemental retailer's permit for the premises to sell beer, wine, and liquor may not be sold for carryout from the licensed premises of the restaurant.

SECTION 22. An emergency is declared for this act."

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1496 as printed February 21, 2017.)

ALTING, Chairperson

Committee Vote: Yeas 8, Nays 1.

