



January 10, 2014

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## SENATE BILL No. 16

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DIGEST OF SB 16 (Updated January 8, 2014 3:30 pm - DI 84)

**Citations Affected:** IC 7.1-3; IC 7.1-5.

**Synopsis:** Microbreweries and artisan distilleries. Requires that, for a brewery to qualify as a microbrewery, the entire brewing process of the beer must occur in Indiana. Allows a small brewer to sell the brewer's beer to consumers for carryout at a farmers' market that is operated on a nonprofit basis, in a quantity of not more than 576 ounces per consumer at any one time. Allows a microbrewery, with the approval of the alcohol and tobacco commission, to participate in a trade show or an exposition for not more than 45 days in a calendar year. Allows the holder of an artisan distiller's permit that also holds a microbrewery permit to hold a retailer permit for a restaurant. Makes an exception to a provision that prohibits the holder of an artisan distiller's, a distiller's, or a rectifier's permit to own, acquire, possess, or cause to be transferred to the holder shares of stock of a corporation that holds an Indiana permit to sell alcoholic beverages at retail, or in a permit to sell at retail in Indiana, or to own or acquire an interest in the business being conducted under the permit, or in or to shares of stock in a corporation that owns a permit to sell at retail.

**Effective:** July 1, 2014.

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### Banks, Alting, Yoder

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January 7, 2014, read first time and referred to Committee on Public Policy.  
January 9, 2014, reported favorably — Do Pass.

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SB 16—LS 6056/DI 110





January 10, 2014

Second Regular Session 118th General Assembly (2014)

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 2013 Regular Session and 2013 First Regular Technical Session of the General Assembly.

## SENATE BILL No. 16

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

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

- 1 SECTION 1. IC 7.1-3-2-7, AS AMENDED BY P.L.71-2012,  
2 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
3 JULY 1, 2014]: Sec. 7. The holder of a brewer's permit or an  
4 out-of-state brewer holding either a primary source of supply permit or  
5 an out-of-state brewer's permit may do the following:  
6 (1) Manufacture beer.  
7 (2) Place beer in containers or bottles.  
8 (3) Transport beer.  
9 (4) Sell and deliver beer to a person holding a beer wholesaler's  
10 permit issued under IC 7.1-3-3.  
11 (5) If the brewer's brewery manufactures not more than thirty  
12 thousand (30,000) barrels of beer in a calendar year for sale or  
13 distribution within Indiana **and the entire brewing process of**  
14 **that beer occurs in Indiana**, the permit holder may do the  
15 following:  
16 (A) Sell and deliver beer to a person holding a retailer or a

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- 1 dealer permit under this title.  
2 (B) Be the proprietor of a restaurant.  
3 (C) Hold a beer retailer's permit, a wine retailer's permit, or a  
4 liquor retailer's permit for a restaurant established under clause  
5 (B).  
6 (D) Transfer beer directly from the brewery to the restaurant  
7 by means of:  
8 (i) bulk containers; or  
9 (ii) a continuous flow system.  
10 (E) Install a window between the brewery and an adjacent  
11 restaurant that allows the public and the permittee to view both  
12 premises.  
13 (F) Install a doorway or other opening between the brewery  
14 and an adjacent restaurant that provides the public and the  
15 permittee with access to both premises.  
16 (G) Sell the brewery's beer by the glass for consumption on the  
17 premises. Brewers permitted to sell beer by the glass under  
18 this clause must furnish the minimum food requirements  
19 prescribed by the commission.  
20 (H) Sell and deliver beer to a consumer at the permit premises  
21 of the brewer or at the residence of the consumer. The delivery  
22 to a consumer may be made only in a quantity at any one (1)  
23 time of not more than one-half (1/2) barrel, but the beer may  
24 be contained in bottles or other permissible containers.  
25 (I) Sell the brewery's beer as authorized by this section for  
26 carryout on Sunday in a quantity at any one (1) time of not  
27 more than five hundred seventy-six (576) ounces. A brewer's  
28 beer may be sold under this clause at any address for which the  
29 brewer holds a brewer's permit issued under this chapter if the  
30 address is located within the same city boundaries in which the  
31 beer was manufactured.  
32 **(J) Sell the brewer's beer to consumers for carryout at a**  
33 **farmers' market that is operated on a nonprofit basis. The**  
34 **delivery to a consumer may be made only in a quantity of**  
35 **not more than five hundred seventy-six (576) ounces at any**  
36 **one (1) time, but the beer must be contained in bottles or**  
37 **other permissible containers. The beer sold under this**  
38 **clause must be placed in the bottle or container at the**  
39 **brewer's permit premises.**  
40 **(K) With the approval of the commission, participate:**  
41 **(i) individually; or**  
42 **(ii) with other permit holders under this chapter;**



- 1           **in a trade show or an exposition at which products of each**  
 2           **permit holder participant are displayed, promoted, and**  
 3           **sold. The commission may not grant to a holder of a permit**  
 4           **under this chapter approval under this clause to**  
 5           **participate in a trade show or exposition for more than**  
 6           **forty-five (45) days in a calendar year.**
- 7           (6) If the brewer's brewery manufactures more than thirty  
 8           thousand (30,000) barrels of beer in a calendar year for sale or  
 9           distribution within Indiana, the permit holder may own a portion  
 10          of the corporate stock of another brewery that:
- 11           (A) is located in the same county as the brewer's brewery;  
 12           (B) manufactures less than thirty thousand (30,000) barrels of  
 13           beer in a calendar year; and  
 14           (C) is the proprietor of a restaurant that operates under  
 15           subdivision (5).
- 16          (7) Provide complimentary samples of beer that are:
- 17           (A) produced by the brewer; and  
 18           (B) offered to consumers for consumption on the brewer's  
 19           premises.
- 20          (8) Own a portion of the corporate stock of a sports corporation  
 21          that:
- 22           (A) manages a minor league baseball stadium located in the  
 23           same county as the brewer's brewery; and  
 24           (B) holds a beer retailer's permit, a wine retailer's permit, or a  
 25           liquor retailer's permit for a restaurant located in that stadium.
- 26          (9) For beer described in IC 7.1-1-2-3(a)(4):
- 27           (A) may allow transportation to and consumption of the beer  
 28           on the licensed premises; and  
 29           (B) may not sell, offer to sell, or allow sale of the beer on the  
 30           licensed premises.
- 31          SECTION 2. IC 7.1-3-27-6, AS ADDED BY P.L.109-2013,  
 32          SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 33          JULY 1, 2014]: Sec. 6. **(a)** A holder of an artisan distiller's permit may  
 34          also hold one (1) of the following:
- 35           (1) A farm winery permit.  
 36           (2) A brewer's permit for a brewery described in IC 7.1-3-2-7(5).  
 37           (3) A distiller's permit under IC 7.1-3-7.
- 38          **(b) A holder of an artisan distiller's permit who also holds a**  
 39          **permit described under subsection (a)(2) may hold a beer retailer's**  
 40          **permit, a wine retailer's permit, or a liquor retailer's permit for a**  
 41          **restaurant as described in IC 7.1-3-2-7(5)(C).**
- 42          SECTION 3. IC 7.1-5-9-7, AS AMENDED BY P.L.109-2013,



1 SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 2 JULY 1, 2014]: Sec. 7. **Except as provided in IC 7.1-3-27-6**, it is  
 3 unlawful for the holder of an artisan distiller's, a distiller's, or a  
 4 rectifier's permit to own, acquire, possess or cause to be transferred to  
 5 the holder shares of stock of a corporation that holds an Indiana permit  
 6 to sell alcoholic beverages at retail, or in a permit to sell at retail in this  
 7 state, or to own or acquire an interest in the business being conducted  
 8 under the permit, or in or to shares of stock in a corporation that owns  
 9 a permit to sell at retail.

10 SECTION 4. IC 7.1-5-9-10, AS AMENDED BY P.L.71-2012,  
 11 SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 12 JULY 1, 2014]: Sec. 10. (a) Except as provided in subsection (b), it is  
 13 unlawful for a holder of a retailer's permit of any type to acquire, hold,  
 14 own, or possess an interest of any type in a manufacturer's or  
 15 wholesaler's permit of any type.

16 (b) It is lawful for a holder of a retailer's permit of any type to  
 17 acquire, hold, own, or possess an interest of any type in:

18 (1) a brewer's permit for a brewery that manufactures not more  
 19 than thirty thousand (30,000) barrels of beer in a calendar year for  
 20 sale or distribution within Indiana; **and**

21 (2) **an artisan distiller's permit if the holder of the retailer's**  
 22 **permit also holds a brewer's permit described in subdivision**  
 23 **(1).**



COMMITTEE REPORT

Madam President: The Senate Committee on Public Policy, to which was referred Senate Bill No. 16, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill DO PASS.

(Reference is to SB 16 as introduced.)

Committee Vote: Yeas 10, Nays 0

Senator Alting, Chairperson

