



February 19, 2021

SENATE BILL No. 144

DIGEST OF SB 144 (Updated February 18, 2021 12:24 pm - DI 107)

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

Synopsis: Alcohol matters. Provides that the bulk wine purchasing limits for farm wineries apply only to wine sold directly to a consumer in Indiana, and that no limit is imposed on the amount of bulk wine that may be used in producing wine sold through a wholesaler or sold outside of Indiana. Provides that if any provision, or application of any provision, concerning the manufacture, importation, distribution, or retail sale of alcoholic beverages is deemed to be in conflict with federal law or unconstitutional, certain alcoholic beverages laws shall be construed to limit rather than expand the manufacture, importation, distribution, and retail sale of alcoholic beverages through a three-tier system. Provides a definition of "three-tier system".

Effective: July 1, 2021.

Messmer, Alting, Ford Jon, Grooms

January 4, 2021, read first time and referred to Committee on Rules and Legislative Procedure.
February 11, 2021, amended; reassigned to Committee on Public Policy.
February 18, 2021, amended, reported favorably — Do Pass.

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February 19, 2021

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

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

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

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

SENATE BILL No. 144

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

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

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

11 SECTION 2. IC 7.1-1-3-46.8 IS ADDED TO THE INDIANA
12 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
13 [EFFECTIVE JULY 1, 2021]: **Sec. 46.8. The term "three-tier**
14 **system" means the legal and regulatory framework for the**
15 **manufacture, importation, distribution, and retail sale of alcoholic**
16 **beverages within Indiana. The term includes the real and**
17 **substantial segregation of the interests, ownership, and operations**

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1 **among the manufacture, importation, distribution, and retail sale**
2 **of alcoholic beverages within Indiana.**

3 SECTION 3. IC 7.1-3-12-7 IS AMENDED TO READ AS
4 FOLLOWS [EFFECTIVE JULY 1, 2021]: Sec. 7. (a) Except as
5 provided in ~~subsection~~ **subsections (b) and (c)**, a farm winery may
6 purchase annually a quantity of bulk wine that does not exceed the
7 greater of the following:

8 (1) Five thousand five hundred (5,500) gallons.

9 (2) Fifty percent (50%) of the quantity of wine produced by
10 fermentation by the winery during the previous year.

11 (b) This subsection applies to a farm winery that suffers a loss of
12 wine inventory due to natural or manmade disaster. If the farm winery
13 documents the inventory loss and obtains permission from the
14 commission, the winery may purchase a quantity of bulk wine not
15 greater than the sum of the following:

16 (1) The quantity of the winery's wine inventory loss.

17 (2) The quantity of bulk wine that may be purchased by the farm
18 winery annually under subsection (a).

19 **(c) The limits in subsections (a) and (b) apply only to wine sold**
20 **directly to a consumer in Indiana. No limit is imposed on the**
21 **amount of bulk wine that may be used in producing wine sold**
22 **through a wholesaler or sold outside of Indiana.**



COMMITTEE REPORT

Madam President: The Senate Committee on Rules and Legislative Procedure, to which was referred Senate Bill No. 144, 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:

Delete everything after the enacting clause and insert the following:

(SEE TEXT OF BILL)

and when so amended that said bill be reassigned to the Senate Committee on Public Policy.

(Reference is to SB 144 as introduced.)

BRAY, Chairperson

COMMITTEE REPORT

Madam President: The Senate Committee on Public Policy, to which was referred Senate Bill No. 144, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

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

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

SECTION 2. IC 7.1-1-3-46.8 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2021]: **Sec. 46.8. The term "three-tier system" means the legal and regulatory framework for the manufacture, importation, distribution, and retail sale of alcoholic beverages within Indiana. The term includes the real and substantial segregation of the interests, ownership, and operations**

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among the manufacture, importation, distribution, and retail sale of alcoholic beverages within Indiana."

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to SB 144 as printed February 12, 2021.)

ALTING, Chairperson

Committee Vote: Yeas 10, Nays 0.

