

HOUSE BILL No. 1624

DIGEST OF INTRODUCED BILL

Citations Affected: IC 7.1-2-3-16.5; IC 7.1-3; IC 7.1-5-5-11.

Synopsis: Sale of alcoholic beverages. Provides that a holder of an alcoholic beverage permit who is authorized by law to sell alcoholic beverages for carryout may sell alcoholic beverages for carryout on Sunday from 10 a.m., prevailing local time, until 6 p.m., prevailing local time. Allows microbreweries to continue to sell beer and farm wineries to continue to sell wine on Sunday for carry out from 7 a.m., prevailing local time, until 3 a.m., prevailing local time, the following day. Repeals a provision that limits the commodities that a package liquor store may sell.

Effective: July 1, 2015.

Dermody, Eberhart, Austin

January 22, 2015, read first time and referred to Committee on Public Policy.



First Regular Session of the 119th General Assembly (2015)

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 2014 Regular Session and 2014 Second Regular Technical Session of the General Assembly.

HOUSE BILL No. 1624

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 7.1-2-3-16.5, AS AMENDED BY P.L.109-2013,
- 2 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 3 JULY 1, 2015]: Sec. 16.5. (a) As used in this section, "facility"
- 4 includes the following:
- 5 (1) A facility to which IC 7.1-3-1-25(a) applies.
- 6 (2) A tract that contains a premises that is described in
- 7 ~~IC 7.1-3-1-14(c)(2)~~. **IC 7.1-3-1-14(d)(2)**.
- 8 (3) A horse track or satellite facility to which IC 7.1-3-17.7
- 9 applies.
- 10 (4) A riverboat or racetrack to which IC 7.1-3-17.5 applies.
- 11 (5) A tract that contains an entertainment complex.
- 12 (b) As used in this section, "tract" has the meaning set forth in
- 13 IC 6-1.1-1-22.5.
- 14 (c) A facility may advertise alcoholic beverages:
- 15 (1) in the facility's interior; or



1 (2) on the facility's exterior.

2 (d) The commission may not exercise the prohibition power
3 contained in section 16(a) of this chapter on advertising by a brewer,
4 distiller, rectifier, or vintner in or on a facility.

5 (e) Notwithstanding IC 7.1-5-5-10 and IC 7.1-5-5-11, a facility may
6 provide advertising to a permittee that is a brewer, an artisan distiller,
7 a distiller, a rectifier, or a vintner in exchange for compensation from
8 that permittee.

9 SECTION 2. IC 7.1-3-1-14, AS AMENDED BY P.L.10-2010,
10 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
11 JULY 1, 2015]: Sec. 14. (a) It is lawful for an appropriate permittee,
12 unless otherwise specifically provided in this title, to sell alcoholic
13 beverages each day Monday through Saturday from 7 a.m., prevailing
14 local time, until 3 a.m., prevailing local time, the following day. ~~Sales~~
15 ~~shall cease wholly on Sunday at 3 a.m., prevailing local time, and not~~
16 ~~be resumed until the following Monday at 7 a.m., prevailing local time.~~

17 (b) It is lawful for the holder of a retailer's permit to sell the
18 appropriate alcoholic beverages for consumption on the licensed
19 premises only on Sunday from 7 a.m., prevailing local time, until 3
20 a.m., prevailing local time, the following day.

21 **(c) Except as provided in subsection (f), a holder of an alcoholic**
22 **beverage permit who is authorized under this title to sell alcoholic**
23 **beverages for carryout may sell the appropriate alcoholic**
24 **beverages on Sunday for carryout from 10 a.m., prevailing local**
25 **time, until 6 p.m., prevailing local time.**

26 ~~(d)~~ (d) It is lawful for the holder of a permit under this article to sell
27 alcoholic beverages at athletic or sports events held on Sunday upon
28 premises that:

29 (1) are described in section 25(a) of this chapter;

30 (2) are a facility used in connection with the operation of a paved
31 track more than two (2) miles in length that is used primarily in
32 the sport of auto racing; or

33 (3) are being used for a professional or an amateur tournament;
34 beginning one (1) hour before the scheduled starting time of the event
35 or, if the scheduled starting time of the event is 1 p.m. or later,
36 beginning at noon.

37 ~~(e)~~ (e) It is lawful for the holder of a valid beer, wine, or liquor
38 wholesaler's permit to sell to the holder of a valid retailer's or dealer's
39 permit at any time.

40 **(f) A holder of a:**

41 **(1) brewer's permit for a brewery described in**
42 **IC 7.1-3-2-7(5); and**



1 **(2) farm winery permit;**
 2 **may sell the appropriate alcoholic beverages on Sunday for carry**
 3 **out from 7 a.m., prevailing local time, until 3 a.m., prevailing local**
 4 **time, the following day.**

5 SECTION 3. IC 7.1-3-2-7, AS AMENDED BY P.L.71-2012,
 6 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 7 JULY 1, 2015]: Sec. 7. The holder of a brewer's permit or an
 8 out-of-state brewer holding either a primary source of supply permit or
 9 an out-of-state brewer's permit may do the following:

- 10 (1) Manufacture beer.
 11 (2) Place beer in containers or bottles.
 12 (3) Transport beer.
 13 (4) Sell and deliver beer to a person holding a beer wholesaler's
 14 permit issued under IC 7.1-3-3.
 15 (5) If the brewer's brewery manufactures not more than thirty
 16 thousand (30,000) barrels of beer in a calendar year for sale or
 17 distribution within Indiana, the permit holder may do the
 18 following:
 19 (A) Sell and deliver beer to a person holding a retailer or a
 20 dealer permit under this title.
 21 (B) Be the proprietor of a restaurant.
 22 (C) Hold a beer retailer's permit, a wine retailer's permit, or a
 23 liquor retailer's permit for a restaurant established under clause
 24 (B).
 25 (D) Transfer beer directly from the brewery to the restaurant
 26 by means of:
 27 (i) bulk containers; or
 28 (ii) a continuous flow system.
 29 (E) Install a window between the brewery and an adjacent
 30 restaurant that allows the public and the permittee to view both
 31 premises.
 32 (F) Install a doorway or other opening between the brewery
 33 and an adjacent restaurant that provides the public and the
 34 permittee with access to both premises.
 35 (G) Sell the brewery's beer by the glass for consumption on the
 36 premises. Brewers permitted to sell beer by the glass under
 37 this clause must furnish the minimum food requirements
 38 prescribed by the commission.
 39 (H) Sell and deliver beer to a consumer at the permit premises
 40 of the brewer or at the residence of the consumer. The delivery
 41 to a consumer may be made only in a quantity at any one (1)
 42 time of not more than one-half (1/2) barrel, but the beer may



- 1 be contained in bottles or other permissible containers.
 2 (I) Sell the brewery's beer as authorized by this section **and as**
 3 **provided in IC 7.1-3-1-14(f)** for carryout on Sunday in a
 4 quantity at any one (1) time of not more than five hundred
 5 seventy-six (576) ounces. A brewer's beer may be sold under
 6 this clause at any address for which the brewer holds a
 7 brewer's permit issued under this chapter if the address is
 8 located within the same city boundaries in which the beer was
 9 manufactured.
- 10 (6) If the brewer's brewery manufactures more than thirty
 11 thousand (30,000) barrels of beer in a calendar year for sale or
 12 distribution within Indiana, the permit holder may own a portion
 13 of the corporate stock of another brewery that:
 14 (A) is located in the same county as the brewer's brewery;
 15 (B) manufactures less than thirty thousand (30,000) barrels of
 16 beer in a calendar year; and
 17 (C) is the proprietor of a restaurant that operates under
 18 subdivision (5).
- 19 (7) Provide complimentary samples of beer that are:
 20 (A) produced by the brewer; and
 21 (B) offered to consumers for consumption on the brewer's
 22 premises.
- 23 (8) Own a portion of the corporate stock of a sports corporation
 24 that:
 25 (A) manages a minor league baseball stadium located in the
 26 same county as the brewer's brewery; and
 27 (B) holds a beer retailer's permit, a wine retailer's permit, or a
 28 liquor retailer's permit for a restaurant located in that stadium.
- 29 (9) For beer described in IC 7.1-1-2-3(a)(4):
 30 (A) may allow transportation to and consumption of the beer
 31 on the licensed premises; and
 32 (B) may not sell, offer to sell, or allow sale of the beer on the
 33 licensed premises.
- 34 SECTION 4. IC 7.1-3-2-9 IS AMENDED TO READ AS
 35 FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 9. An out-of-state
 36 brewer holding either a primary source of supply permit or an
 37 out-of-state brewer's permit may:
 38 (1) appoint a beer wholesaler to perform the services described in
 39 ~~IC 7.1-3-3-5(f)(1)~~ **IC 7.1-3-3-5(g)(1)** through ~~IC 7.1-3-3-5(f)(2);~~
 40 **IC 7.1-3-3-5(g)(2);** and
 41 (2) provide a fee to a beer wholesaler who performs the services
 42 described in ~~IC 7.1-3-3-5(f)(1)~~ **IC 7.1-3-3-5(g)(1)** through



- 1 ~~IC 7.1-3-3-5(f)(2)~~: **IC 7.1-3-3-5(g)(2)**.
- 2 SECTION 5. IC 7.1-3-3-5, AS AMENDED BY P.L.94-2008,
3 SECTION 28, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
4 JULY 1, 2015]: Sec. 5. (a) The holder of a beer wholesaler's permit
5 may purchase and import from the primary source of supply, possess,
6 and sell at wholesale, beer and flavored malt beverages manufactured
7 within or without this state.
- 8 (b) A beer wholesaler permittee may possess, transport, sell, and
9 deliver beer to:
- 10 (1) another beer wholesaler authorized by the brewer to sell the
11 brand purchased;
- 12 (2) an employee; or
- 13 (3) a holder of a beer retailer's permit, beer dealer's permit,
14 temporary beer permit, dining car permit, boat permit, airplane
15 permit, or supplemental caterer's permit;
- 16 located within this state. The sale, transportation, and delivery of beer
17 shall be made only from inventory that has been located on the
18 wholesaler's premises before the time of invoicing and delivery.
- 19 (c) The beer wholesaler's bona fide regular employees may purchase
20 beer from the wholesaler in:
- 21 (1) bottles, cans, or any other type of permissible containers in an
22 amount not to exceed forty-eight (48) pints; or
- 23 (2) one (1) keg;
- 24 at any one (1) time.
- 25 (d) The importation, transportation, possession, sale, and delivery
26 of beer shall be subject to the rules of the commission and subject to
27 the same restrictions provided in this title for a person holding a
28 brewer's permit.
- 29 (e) **Except as provided in subsection (f),** the holder of a beer
30 wholesaler's permit may purchase, import, possess, transport, sell, and
31 deliver any ~~commodity listed in IC 7.1-3-10-5,~~ **of the following**
32 **commodities** unless prohibited by this title: ~~However,~~
- 33 **(1) Beer in permissible containers, if the permittee has the**
34 **proper permit.**
- 35 **(2) Bar supplies used in the preparation for consumption of**
36 **alcoholic beverages and in the consumption of alcoholic**
37 **beverages.**
- 38 **(3) Tobacco products.**
- 39 **(4) Uncooled and uniced charged water, carbonated soda,**
40 **ginger ale, mineral water, grenadine, and flavoring extracts.**
- 41 **(5) Printed materials.**
- 42 **(6) Lottery tickets as provided in IC 4-30-9.**



1 **(7) Cooled or uncooled nonalcoholic malt beverages.**

2 **(8) Flavored malt beverages in the beverage's original**
 3 **package.**

4 **(f)** A beer wholesaler may deliver flavored malt beverages only to
 5 the holder of one (1) of the following permits:

6 (1) A beer wholesaler or wine wholesaler permit, if the wholesaler
 7 is authorized by the primary source of supply to sell the brand of
 8 flavored malt beverage purchased.

9 (2) A wine retailer's permit, wine dealer's permit, temporary wine
 10 permit, dining car wine permit, boat permit, airplane permit, or
 11 supplemental caterer's permit.

12 **(g)** A beer wholesaler may:

13 (1) store beer for an out-of-state brewer described in IC 7.1-3-2-9
 14 and deliver the stored beer to another beer wholesaler that the
 15 out-of-state brewer authorizes to sell the beer;

16 (2) perform all necessary accounting and auditing functions
 17 associated with the services described in subdivision (1); and

18 (3) receive a fee from an out-of-state brewer for the services
 19 described in subdivisions (1) through (2).

20 SECTION 6. IC 7.1-3-9-12 IS AMENDED TO READ AS
 21 FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 12. (a) This section
 22 applies to:

23 (1) the holder of a three-way permit that is issued to a civic
 24 center, a sports arena, a stadium, an exhibition hall, an
 25 auditorium, a theater, a tract that contains a premises that is
 26 described in ~~IC 7.1-3-1-14(c)(2)~~, **IC 7.1-3-1-14(d)(2)**, or a
 27 convention center; or

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

33 (b) As used in this section, "suite" means an area in a building or
 34 facility referred to in subsection (a) that:

35 (1) is not accessible to the general public;

36 (2) has accommodations for not more than seventy-five (75)
 37 persons per suite; and

38 (3) is accessible only to persons who possess a ticket:

39 (A) to an event in a building or facility referred to in
 40 subsection (a); and

41 (B) that entitles the person to occupy the area while viewing
 42 the event described in clause (A).



1 The term does not include a restaurant, lounge, or concession area,
 2 even if access to the restaurant, lounge, or concession area is limited to
 3 certain ticket holders.

4 (c) A permittee may allow the self-service of individual servings of
 5 alcoholic beverages in a suite.

6 (d) A person who:

7 (1) possesses a ticket described in subsection (b)(3); and

8 (2) is at least twenty-one (21) years of age;

9 may obtain an alcoholic beverage in a suite by self-service.

10 (e) A permittee may do any of the following:

11 (1) Demand that a person occupying a suite provide:

12 (A) a written statement under IC 7.1-5-7-4; and

13 (B) identification indicating that the person is at least
 14 twenty-one (21) years of age.

15 (2) Supervise the self-service of alcoholic beverages.

16 (3) Have an employee in the suite who holds an employee permit
 17 under IC 7.1-3-18-9 to serve some or all of the alcoholic
 18 beverages.

19 SECTION 7. IC 7.1-3-10-5 IS REPEALED [EFFECTIVE JULY 1,
 20 2015]. Sec. 5: A package liquor store's exclusive business shall be the
 21 selling of the following commodities only:

22 (1) Liquor in its original package.

23 (2) Beer in permissible containers, if the permittee has the proper
 24 permit.

25 (3) Wine in its original package.

26 (4) Bar supplies used in the preparation for consumption of
 27 alcoholic beverages and in their consumption.

28 (5) Tobacco products.

29 (6) Uncooled and uniced charged water, carbonated soda, ginger
 30 ale, mineral water, grenadine, and flavoring extracts.

31 (7) Printed materials.

32 (8) Lottery tickets as provided in IC 4-30-9.

33 (9) Cooled or uncooled nonalcoholic malt beverages.

34 (10) Flavored malt beverage in its original package.

35 SECTION 8. IC 7.1-3-12-5, AS AMENDED BY P.L.186-2011,
 36 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 37 JULY 1, 2015]: Sec. 5. (a) The holder of a farm winery permit:

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

40 (2) is entitled to serve complimentary samples of the winery's
 41 wine on the licensed premises or an outside area that is
 42 contiguous to the licensed premises as approved by the



- 1 commission if each employee who serves wine on the licensed
 2 premises:
- 3 (A) holds an employee permit under IC 7.1-3-18-9; and
 4 (B) completes a server training program approved by the
 5 commission;
- 6 (3) is entitled to sell the winery's wine on the licensed premises to
 7 consumers either by the glass, or by the bottle, or both;
- 8 (4) is entitled to sell the winery's wine to consumers by the bottle
 9 at a farmers' market that is operated on a nonprofit basis;
- 10 (5) is entitled to sell wine by the bottle or by the case to a person
 11 who is the holder of a permit to sell wine at wholesale;
- 12 (6) is exempt from the provisions of IC 7.1-3-14;
- 13 (7) is entitled to advertise the name and address of any retailer or
 14 dealer who sells wine produced by the permit holder's winery;
- 15 (8) for wine described in IC 7.1-1-2-3(a)(4):
 16 (A) may allow transportation to and consumption of the wine
 17 on the licensed premises; and
 18 (B) may not sell, offer to sell, or allow the sale of the wine on
 19 the licensed premises;
- 20 (9) is entitled to purchase and sell bulk wine as set forth in this
 21 chapter;
- 22 (10) is entitled to sell wine as authorized by this section **and as**
 23 **provided in IC 7.1-3-1-14(f)** for carryout on Sunday; and
 24 (11) is entitled to sell and ship the farm winery's wine to a person
 25 located in another state in accordance with the laws of the other
 26 state.
- 27 (b) With the approval of the commission, a holder of a permit under
 28 this chapter may conduct business at not more than three (3) additional
 29 locations that are separate from the winery. At the additional locations,
 30 the holder of a permit may conduct any business that is authorized at
 31 the first location, except for the manufacturing or bottling of wine.
- 32 (c) With the approval of the commission, a holder of a permit under
 33 this chapter may, individually or with other permit holders under this
 34 chapter, participate in a trade show or an exposition at which products
 35 of each permit holder participant are displayed, promoted, and sold.
 36 The commission may not grant approval under this subsection to a
 37 holder of a permit under this chapter for more than forty-five (45) days
 38 in a calendar year.
- 39 SECTION 9. IC 7.1-5-5-11, AS AMENDED BY P.L.159-2014,
 40 SECTION 40, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 41 JULY 1, 2015]: Sec. 11. (a) Except as provided in subsections (c) and
 42 (d), it is unlawful for a manufacturer of alcoholic beverages or a



- 1 permittee authorized to sell and deliver alcoholic beverages to:
- 2 (1) give, supply, furnish, or grant to another permittee who
- 3 purchases alcoholic beverages from the manufacturer or permittee
- 4 a rebate, sum of money, accessory, furniture, fixture, loan of
- 5 money, concession, privilege, use, title, interest, lease, or rental
- 6 of premises; or
- 7 (2) except as provided in IC 7.1-3-2-9 and ~~IC 7.1-3-3-5(f)~~;
- 8 **IC 7.1-3-3-5(g)**, have a business dealing with the other permittee.
- 9 (b) This section shall not apply to the sale and delivery and
- 10 collection of the sale price of an alcoholic beverage in the ordinary
- 11 course of business.
- 12 (c) If the promotional program is approved under the rules adopted
- 13 by the commission and is conducted in all wholesaler establishments
- 14 through which the manufacturer distributes alcoholic beverages in
- 15 Indiana, a manufacturer of alcoholic beverages may award bona fide
- 16 promotional prizes and awards to any of the following:
- 17 (1) A person with a wholesaler's permit issued under IC 7.1-3.
- 18 (2) An employee of a person with a wholesaler's permit issued
- 19 under IC 7.1-3.
- 20 (d) A manufacturer may offer on a nondiscriminatory basis bona
- 21 fide incentives to wholesalers when the incentives are determined
- 22 based on sales to retailers or dealers occurring during specified times
- 23 for specified products. The incentive may be conditioned on the
- 24 wholesaler selling a:
- 25 (1) specified product at a specified price or less than a specified
- 26 price; or
- 27 (2) minimum quantity of a specified product to a single customer
- 28 in a single transaction.
- 29 The incentive may not be conditioned on a wholesaler having total
- 30 sales of a minimum quantity of a specified product during the
- 31 applicable period.
- 32 (e) A person who knowingly or intentionally violates this section
- 33 commits a Class A misdemeanor.

