April 6, 2007

ENGROSSED
SENATE BILL No. 339

DIGEST OF SB 339 (Updated April 5, 2007 9:56 am - DI 87)

Citations Affected: IC 7.1-1; IC 7.1-2; IC 7.1-3; IC 7.1-5; IC 9-21; IC 34-30; IC 35-46; noncode.

Synopsis: Alcoholic beverage matters. Alcoholic beverages. Defines "grocery store" for purposes of the law concerning alcohol and tobacco. Allows the alcohol and tobacco commission (ATC) to renew or transfer ownership of a beer dealer's permit for a beer dealer who: (1) held a permit before July 1, 2007; and (2) does not qualify for a permit as a grocery store. Requires the ATC to: (1) conduct random unannounced inspections of locations where alcoholic beverages are sold or distributed; and (2) investigate the desirability of a permit in regard to the potential geographic location of the permit. Allows a person at least 18 years of age and less than 21 years of age to receive or purchase alcoholic beverages as part of an enforcement action. Changes the quota provision for liquor dealers and beer dealers. Eliminates residency requirements for dealers. Provides for graduated civil

(Continued next page)

Effective: July 1, 2007.

Riegsecker, Alting, Lanane
(HOUSE SPONSORS — VAN HAAFTEN, STUTZMAN)

January 11, 2007, read first time and referred to Committee on Rules and Legislative Procedure.
February 8, 2007, amended; reassigned to Committee on Commerce, Public Policy & Interstate Cooperation.
February 22, 2007, reported favorably — Do Pass.
February 26, 2007, read second time, amended, ordered engrossed.
February 27, 2007, technical correction pursuant to Senate Rule 33(c).
February 27, 2007, engrossed. Read third time, passed. Yeas 37, nays 10.

HOUSE ACTION

March 6, 2007, read first time and referred to Committee on Public Policy.
April 5, 2007, amended, reported — Do Pass.

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penalties against a permittee for repeat violations of furnishing alcohol to a minor on the licensed premises and for the collected penalties to be deposited in the enforcement and administration fund. Requires a member of a local board to complete a training program to educate the member on alcoholic beverage law and the operation of the board and the ATC. Requires a local board member to be removed if the member does not complete the training within six months after the member is appointed. Provides that members appointed before January 1, 2008, have until July 1, 2008, to receive training. Requires a local board to allow all individuals attending a public local board meeting or hearing to make oral comments at the meeting or hearing regarding the subject of the meeting or hearing. Allows a local board to give greater weight to oral comments provided by a person who owns or operates a business, owns real property, or resides within 1,000 feet of the requested location of an alcoholic beverage permit. Provides that in investigating the desirability of the location of a grocery store or package liquor store permit, the commission may consider the number of existing grocery store and package liquor store permits within 1,000 feet of the proposed location. Requires a liquor dealer (other than a package liquor store) to display liquor: (1) in a clearly separated area that prohibits the presence of a minor unless the minor is accompanied by a parent or guardian; and (2) more than 15 feet from a public entrance of a licensed premises. Changes the notice requirements for new permits and permit transfers. Removes the limits on the number of guests and duration of an event where an excursion and adjacent landsite permit holder provides alcoholic beverages to guests without charge. Allows a local board to appoint at least one attorney to assist the local board in fulfilling its duties. Requires the commission to give notice: (1) by mail to the local board that an objection has been filed and the date of any appeal hearing set by the commission; and (2) by publication of the date of any appeal hearing set by the commission. Allows a small brewery to sell and deliver beer to a consumer. Removes a provision that allows a large brewery to sell and deliver beer to a consumer. Prohibits a beer wholesaler from selling beer to a consumer other than an employee. Allows liquor retailers and liquor dealers to provide six ounce samples of flavored malt beverages and hard cider. Establishes requirements for a wine wholesaler to resell wine purchased at an estate sale. Provides a wholesaler with immunity from product liability for wine that was purchased at an estate sale. Makes it a Class D felony for a wholesaler to sell an unauthorized brand of alcoholic beverages and allows an injured permittee to bring a civil action against the wholesaler. Prohibits a permittee from knowingly or intentionally coercing another permittee to enter into an agreement or take an action that violates the alcoholic beverage statutes and rules. (Current law prohibits only a primary source of supply or a beer wholesaler from coercing a beer wholesaler.) Allows the governor to issue an executive order waiving the hours of service restrictions regarding sales of alcoholic beverages on Sunday by retailers if the state or a municipality hosts an event that has the potential to benefit the state and local economy, and other criteria is satisfied. Provides that if a beer wholesaler's warehouse is transferred, the warehouse does not have to be transferred to a location within an incorporated area. Provides that a seller does not violate the law if the seller sold and shipped wine directly to a consumer before January 15, 2007, and did not fulfill the seller's obligation to obtain confirmation of age and provide the name and address of the consumer to the commission before January 15, 2007. Allows money deposited in the postwar construction fund to be used for construction by the state public safety uses. Requires criteria established jointly by the Indiana department of transportation and the office of tourism development for tourist attraction signage to include a category for a tourist attraction that is a small brewery. Requires alcoholic beverage sales in a drug store or

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Digest Continued

grocery store to be rung up by a sales clerk who: (1) has an employee permit; (2) has alcohol server training; and (3) is at least 19 years of age. Prohibits a proprietor of a package liquor store, drug store, or grocery store from allowing any person who is not a sales clerk from ringing up an alcoholic beverage sale. Increases the penalty for furnishing an alcoholic beverage to a minor to a Class B misdemeanor if the person is an adult. Allows the sale of alcoholic beverages on New Year's day for off premises consumption. Provides that an airline employee does not have to obtain an employee permit to sell alcoholic beverages. Allows the ATC to issue five additional alcoholic beverage permits to restaurants located in the following: (1) An economic development area in Clarksville in Clark County. (2) A redevelopment project areas in Carmel. Allows the ATC to issue not more than eight new three-way permits within economic development areas near Schererville. Removes a provision that allows the ATC to issue additional alcoholic beverage permits in Mishawaka. Allows alcoholic beverage permits to be issued in a riverfront development project in a town.

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April 6, 2007

First Regular Session 115th General Assembly (2007)

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 2006 Regular Session of the General Assembly.

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ENGROSSED
SENATE BILL No. 339

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:

SECTION 1. IC 7.1-1-3-18.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 18.5. (a) "Grocery store" means a store or part of a store that meets the following requirements:**

(1) The establishment is known generally as:

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

(i) canned and frozen foods;

(ii) fresh fruits and vegetables; and

(iii) fresh and prepared meats, fish, and poultry;

(B) a convenience store or food mart (except as provided in subsection (b)) and is primarily engaged in:

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

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

snacks;

(C) 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;

(D) 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:

(i) meat, fish, and seafood;

(ii) fruits and vegetables;

(iii) confections, nuts, and popcorn; and

(iv) baked goods.

(2) The establishment meets the minimum requirement under IC 7.1-3-5-5` for annual gross sales of food for human consumption that is exempt from the state gross retail tax.

(b) The term does not include an establishment known generally as a gas station (except as provided in subsection (a)(1)(B)) 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 7.1-3-5-4 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 4. (a) Notwithstanding IC 7.1-1-3-18.5, the commission may renew or transfer ownership of a beer dealer's permit for a beer dealer who:**

(1) held a permit before July 1, 2007; and

(2) does not qualify for a permit as a grocery store under IC 7.1-1-3-18.5.

(b) The commission may transfer ownership of a beer dealer's permit under this section only to an applicant who is the proprietor of:

(1) a drug store;

(2) a grocery store (as defined by IC 7.1-1-3-18.5); or

(3) a package liquor store.

SECTION 3. IC 7.1-1-3-40.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS

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[EFFECTIVE JULY 1, 2007]: **Sec. 40.5. "Sales clerk" means a person who:**

(1) rings up; or

(2) otherwise records;

an alcoholic beverage sale in the course of the person's employment in a dealer establishment.

SECTION 4. IC 7.1-2-4-13.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 13.5. (a) This section does not apply to a designated member of the local board who is an employee or officer of the commission.**

(b) A local board member shall complete a training program conducted by the commission. A local board member may not be required to take a test or examination or pay a fee in order to complete the training program.

(c) The training program must include training on all of the following subjects:

(1) An overview of Indiana alcoholic beverage law and enforcement.

(2) Duties and responsibilities of the board concerning new permit applications, permit transfers, and renewal of existing permits.

(3) The open door law (IC 5-14-1.5) and the public records law (IC 5-14-3).

(4) Notice and hearing requirements.

(5) The process for appeal of an adverse decision of the board.

(6) Any other subject determined by the commission.

(d) A local board member must complete the training program not more than one hundred eighty (180) days after the member is appointed to the board. A local board member who does not complete the training program within the time allowed by this subsection shall be removed from the board under section 21 of this chapter.

SECTION 5. IC 7.1-2-4-22 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 22. (a) A local board shall allow all individuals attending a public local board meeting or hearing to make oral comments at the meeting or hearing regarding the subject of the meeting or hearing. However, a local board may set a reasonable limit on the amount of time allowed to each individual to provide oral comment.**

(b) A local board may give greater weight to oral comments

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provided by a person who:

(1) owns or operates a business that is located; or

(2) owns real property or resides;

not more than one thousand (1,000) feet from the location for which a permit is requested.

SECTION 6. IC 7.1-2-4-23 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 23. The local board may appoint at least one (1) attorney to advise the local board and to assist the local board in fulfilling the local board's duties under this title.**

SECTION 7. IC 7.1-2-5-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 8. ~~Forfeiture to State.~~ An officer who makes an arrest for a violation of the provisions of this title shall seize the evidence of the commission of that violation, including any vehicle, automobile, boat, air or water craft, or other conveyance in which alcohol, alcoholic beverages, or malt articles are kept, possessed, or transported contrary to law, or contrary to a rule or regulation of the commission. The articles and vehicles mentioned in this section and in ~~IC 1971, 7.1-2-5-5—7.1-2-5-7,~~ **sections 5 through 7 of this chapter** are hereby declared forfeited to the state and shall be seized.

SECTION 8. IC 7.1-3-1-5.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 5.5. (a) ~~This section applies only in a county having a consolidated city.~~ **As used in this section, "authority" refers to the following:**

(1) In a consolidated city, the department of metropolitan development.

(2) In a municipality (as defined in IC 36-1-2-11) or a county not having a consolidated city, the plan commission that has jurisdiction in the municipality or county.

(3) In a municipality (as defined in IC 36-1-2-11) or county that is not within the jurisdiction of a plan commission:

(A) the municipal department designated by the executive of the municipality; or

(B) the county department designated by the executive of the county.

(b) As used in this section, "contiguous property owner" refers to a property owner who has real property that is geographically adjacent to or in contact with any point on the border of the property of a person who seeks a permit to sell alcoholic beverages for consumption on the licensed premises.

(c) As used in this section, "neighboring property owner" means:

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(1) a contiguous property owner; or

(2) a property owner who has real property that:

(A) is geographically adjacent to or in contact with any point on the border of the property of a contiguous property owner; and

(B) some portion of which is within five hundred (500) feet of the property of a person who seeks a permit to sell alcoholic beverages for consumption on the licensed premises.

(d) As used in this section, "principal owner" means any person or entity holding at least a fifteen percent (15%) interest in the business for which a permit is sought to sell alcoholic beverages.

(e) As used in this section, "property owner" means any person whose name and address appears in the county assessor's real property tax assessment records as a person responsible for the payment of property taxes on a parcel of real property.

(f) Except as provided in section 28(d) of this chapter, subsection (g) applies to a location in the consolidated city only if:

(1) the application is for a liquor dealer's permit for a location within the boundaries of the special fire service district, as determined in conformity with IC 7.1-3-22-8; or

(2) the local alcoholic beverage board requires the applicant to comply with subsection (g).

(g) In addition to the notice required by section 5 of this chapter, the applicant for a new permit, or a transfer of a permit to sell alcoholic beverages of any type or at any location must, at least fifteen (15) days before the date of the local alcoholic beverage board hearing, mail notice of the hearing at the applicant's expense to the following:

(1) Each neighboring property owner.

(2) The ~~department of metropolitan development of the consolidated city;~~ **authority.**

(3) The following entities that have registered with the ~~department of metropolitan development of the consolidated city:~~ **authority:**

(A) The principal, headmaster, or other primary administrator of each public, private, or parochial elementary or secondary school located less than one thousand (1,000) feet from the property line of the applicant's property.

(B) Each church that is located less than one thousand (1,000) feet from the property line of the applicant's property.

(C) Each neighborhood association that represents the area in which the applicant's property is located.

(h) The notice that the applicant mails must provide the following

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information:

(1) The name and address of the applicant, or if the applicant is a corporation, a club, an association, or an organization, the name and address of the applicant's president, secretary, and principal owners who will be responsible to the public for the sale of alcoholic beverages.

(2) A statement that the applicant has filed an application with the alcohol and tobacco commission for the sale of alcoholic beverages.

(3) The specific address where alcoholic beverages are asked to be sold.

(4) The type of alcoholic beverage permit applied for.

(5) The date, time, and location of the public hearing before the local alcoholic beverage board regarding the application.

(6) That if there is a desire to remonstrate against the application, the recipient of the notice may attend this public hearing.

(i) The applicant shall furnish evidence of the applicant's compliance with this section by filing an affidavit with the local alcoholic beverage board at the public hearing on the application. The affidavit must list the names and addresses of the individuals or other entities to which notice was mailed by the applicant.

(j) In addition to the information required by subsection (i), the applicant shall file with the local alcoholic beverage board at the public hearing the following information:

(1) **This subdivision applies only to an authority referred to in subsection (a)(1) or (a)(2).** Verification from the ~~department of metropolitan development of the consolidated city~~ **authority** that the applicant is in compliance with zoning requirements for the premises to be licensed.

(2) Verification from the department of state revenue that the applicant does not have any outstanding income tax, excise tax, or sales tax liabilities.

(3) Verification from the county treasurer that the applicant does not have any outstanding property tax liability.

(k) Subsection (j)(1) does not apply to a permit holder that received and held a permit before September 1, 1987.

(l) Notwithstanding subsection (f)(1), an applicant seeking a transfer of a permit from a permit holder to a new permit holder when the new permit holder does not intend to change the nature of the business operated under the permit may apply to the local board for a waiver of the notice requirement in subsection (g). The local board may consider any information the local board considers relevant in making a

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determination to approve or deny the waiver request. The local board must approve or deny a waiver request at the first regularly scheduled meeting that occurs at least fifteen (15) days after the local board receives the waiver request from the applicant.

SECTION 9. IC 7.1-3-1-5.6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 5.6. ~~(a) This section applies only in a county having a consolidated city.~~

~~(b)~~ **(a)** This section applies only to an application for the renewal of a permit to sell alcoholic beverages.

~~(c)~~ **(b)** The definitions set forth in section 5.5 of this chapter apply to this section.

~~(d)~~ **(c)** The renewal of a permit is subject to IC 7.1-3-19-9.5.

~~(e)~~ **(d)** Except as provided in section 28(d) of this chapter, subsections ~~(f)~~ **(e)** and ~~(g)~~ **(f)** apply to a location ~~in the consolidated city~~ only if the application is for a liquor dealer's permit.

~~(f)~~ **(e)** Notwithstanding subsection ~~(d),~~ **(c),** if:

(1) an applicant has been cited for a violation of law or a rule of the commission; or

(2) the local alcoholic beverage board has received at least five (5) written complaints against the applicant alleging a violation of law or a rule of the commission;

then upon direction of the local board, the applicant shall, at least fifteen (15) days before the date of the local alcoholic beverage board hearing, mail notice of the hearing at the applicant's expense as provided in subsection ~~(g).~~ **(f).**

~~(g)~~ **(f)** The applicant shall mail the notice required under subsection ~~(f)~~ **(e)** to the following:

(1) Each neighboring property owner.

(2) The ~~department of metropolitan development of the consolidated city.~~ **authority (as defined in section 5.5 of this chapter).**

(3) The following entities that have registered with the ~~department of metropolitan development of the consolidated city.~~ **authority (as defined in section 5.5 of this chapter):**

(A) The principal, headmaster, or other primary administrator of each public, private, or parochial elementary or secondary school located less than one thousand (1,000) feet from the property line of the applicant's property.

(B) Each church that is located less than one thousand (1,000) feet from the property line of the applicant's property.

(C) Each neighborhood association that represents the area in which the applicant's property is located.

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~~(h)~~ **(g)** The notice that the applicant mails must provide the following information:

(1) The name and address of the applicant, or if the applicant is a corporation, a club, an association, or an organization, the name and address of the applicant's president, secretary, and principal owners who will be responsible to the public for the sale of alcoholic beverages.

(2) A statement that the applicant has filed an application with the alcohol and tobacco commission for the sale of alcoholic beverages.

(3) The specific address where alcoholic beverages are asked to be sold.

(4) The type of alcoholic beverage permit applied for.

(5) The date, time, and location of the public hearing before the local alcoholic beverage board regarding the application.

(6) That if there is a desire to remonstrate against the application, the recipient of the notice may attend this public hearing.

~~(i)~~ **(h)** The applicant shall furnish evidence of the applicant's compliance with this section by filing an affidavit with the local alcoholic beverage board at the public hearing on the application. The affidavit must list the names and addresses of the persons to whom notice was mailed by the applicant.

~~(j)~~ **(i)** In addition to the information required by subsection ~~(i),~~ **(h),** the applicant shall file with the local alcoholic beverage board at the public hearing the following information:

(1) **This subdivision applies only to an authority referred to in section 5.5(a)(1) or 5.5(a)(2) of this chapter.** Verification from the ~~department of metropolitan development of the consolidated city~~ **authority** that the applicant is in compliance with zoning requirements for the premises to be licensed.

(2) Verification from the department of state revenue that the applicant does not have any outstanding income tax, excise tax, or sales tax liabilities.

(3) Verification from the county treasurer that the applicant does not have any outstanding property tax liability.

~~(k)~~ **(j)** Subsection ~~(j)(1)~~ **(i)(1)** does not apply to a permit holder that received and held a permit before September 1, 1987.

SECTION 10. IC 7.1-3-1-14, AS AMENDED BY P.L.165-2006, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 14. (a) It is lawful for an appropriate permittee, unless otherwise specifically provided in this title, to sell alcoholic beverages each day Monday through Saturday from 7 a.m., prevailing

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local time, until 3 a.m., prevailing local time, the following day. Sales shall cease wholly on Sunday at 3 a.m., prevailing local time, and not be resumed until the following Monday at 7 a.m., prevailing local time.

(b) **Except as provided in subsection (f),** it is lawful for the holder of a retailer's permit to sell the appropriate alcoholic beverages for consumption on the licensed premises only on Sunday from 10 a.m., prevailing local time, until 12:30 a.m., prevailing local time, the following day.

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

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

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

(3) are being used for a professional or an amateur tournament;

beginning one (1) hour before the scheduled starting time of the event or, if the scheduled starting time of the event is 1 p.m. or later, beginning at noon.

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

(e) Notwithstanding subsection (b), if December 31 (New Year's Eve) is on a Sunday, it is lawful for the holder of a retailer's permit to sell the appropriate alcoholic beverages on Sunday, December 31, from 10 a.m., prevailing local time, until 3 a.m., prevailing local time, the following day.

(f) The governor may, by issuing an executive order, waive the hours of service restrictions under subsection (b) on a one (1) time basis if the following criteria are satisfied:

(1) The state or a municipality, or both, are hosting a public event that has the potential to benefit the state and local economy and bring prestige to the state.

(2) The event would involve at least forty thousand (40,000) people concentrated in one (1) area.

(3) If the hours of service restrictions under subsection (b) were not waived, it would potentially present negative economic consequences for retailers.

(4) The state or a municipality, or both, would potentially risk losing the opportunity to host the event because of the hours of service restriction under subsection (b).

This section shall be narrowly construed and applies only for the

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period designated in the executive order.

SECTION 11. IC 7.1-3-1-28 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 28. (a) This section applies to the initial issuance, transfer of location, or transfer of ownership of the following:

(1) Any form of retailer's permit issued under this title.

(2) Any form of dealer's permit issued under this title.

(b) To qualify for approval of an application, an applicant must show proof to the commission that the applicant has provided notice concerning the application in conformity with this section.

(c) Except as provided in subsection (d), the applicant shall post a sign for the period, in the location, and in the form specified in the rules adopted by the commission to indicate to the public that the applicant is seeking the issuance of a retailer's or dealer's permit. The rules adopted by the commission must require that:

(1) the wording on the sign be in a sufficiently large type size; and

(2) the sign be posted in a sufficient manner in a window or another area;

so that the sign is visible from the largest public thoroughfare or the nearest public thoroughfare in the vicinity of the applicant's location. The commission may require an applicant to use a sign prepared by the commission. The commission may charge a fee for a sign prepared by the commission that does not exceed the cost of the sign.

(d) ~~This subsection applies to a county having a consolidated city.~~ If the application is for a permit other than a liquor dealer's permit, the applicant may:

(1) post notice of the application as set forth in subsection (c); or

(2) mail notice in accordance with:

(A) section 5.5 of this chapter if the application is for a new permit or transfer of a permit; or

(B) section 5.6 of this chapter if the application is for renewal of a permit.

SECTION 12. IC 7.1-3-1.5-2, AS ADDED BY P.L.161-2005, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 2. As used in this chapter, "dealer permittee" means a person who holds a ~~liquor~~ dealer permit. ~~under IC 7.1-3-10 for a package liquor store.~~

SECTION 13. IC 7.1-3-2-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: 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:

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(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's brewery manufactures not more than twenty thousand (20,000) barrels of beer in a calendar year, do the following:
(A) Sell and deliver beer to a person holding a retailer or a dealer permit under this title.
(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 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 by the glass for consumption on the premises. Brewers permitted to sell beer by the glass under this clause must furnish the minimum food requirements prescribed by the commission.
(H) Sell and deliver beer 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 may be contained in bottles or other permissible containers.
(6) If the brewer's brewery manufactures more than twenty thousand (20,000) barrels of beer in a calendar year, 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 twenty thousand (20,000) barrels of beer in a calendar year; and
(C) is the proprietor of a restaurant that operates under subdivision (5).

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~~(7) Sell and deliver beer to a consumer at the plant of the brewer or at the residence of the consumer. The delivery to a consumer shall be made only in a quantity at any one (1) time of not more than one-half (1/2) barrel, but the beer may be contained in bottles or other permissible containers.~~

~~(8)~~ **(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.

~~(9)~~ **(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.

~~(10)~~ **(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 14. IC 7.1-3-3-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 4. (a) The premises to be used as a warehouse by an applicant shall be described in the application for the permit. The commission shall not issue a beer wholesaler's permit to an applicant for any other warehouse or premises than that described in the application. The commission shall issue only one (1) beer wholesaler's permit to an applicant, but a permittee may be permitted to transfer ~~his~~ **the permittee's** warehouse to another location within the county **that is not required to be within the corporate limits of an incorporated city or town,** upon application to, and approval of, the commission.

(b) As used in this subsection, "immediate relative" means the father, the mother, a brother, a sister, a son, or a daughter of a wholesaler permittee. Notwithstanding subsection (a), the commission, upon the death or legally adjudged mental incapacitation of a wholesaler permittee, may allow the transfer of the wholesaler permit only to an immediate relative of the wholesaler permittee who concurrently holds a majority share in a valid wholesaler permit.

SECTION 15. IC 7.1-3-3-5, AS AMENDED BY P.L.224-2005, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 5. (a) The holder of a beer wholesaler's permit may purchase and import from the primary source of supply, possess,

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and sell at wholesale, beer and flavored malt beverages manufactured within or without this state.

(b) A beer wholesaler permittee may possess, transport, sell, and deliver beer to:

(1) another beer wholesaler authorized by the brewer to sell the brand purchased;

(2) ~~a consumer;~~ **an employee;** or

(3) a holder of a beer retailer's permit, beer dealer's permit, temporary beer permit, dining car permit, boat permit, airplane permit, or supplemental caterer's permit;

located within this state. The sale, transportation, and delivery of beer shall be made only from inventory that has been located on the wholesaler's premises before the time of invoicing and delivery.

(c) ~~Delivery of beer to a consumer shall be made in barrels only with the exception of~~ The beer wholesaler's bona fide regular employees ~~who~~ may purchase beer from the wholesaler in:

(1) bottles, cans, or any other type of permissible containers in an amount not to exceed forty-eight (48) pints; **or**

(2) one (1) keg;

at any one (1) time.

(d) The importation, transportation, possession, sale, and delivery of beer shall be subject to the rules of the commission and subject to the same restrictions provided in this title for a person holding a brewer's permit.

(e) The holder of a beer wholesaler's permit may purchase, import, possess, transport, sell, and deliver any commodity listed in IC 7.1-3-10-5, unless prohibited by this title. However, a beer wholesaler may deliver flavored malt beverages only to the holder of one (1) of the following permits:

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

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

(f) A beer wholesaler may:

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

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

(3) receive a fee from an out-of-state brewer for the services

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described in subdivisions (1) through (2).

SECTION 16. IC 7.1-3-5-5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 5. (a) As used in this section "annual gross sales of food" refers to annual gross sales of food for human consumption that are exempt from the state gross retail tax.**

(b) To be eligible for a permit for a grocery store under this title, an establishment must have at least eighty-four thousand dollars ($84,000) in annual gross sales of food. However, the figure set in this subsection as the minimum annual gross sales of food for an establishment is subject to adjustment under subsection (c).

(c) The commission shall annually adjust the minimum amount of annual gross sales of food initially set in subsection (b) by an amount that does not exceed the percent of increase in the United States Department of Labor Consumer Price Index during the calendar year preceding the calendar year in which an increase is established. The commission shall determine which consumer price index shall be applied in determining the adjustment under this subsection.

SECTION 17. IC 7.1-3-5-6 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 6. (a) As used in this section "annual gross sales of food" refers to annual gross sales of food for human consumption that are exempt from the state gross retail tax.**

(b) The holder of a permit issued to a grocery store shall annually report to the commission the amount of the permit holder's establishment's annual gross sales of food. The information provided to the commission under this subsection regarding the amount of annual gross sales of food 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 for the purpose of verifying the accuracy of the annual gross sales of food reported to the commission under this subsection; and

(2) in any administrative or judicial proceeding to revoke or suspend the holder's permit as a result of a discrepancy discovered by the department of state revenue under subsection (c).

(c) The department of state revenue shall verify the accuracy of the reports provided to the commission under this section. The department of state revenue shall report to the commission any discrepancy that the department discovers between:

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(1) the amount of annual gross sales of food that the permit holder has reported to the department; and

(2) the amount of annual gross sales of food that the permit holder has reported to the commission.

(d) 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 section. 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 a discrepancy discovered by the department of state revenue under subsection (c).

` SECTION 18. IC 7.1-3-9-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 11. (a) A liquor retailer may allow customers to sample the following:

(1) Beer.

(2) Wines.

(3) Liquors.

(4) Liqueurs and cordials (as defined in 27 CFR 5.22(h)).

(5) Flavored malt beverages.

(6) Hard cider.

(b) Sampling is permitted only:

(1) on the liquor retailer's permit premises; and

(2) during the permittee's regular business hours.

(c) A liquor retailer may not charge for the samples provided to customers.

(d) Sample size of wines may not exceed one (1) ounce.

(e) In addition to the other provisions of this section, a liquor retailer who allows customers to sample liquors, liqueurs, or cordials shall comply with all of the following:

(1) A liquor retailer may allow a customer to sample only a combined total of two (2) liquor, liqueur, or cordial samples per day.

(2) Sample size of liqueurs or cordials may not exceed one-half (1/2) ounce.

(3) Sample size of liquors may not exceed four-tenths (0.4) ounce.

(f) A sample size of beer, **flavored malt beverage, or hard cider** may not exceed six (6) ounces.

SECTION 19. IC 7.1-3-10-13 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 13. (a) A liquor dealer permittee who is a proprietor of a package liquor store may allow

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customers to sample the following:

(1) Beer.

(2) Wines.

(3) Liquors.

(4) Liqueurs and cordials (as defined in 27 CFR 5.22(h)).

(5) Flavored malt beverages.

(6) Hard cider.

(b) Sampling is permitted:

(1) only on the package liquor store permit premises; and

(2) only during the store's regular business hours.

(c) No charge may be made for the samples provided to the customers.

(d) Sample size of wines may not exceed one (1) ounce.

(e) In addition to the other provisions of this section, a proprietor who allows customers to sample liquors, liqueurs, or cordials shall comply with all of the following:

(1) A proprietor may allow a customer to sample not more than a combined total of two (2) liquor, liqueur, or cordial samples per day.

(2) Sample size of liqueurs or cordials may not exceed one-half (1/2) ounce.

(3) Sample size of liquors may not exceed four-tenths (0.4) ounce.

(f) **A** sample size of beer, **flavored malt beverage, or hard cider** may not exceed six (6) ounces.

SECTION 20. IC 7.1-3-10-14 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 14. (a) This section does not apply to a package liquor store.**

(b) Beginning July 1, 2007, a holder of a liquor dealer permit shall display liquor for sale in a clearly separated area that prohibits the presence of a minor unless the minor is accompanied by a parent or guardian who is at least twenty-one (21) years of age. Other alcoholic beverages may be displayed in a designated area where liquor is displayed under this subsection.

(c) Alcoholic beverages may not be displayed within fifteen (15) feet of a public entrance of a licensed premises.

(d) The commission may adopt rules under IC 4-22-2 to implement this section.

SECTION 21. IC 7.1-3-13-3.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 3.5. (a) A wine wholesaler may sell wine purchased from an estate sale only if the following**

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requirements are met:

(1) The primary source of the wine sold at auction:

(A) is authorized to sell wine in Indiana on the date the wine is resold by the wholesaler;

(B) is given notice of the purchase by the wine wholesaler; and

(C) authorizes the wine wholesaler to resell the wine purchased.

(2) The seller of wine at auction is a bona fide estate of an Indiana decedent.

(3) Each wine bottle is affixed with a sticker indicating that the wine was purchased from an estate.

(b) The notice given to the primary source under subsection (a)(1) must include the following information:

(1) The name of the seller.

(2) The amount of the product purchased and the sale price at auction.

(3) The vintage of the wine purchased.

(c) A wholesaler is not liable for product liability for wine that the wholesaler sells from an estate auction purchase.

SECTION 22. IC 7.1-3-17.5-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 6. Notwithstanding IC 7.1-5-5-7, the holder of an excursion and adjacent landsite permit may, subject to the approval of the commission, provide alcoholic beverages to guests without charge at an event on the licensed premises if all the following requirements are met:

~~(1) The event is attended by not more than six hundred fifty (650) guests.~~

~~(2) The event is not more than six (6) hours in duration.~~

~~(3)~~ **(1)** Each alcoholic beverage dispensed to a guest:

(A) is entered into a cash register that records and itemizes on the cash register tape each alcoholic beverage dispensed; and

(B) is entered into a cash register as a sale and at the same price that is charged to the general public.

~~(4)~~ **(2)** At the conclusion of the event, all alcoholic beverages recorded on the cash register tape are paid by the holder of the excursion and adjacent landsite permit.

~~(5)~~ **(3)** All records of the alcoholic beverage sales, including the cash register tape, shall be maintained by the holder of the excursion and adjacent landsite permit for not less than two (2) years.

~~(6)~~ **(4)** The holder of the excursion and adjacent landsite permit

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complies with the rules of the commission.

SECTION 23. IC 7.1-3-18-9, AS AMENDED BY P.L.165-2006, SECTION 26, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 9. (a) **Except as provided in subsection (j),** the commission may issue an employee's permit to a person who desires to act as:

(1) a **sales** clerk in a ~~package liquor store;~~ **dealer establishment;**

(2) an employee who serves wine at a farm winery; or

(3) a bartender, waiter, waitress, or manager in a retail establishment. ~~excepting dining car and boat employees.~~

(b) A permit authorized by this section is conditioned upon the compliance by the holder with reasonable rules relating to the permit which the commission may prescribe from time to time.

(c) A permit issued under this section entitles its holder to work for any lawful employer. However, a person may work without an employee's permit for thirty (30) days from the date shown on a receipt for a cashier's check or money order payable to the commission for that person's employee's permit application.

(d) A person who, for a package liquor store or retail establishment, is:

(1) the sole proprietor;

(2) a partner, a general partner, or a limited partner in a partnership or limited partnership that owns the business establishment;

(3) a member of a limited liability company that owns the business establishment; or

(4) a stockholder in a corporation that owns the business establishment;

is not required to obtain an employee's permit in order to perform any of the acts listed in subsection (a).

(e) An applicant may declare on the application form that the applicant will use the employee's permit only to perform volunteer service that benefits a nonprofit organization. It is unlawful for an applicant who makes a declaration under this subsection to use an employee's permit for any purpose other than to perform volunteer service that benefits a nonprofit organization.

(f) The commission may not issue an employee's permit to an applicant while the applicant is serving a sentence for a conviction for operating while intoxicated, including any term of probation or parole.

(g) The commission may not issue an employee's permit to an applicant who has two (2) unrelated convictions for operating while intoxicated if:

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(1) the first conviction occurred less than ten (10) years before the date of the applicant's application for the permit; and

(2) the applicant completed the sentence for the second conviction, including any term of probation or parole, less than two (2) years before the date of the applicant's application for the permit.

(h) If an applicant for an employee's permit has at least three (3) unrelated convictions for operating while intoxicated in the ten (10) years immediately preceding the date of the applicant's application for the permit, the commission may not grant the issuance of the permit. If, in the ten (10) years immediately preceding the date of the applicant's application the applicant has:

(1) one (1) conviction for operating while intoxicated, and the applicant is not subject to subsection (f); or

(2) two (2) unrelated convictions for operating while intoxicated, and the applicant is not subject to subsection (f) or (g);

the commission may grant or deny the issuance of a permit.

(i) The commission shall revoke a permit issued to an employee under this section if:

(1) the employee is convicted of a Class B misdemeanor for violating IC 7.1-5-10-15(a); or

(2) the employee is convicted of operating while intoxicated after the issuance of the permit.

The commission may revoke a permit issued to an employee under this section for any violation of this title or the rules adopted by the commission.

(j) This section does not apply to dining car, boat, or airline employees.

SECTION 24. IC 7.1-3-19-10.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 10.5. (a) This section applies only to an application for:**

(1) a new permit for a grocery store or package liquor store; or

(2) transfer of a location of an existing permit for a grocery store or package liquor store.

(b) Upon application for a new dealer permit or transfer of a location of an existing dealer permit, the local board shall investigate the desirability of the permit in regard to the potential geographic location of the permit premises.

(c) In investigating the desirability of a dealer permit under subsection (b), the local board may consider the following:

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(1) Subject to subsection (d), whether there is a need for the services at the requested location of the dealer permit.

(2) The desire of the neighborhood or the community to receive the services.

(3) The impact of the services on other business in the neighborhood or community.

(4) The impact of the services on the neighborhood or community.

(d) If the evidence presented to the local board establishes that, within one thousand (1,000) feet of the location requested in the application, there is located an establishment that has been issued a permit for a grocery store or package liquor store, a rebuttable presumption is created that there is not a need for the services at the requested location under subsection (b)(1).

SECTION 25. IC 7.1-3-19-11.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 11.5. (a) As used in this section, "applicant" or "application" means an applicant or an application for:**

(1) a new permit; or

(2) transfer or renewal of an existing permit.

(b) This section applies if a permit applicant or a person who remonstrates at a local board hearing against the approval of the application files with the commission:

(1) an objection to the commission's action on the application; and

(2) a request for an appeal hearing before the commission.

(c) The commission shall do the following:

(1) Provide notice to the local board, by first class mail, of the date of an appeal hearing set by the commission. Notice under this subdivision must be provided not later than ten (10) days before the date of the hearing.

(2) Publish notice in the city, town, or county where the proposed permit premises is located of the date of an appeal hearing set by the commission. Notice under this subdivision must be published not later than ten (10) days before the date of the hearing.

SECTION 26. IC 7.1-3-20-16, AS AMENDED BY P.L.165-2006, SECTION 27, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 16. (a) A permit that is authorized by this section may be issued without regard to the quota provisions of IC 7.1-3-22.

(b) The commission may issue a three-way permit to sell alcoholic

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beverages for on-premises consumption only to an applicant who is the proprietor, as owner or lessee, or both, of a restaurant facility in the passenger terminal complex of a publicly owned airport which is served by a scheduled commercial passenger airline certified to enplane and deplane passengers on a scheduled basis by a federal aviation agency. A permit issued under this subsection shall not be transferred to a location off the airport premises.

(c) The commission may issue a three-way, two-way, or one-way permit to sell alcoholic beverages for on-premises consumption only to an applicant who is the proprietor, as owner or lessee, or both, of a restaurant within a redevelopment project consisting of a building or group of buildings that:

(1) was formerly used as part of a union railway station;

(2) has been listed in or is within a district that has been listed in the federal National Register of Historic Places maintained pursuant to the National Historic Preservation Act of 1966, as amended; and

(3) has been redeveloped or renovated, with the redevelopment or renovation being funded in part with grants from the federal, state, or local government.

A permit issued under this subsection shall not be transferred to a location outside of the redevelopment project.

(d) The commission may issue a three-way, two-way, or one-way permit to sell alcoholic beverages for on-premises consumption only to an applicant who is the proprietor, as owner or lessee, or both, of a restaurant:

(1) on land; or

(2) in a historic river vessel;

within a municipal riverfront development project funded in part with state and ~~city~~ **local** money. A permit issued under this subsection may not be transferred.

(e) The commission may issue a three-way, two-way, or one-way permit to sell alcoholic beverages for on-premises consumption only to an applicant who is the proprietor, as owner or lessee, or both, of a restaurant within a renovation project consisting of a building that:

(1) was formerly used as part of a passenger and freight railway station; and

(2) was built before 1900.

The permit authorized by this subsection may be issued without regard to the proximity provisions of IC 7.1-3-21-11.

(f) The commission may issue a three-way permit for the sale of alcoholic beverages for on-premises consumption at a cultural center

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for the visual and performing arts to a town that:

(1) is located in a county having a population of more than four hundred thousand (400,000) but less than seven hundred thousand (700,000); and

(2) has a population of more than twenty thousand (20,000) but less than twenty-three thousand (23,000).

(g) After June 30, 2005, the commission may issue not more than ten (10) new three-way, two-way, or one-way permits to sell alcoholic beverages for on-premises consumption to applicants, each of whom must be the proprietor, as owner or lessee, or both, of a restaurant located within a district, or not more than five hundred (500) feet from a district, that meets **at least two (2) of** the following requirements:

(1) The district has been listed in the National Register of Historic Places maintained under the National Historic Preservation Act of 1966, as amended.

(2) A county courthouse is located within the district.

(3) A historic opera house listed on the National Register of Historic Places is located within the district.

(4) A historic jail and sheriff's house listed on the National Register of Historic Places is located within the district.

The legislative body of the municipality in which the district is located shall recommend to the commission sites that are eligible to be permit premises. The commission shall consider, but is not required to follow, the municipal legislative body's recommendation in issuing a permit under this subsection. An applicant is not eligible for a permit if, less than two (2) years before the date of the application, the applicant sold a retailer's permit that was subject to IC 7.1-3-22 and that was for premises located within the district described in this section or within five hundred (500) feet of the district. A permit issued under this subsection shall not be transferred. The cost of an initial permit issued under this subsection is six thousand dollars ($6,000).

(h) The commission may issue a three-way permit for the sale of alcoholic beverages for on-premises consumption to an applicant who will locate as the proprietor, as owner or lessee, or both, of a restaurant within an economic development area under IC 36-7-14 in:

(1) a town with a population of more than twenty thousand (20,000); or

(2) a city with a population of more than twenty-seven thousand (27,000) but less than twenty-seven thousand four hundred (27,400);

located in a county having a population of more than ninety thousand (90,000) but less than one hundred thousand (100,000). The

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commission may issue not more than five (5) licenses under this ~~section~~ **subsection** to premises within a municipality described in subdivision (1) and not more than five (5) licenses to premises within a municipality described in subdivision (2). The commission shall conduct an auction of the permits under IC 7.1-3-22-9, except that the auction may be conducted at any time as determined by the commission. Notwithstanding any other law, the minimum bid for an initial license under this subsection is thirty-five thousand dollars ($35,000), and the renewal fee for a license under this subsection is one thousand three hundred fifty dollars ($1,350). Before the district expires, a permit issued under this subsection may not be transferred. After the district expires, a permit issued under this subsection may be renewed, and the ownership of the permit may be transferred, but the permit may not be transferred from the permit premises.

(i) After June 30, 2006, the commission may issue not more than five (5) new three-way, two-way, or one-way permits to sell alcoholic beverages for on-premises consumption to applicants, each of whom must be the proprietor, as owner or lessee, or both, of a restaurant located within a district, or not more than five hundred (500) feet from a district, that meets all of the following requirements:

(1) The district is within an economic development area, an area needing redevelopment, or a redevelopment district as established under IC 36-7-14.

(2) A unit of the National Park Service is partially located within the district.

(3) An international deep water seaport is located within the district.

An applicant is not eligible for a permit under this subsection if, less than two (2) years before the date of the application, the applicant sold a ~~retailers'~~ **retailer's** permit that was subject to IC 7.1-3-22 and that was for premises located within the district described in this subsection or within five hundred (500) feet of the district. A permit issued under this subsection may not be transferred. If the commission issues five (5) new permits under this subsection, and a permit issued under this subsection is later revoked or is not renewed, the commission may issue another new permit, as long as the total number of active permits issued under this subsection does not exceed five (5) at any time. The commission shall conduct an auction of the permits under IC 7.1-3-22-9, except that the auction may be conducted at any time as determined by the commission.

(j) After May 31, 2007, the commission may issue not more than five (5) three-way permits for the sale of alcoholic beverages for

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on-premises consumption to an applicant who will locate as the proprietor, as owner or lessee, or both, of a restaurant within an economic development area under IC 36-7-14 in a town with a population of more than twenty thousand (20,000) located in a county having a population of more than ninety thousand (90,000) but less than one hundred thousand (100,000). A permit issued under this subsection may not be issued to a tavern. For purposes of this subsection, "tavern" means a permit premises that meets the definition of restaurant under IC 7.1-3-20-9, but is used primarily for the serving of alcoholic beverages by the drink to the general public, and where food service is secondary to the primary use in the amount of sales and the service area where minors are not permitted. A permit issued under this subsection may not be transferred to a location outside the economic development area. If the commission issues five (5) new permits under this subsection and a permit issued under this subsection is later revoked or is not renewed, the commission may issue another new permit, as long as the total number of active permits issued under this subsection does not exceed five (5) at any time. The commission shall conduct an auction of the permits under IC 7.1-3-22-9, except that the auction may be conducted at any time as determined by the commission. Notwithstanding any other law, the minimum bid for an initial license under this subsection is thirty-five thousand dollars ($35,000), and the renewal fee for a license under this subsection is one thousand three hundred fifty dollars ($1,350). If after the 2010 decennial census, the town is authorized by the quota provisions of IC 7.1-3-22 to receive additional three-way permits, any three-way permits issued under this subsection shall be subtracted from any additional three-way permits that the town may be authorized to receive by the quota provisions.

(k) After June 30, 2007, the commission may issue not more than eight (8) new three-way, two-way, or one-way permits to sell alcoholic beverages for on-premises consumption to applicants, each of whom must be the proprietor, as owner or lessee, or both, of a restaurant located within:

(1) an economic development area, an area needing redevelopment, or a redevelopment district under IC 36-7-14; and

(2) an area that:

(A) consists of a total of at least twenty-five (25) contiguous or nearly contiguous acres of property dedicated solely to a new commercial development;

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(B) is within three thousand (3,000) feet from the north boundary of a town that:

(i) has a population of more than twenty-four thousand eight hundred (24,800) but less than thirty thousand (30,000); and

(ii) contains a part of a state nature preserve that is also a National Natural Landmark and is between four hundred (400) and six hundred (600) acres in area; and

(C) is adjacent to a state or federal highway that runs in a northerly and southerly direction.

The commission may issue not more than eight (8) permits to applicants who are eligible to hold a permit under this subsection; however, not more than four (4) permits may be issued within the same commercial development. A permit issued under this subsection may not be issued to a tavern. For purposes of this subsection, "tavern" means a permit premises that meets the definition of restaurant under IC 7.1-3-20-9, but is used primarily for the serving of alcoholic beverages by the drink to the general public, and where food service is secondary to the primary use in the amount of sales and the service area where minors are not permitted. The commission shall conduct an auction of the permits under IC 7.1-3-22-9, except that the auction may be conducted at any time as determined by the commission. Notwithstanding any other law, the minimum bid for an initial license under this subsection is thirty-five thousand dollars ($35,000). A permit issued under this subsection may not be transferred to a location outside the area described in this subsection. If the commission issues eight (8) new permits under this subsection and a permit issued under this subsection is later revoked or is not renewed, the commission may issue another new permit, as long as the total number of active permits issued under this subsection does not exceed eight (8) at any time. If after the 2010 decennial census the town is authorized by the quota provisions of IC 7.1-3-22 to receive additional three-way permits, any three-way permits issued under this section shall be subtracted from any additional three-way permits that the town may be authorized to receive by the quota provisions. A permit may not be issued if the proposed permit premises is the location of an existing three-way permit subject to IC 7.1-3-22-3.

(l) After June 30, 2007, the commission may issue a total of not more than five (5) new three-way permits to sell alcoholic beverages for on-premises consumption only to an applicant who is the proprietor, as owner or lessee, or both, of a restaurant

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located within a redevelopment project area located within the central area of a city with a population of more than thirty-seven thousand seven hundred (37,700) but less than thirty-eight thousand (38,000). A permit may be issued under this subsection to a premises within a redevelopment project area that meets one (1) of the following requirements:

(1) The redevelopment project area consists of an area that:

(A) is generally located in a former commercial area that once had located within it a building formerly used as a grocery store;

(B) has been redeveloped or renovated or is in the process of being redeveloped or renovated to include performing arts areas and hotel areas;

(C) is a city center, where a former historic railway that once passed through the center has been converted to a linear park; and

(D) has been redeveloped or renovated or is in the process of being redeveloped or renovated, with the redevelopment or renovation being funded in part with grants or investments by a city redevelopment commission established under IC 36-7-14.

(2) The redevelopment project area consists of an area that:

(A) is generally located in an area:

(i) that was formerly the commerce center of a once rural farming community;

(ii) that was founded, at least in part, by Quaker residents;

(iii) where a historic railway depot was built; and

(iv) where an early residence exists that was built about 1848 or earlier;

(B) has been redeveloped or renovated or is in the process of being redeveloped or renovated to include art galleries, design centers, urban structures, and outdoor public art consisting in part of bronze sculptures;

(C) is adjacent to or near a former historic railway line that has been converted to a linear park;

(D) includes one (1) of the world's smallest children's art galleries, an original Carnegie Library building, and the community's early fire station; and

(E) has been redeveloped or renovated, or is in the process of being redeveloped or renovated, with the redevelopment or renovation being funded in part with grants or

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investments by a city redevelopment commission established under IC 36-7-14.

A permit issued under this subsection may not be issued to a tavern. For purposes of this subsection, "tavern" means a permit premises that meets the definition of restaurant under IC 7.1-3-20-9, but is used primarily for the serving of alcoholic beverages by the drink to the general public, and where food service is secondary to the primary use in the amount of sales and the service area where minors are not permitted. A permit issued under this subsection may not be transferred to a location outside the redevelopment project area. If the commission issues five (5) permits under this subsection and a permit issued under this subsection is later revoked or is not renewed, the commission may issue another new permit as long as the total number of active permits issued under this subsection does not exceed five (5) at any time. The commission shall conduct an auction of the permits under IC 7.1-3-22-9, except that the auction may be conducted at any time as determined by the commission. Notwithstanding any other law, the minimum bid for an initial license under this subsection is thirty-five thousand dollars ($35,000). If, after the 2010 decennial census, the city is authorized by the quota provisions of IC 7.1-3-22 to receive additional three-way permits, any three-way permits issued under this section shall be subtracted from any additional three-way permits that the city may be authorized to receive by the quota provisions.

SECTION 27. IC 7.1-3-20-16.1, AS AMENDED BY P.L.1-2006, SECTION 149, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 16.1. (a) This section applies to a municipal riverfront development project authorized under section 16(d) of this chapter.

(b) In order to qualify for a permit, an applicant must demonstrate that the municipal riverfront development project area where the permit is to be located meets the following criteria:

(1) The project boundaries must border on at least one (1) side of a river.

(2) The proposed permit premises may not be located more than:

(A) one thousand five hundred (1,500) feet; or

(B) three (3) city blocks;

from the river, whichever is greater. However, if the area adjacent to the river is incapable of being developed because the area is in a floodplain, or for any other reason that prevents the area from being developed, the distances described in clauses (A) and (B)

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are measured from the city blocks located nearest to the river that are capable of being developed.

(3) The permit premises are located within:

(A) an economic development area, a redevelopment project area, an urban renewal area, or a redevelopment area established under IC 36-7-14, IC 36-7-14.5, or IC 36-7-15.1;

(B) an economic development project district under IC 36-7-15.2 or IC 36-7-26; or

(C) a community revitalization enhancement district designated under IC 36-7-13-12.1.

(4) The project must be funded in part with state and ~~city~~ **local** money.

(5) The boundaries of the municipal riverfront development project must be designated by ordinance or resolution by the legislative body (as defined in IC 36-1-2-9(3), ~~or~~ IC 36-1-2-9(4), **or IC 36-1-2-9(5)**) of the ~~city~~ **municipality (as defined in IC 36-1-2-11)** in which the project is located.

(c) Proof of compliance with subsection (b) must consist of the following documentation, which is required at the time the permit application is filed with the commission:

(1) A detailed map showing:

(A) definite boundaries of the entire municipal riverfront development project; and

(B) the location of the proposed permit within the project.

(2) A copy of the local ordinance or resolution of the local governing body authorizing the municipal riverfront development project.

(3) Detailed information concerning the expenditures of state and ~~city~~ **local** funds on the municipal riverfront development project.

(d) Notwithstanding subsection (b), the commission may issue a permit for premises, the location of which does not meet the criteria of subsection (b)(2), if all the following requirements are met:

(1) All other requirements of this section and section 16(d) of this chapter are satisfied.

(2) The proposed premises is located not more than:

(A) three thousand (3,000) feet; or

(B) six (6) blocks;

from the river, whichever is greater. However, if the area adjacent to the river is incapable of being developed because the area is in a floodplain, or for any other reason that prevents the area from being developed, the distances described in clauses (A) and (B) are measured from the city blocks located nearest to the river that

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are capable of being developed.

(3) The permit applicant satisfies the criteria established by the commission by rule adopted under IC 4-22-2. The criteria established by the commission may require that the proposed premises be located in an area or district set forth in subsection (b)(3).

(4) The permit premises may not be located less than two hundred (200) feet from facilities owned by a state educational institution (as defined in IC 20-12-0.5-1).

(e) A permit may not be issued if the proposed permit premises is the location of an existing three-way permit subject to IC 7.1-3-22-3. who is outside the licensed premises. However, a liquor dealer that is a drug store may sell prescription drugs and health and beauty aids through a window in the licensed premises to a patron who is outside the licensed premises.

SECTION 28. IC 7.1-3-19-10.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 10.5. (a) Upon application for a new permit or transfer of a location of an existing permit, the commission shall investigate the desirability of the permit in regard to the potential geographical location of the permit.**

(b) In investigating the desirability of the permit under subsection (a), the commission may consider the following:

(1) The need for the services at the requested location of the permit.

(2) The desire of the neighborhood or the community to receive the services.

(3) The impact of the services on other business in the neighborhood or community.

(4) The impact of the services on the neighborhood or community.

SECTION 29. IC 7.1-3-21-3, AS AMENDED BY P.L.165-2006, SECTION 28, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 3. The commission shall not issue:

(1) an alcoholic beverage retailer's ~~or dealer's~~ permit of any type; or

(2) a liquor wholesaler's permit;

to a person who has not been a continuous and bona fide resident of Indiana for five (5) years immediately preceding the date of the application for a permit.

SECTION 30. IC 7.1-3-21-4, AS AMENDED BY P.L.165-2006, SECTION 29, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

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JULY 1, 2007]: Sec. 4. The commission shall not issue:

(1) a liquor wholesaler's permit; or

(2) an alcoholic beverage retailer's ~~or dealer's~~ permit;

of any type to a partnership unless each member of the partnership possesses the same qualifications as those required of an individual applicant for that particular type of permit.

SECTION 31. IC 7.1-3-21-5, AS AMENDED BY P.L.165-2006, SECTION 30, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 5. (a) The commission shall not issue:

(1) an alcoholic beverage retailer's ~~or dealer's~~ permit of any type; or

(2) a liquor wholesaler's permit;

to a corporation unless sixty percent (60%) of the outstanding common stock is owned by persons who have been continuous and bona fide residents of Indiana for five (5) years.

(b) The commission shall not issue a liquor wholesaler's permit to a corporation unless at least one (1) of the stockholders shall have been a resident, for at least one (1) year immediately prior to making application for the permit, of the county in which the licensed premises are to be situated.

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

SECTION 32. IC 7.1-3-21-5.2, AS AMENDED BY P.L.165-2006, SECTION 31, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 5.2. (a) The commission shall not issue:

(1) an alcoholic beverage retailer's ~~or dealer's~~ permit of any type; or

(2) a liquor wholesaler's permit;

to a limited partnership unless at least sixty percent (60%) of the partnership interest is owned by persons who have been continuous and bona fide residents of Indiana for five (5) years.

(b) The commission shall not issue a liquor wholesaler's permit to a limited partnership unless for at least one (1) year immediately before making application for the permit, at least one (1) of the persons having a partnership interest has been a resident of the county in which the licensed premises are to be situated.

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

SECTION 33. IC 7.1-3-21-5.4, AS AMENDED BY P.L.165-2006, SECTION 32, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

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JULY 1, 2007]: Sec. 5.4. (a) The commission shall not issue:

(1) an alcoholic beverage retailer's ~~or dealer's~~ permit of any type; or

(2) a liquor wholesaler's permit;

to a limited liability company unless at least sixty percent (60%) of the membership interest is owned by persons who have been continuous and bona fide residents of Indiana for five (5) years.

(b) The commission shall not issue a liquor wholesaler's permit to a limited liability company unless for at least one (1) year immediately before making application for the permit, at least one (1) of the persons having a membership interest has been a resident of the county in which the licensed premises are to be situated.

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

SECTION 34. IC 7.1-3-21-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 6. (a) The provisions of sections 4, 5, 5.2, and 5.4 of this chapter concerning retail ~~and dealer~~ partnerships, corporations, limited partnerships, and limited liability companies shall not apply to the issuance of:

(1) a dining car permit;

(2) **a** boat permit;

(3) **a** drug store permit;

(4) **a** grocery store permit;

(5) **a** hotel permit;

(6) **an** airplane permit;

(7) an excursion and adjacent landsite permit;

(8) a horse track permit;

(9) a satellite facility permit; or

(10) a retail permit to an establishment:

(A) that is sufficiently served by adequate law enforcement at its permit location; and

(B) whose annual gross food sales at the permit location:

(i) exceed one hundred thousand dollars ($100,000); or

(ii) in the case of a new application and as proved by the applicant to the local board and the commission, will exceed two hundred thousand dollars ($200,000) by the end of the two (2) year period from the date of the issuance of the permit.

(b) The commission shall not issue a permit listed in subsection (a) to a foreign:

(1) corporation;

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(2) limited partnership; or

(3) limited liability company;

that is not duly qualified to do business in Indiana.

SECTION 35. IC 7.1-3-22-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 4. ~~Dealers' Permits Limited.~~ **(a)** The commission may grant: ~~only~~

(1) one (1) beer dealer's permit ~~and~~ **in an incorporated city or town that has a population of less than fifteen thousand one (15,001) for each two thousand five hundred (2,500) persons, or fraction thereof, within the incorporated city or town;**

(2) in an incorporated city or town that has a population of more than fifteen thousand (15,000) but less than eighty thousand (80,000):

(A) one (1) beer dealer's permit for each four thousand (4,000) persons, or a fraction thereof; or

(B) six (6) beer dealer's permits;

whichever is greater, within the incorporated city or town; and

(3) in an incorporated city or town that has a population of at least eighty thousand (80,000):

(A) one (1) beer dealer's permit for each six thousand (6,000) persons, or a fraction thereof; or

(B) twenty (20) beer dealer's permits;

whichever is greater, within the incorporated city or town.

(b) The commission may grant:

(1) one (1) liquor dealer's permit in an incorporated city **or** town ~~or unincorporated town~~ **that has a population of less than fifteen thousand one (15,001)** for each ~~one~~ **two** thousand five hundred ~~(1,500)~~ **(2,500)** persons, or fraction thereof, within the incorporated city **or** town; ~~or unincorporated town;~~

(2) in an incorporated city or town that has a population of more than fifteen thousand (15,000) but less than eighty thousand (80,000):

(A) one (1) liquor dealer's permit for each four thousand (4,000) persons, or a fraction thereof; or

(B) six (6) liquor dealer's permits;

whichever is greater, within the incorporated city or town; and

(3) in an incorporated city or town that has a population of at least eighty thousand (80,000):

(A) one (1) liquor dealer's permit for each six thousand (6,000) persons, or a fraction thereof; or

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(B) twenty (20) liquor dealer's permits;

whichever is greater, within the incorporated city or town.

(c) The commission may grant only one (1) beer dealer's permit and one (1) liquor dealer's permit in an area in the county outside an incorporated city or town for each four thousand (4,000) persons, or fraction thereof, within the area in a county outside an incorporated city or town.

(d) Notwithstanding subsections (a), (b), and (c), the commission may renew or transfer a beer dealer's or liquor dealer's permit for a beer dealer or liquor dealer that:

(1) held a permit before July 1, 2007; and

(2) does not qualify for a permit under the quota restrictions set forth in subsection (a), (b), or (c).

SECTION 36. IC 7.1-5-7-16 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 16. The commission shall conduct random unannounced inspections at locations where alcoholic beverages are sold or distributed to ensure compliance with this title. Only the commission, an Indiana law enforcement agency, the office of the sheriff of a county, or an organized police department of a municipal corporation may conduct the random unannounced inspections. These entities may use retired or off duty law enforcement officers to conduct inspections under this section.**

SECTION 37. IC 7.1-5-7-17 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 17. (a) Notwithstanding any other law, an enforcement officer vested with full police powers and duties may engage a person who is:**

(1) at least eighteen (18) years of age; and

(2) less than twenty-one (21) years of age;

to receive or purchase alcoholic beverages as part of an enforcement action under this article.

(b) The initial or contemporaneous receipt or purchase of an alcoholic beverage under this section by a person described in subsection (a) must:

(1) occur under the direction of an enforcement officer vested with full police powers and duties; and

(2) be a part of the enforcement action.

SECTION 38. IC 7.1-5-10-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 1. (a) Except as provided in subsection (d), it is unlawful to sell alcoholic beverages at the following times:

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(1) At a time other than that made lawful by the provisions of IC 7.1-3-1-14.

(2) On Christmas Day and until 7:00 o'clock in the morning, prevailing local time, the following day.

(3) On primary election day, and general election day, from 3:00 o'clock in the morning, prevailing local time, until the voting polls are closed in the evening on these days.

(4) During a special election under IC 3-10-8-9 (within the precincts where the special election is being conducted), from 3:00 o'clock in the morning until the voting polls are closed in the evening on these days.

(b) During the time when the sale of alcoholic beverages is unlawful, no alcoholic beverages shall be sold, dispensed, given away, or otherwise disposed of on the licensed premises and the licensed premises shall remain closed to the extent that the nature of the business carried on the premises, as at a hotel or restaurant, permits.

~~(c) It is unlawful to sell alcoholic beverages on New Years Day for off-premises consumption.~~

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

SECTION 39. IC 7.1-5-10-23 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 23. (a) A wholesaler permittee who knowingly or intentionally sells a brand of alcoholic beverages that the wholesaler permittee has not been authorized to sell by the brand's primary source of supply commits a Class D felony.**

(b) A permittee who is injured as a result of a violation of this section has a private right of action to bring a civil action to recover compensatory damages against the wholesaler permittee who violates this section.

SECTION 40. IC 9-21-4-5, AS AMENDED BY P.L.229-2005, SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 5. (a) Except as provided in subsection (b), a person may not place or maintain upon a highway a traffic sign or signal bearing commercial advertising. A public authority may not permit the placement of a traffic sign or signal that bears a commercial message.

(b) Under criteria to be jointly established by the Indiana department of transportation and the office of tourism development, the Indiana department of transportation may authorize the posting of any of the following:

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(1) Limited tourist attraction signage.

(2) Business signs on specific information panels on the interstate system of highways and other freeways.

All costs of manufacturing, installation, and maintenance to the Indiana department of transportation for a business sign posted under this subsection shall be paid by the business.

(c) Criteria established under subsection (b) for tourist attraction signage must include a category for a tourist attraction that is an establishment licensed under IC 7.1-3-2-7(5).

~~(c)~~ **(d)** A person may not place, maintain, or display a flashing, a rotating, or an alternating light, beacon, or other lighted device that:

(1) is visible from a highway; and

(2) may be mistaken for or confused with a traffic control device or for an authorized warning device on an emergency vehicle.

~~(d)~~ **(e)** This section does not prohibit the erection, upon private property adjacent to highways, of signs giving useful directional information and of a type that cannot be mistaken for official signs.

SECTION 41. IC 34-30-2-19.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 19.5. IC 7.1-3-13-3.5 (Concerning wine purchased at an estate sale and resold by a wine wholesaler).**

SECTION 42. IC 35-46-1-10.1 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 10.1. (a) If a permit holder or an agent or employee of a permit holder violates IC 7.1-5-7-8 on the licensed premises, in addition to any other penalty, a civil judgment may be imposed against the permit holder as follows:**

(1) If the licensed premises at that specific business location has not been issued a citation or summons for a violation of this section in the previous ninety (90) days, a civil penalty of two hundred fifty dollars ($250).

(2) If the licensed premises at that specific business location has had one (1) citation or summons issued for a violation of this section in the previous ninety (90) days, a civil penalty of five hundred dollars ($500).

(3) If the licensed premises at that specific business location has had two (2) citations or summonses issued for a violation of this section in the previous ninety (90) days, a civil penalty of one thousand dollars ($1,000).

(4) If the licensed premises at that specific business location has had three (3) or more citations or summonses issued for a violation of this section in the previous ninety (90) days, a

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civil penalty of two thousand dollars ($2,000).

A permit holder may not be issued a citation or summons for a violation of this section more than once every twenty-four (24) hours.

(b) The defenses set forth in IC 7.1-5-7-5.1 are available to a permit holder in an action under this section.

(c) Unless a person less than twenty-one (21) years of age buys or receives an alcoholic beverage under the direction of a law enforcement officer as part of an enforcement action, a permit holder that sells alcoholic beverages is not liable for a violation of this section unless the person less than twenty-one (21) years of age who bought or received the alcoholic beverage is charged for violating IC 7.1-5-7-7.

(d) All civil penalties collected under this section shall be deposited in the alcohol and tobacco commission's enforcement and administration fund under IC 7.1-4-10.

SECTION 43. IC 7.1-3-1-5.3 IS REPEALED [EFFECTIVE JULY 1, 2007].

SECTION 44. [EFFECTIVE JULY 1, 2007] **(a) Notwithstanding IC 7.1-2-4-13.5, as added by this act, a member of a local board appointed before January 1, 2008, shall complete the training required under IC 7.1-2-4-13.5, as added by this act, not later than July 1, 2008.**

(b) The alcohol and tobacco commission shall begin providing a training program under IC 7.1-2-4-13.5, as added by this act, for members of local boards not later that January 1, 2008.

(c) This SECTION expires July 2, 2008.

SECTION 45. [EFFECTIVE JULY 1, 2007] **IC 7.1-5-7-8, as amended by this act, and IC 7.1-5-10-23, as added by this act, apply only to offenses committed after June 30, 2007.**

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COMMITTEE REPORT

Madam President: The Senate Committee on Rules and Legislative Procedure, to which was referred Engrossed Senate Bill No. 339, 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 the title and insert the following:

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

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 Commerce, Public Policy & Interstate Cooperation.

(Reference is to SB 339 as introduced.)

LONG, Chairperson

COMMITTEE REPORT

Madam President: The Senate Committee on Commerce, Public Policy and Interstate Cooperation, to which was referred Senate Bill No. 339, 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 made to Senate Bill 339 as printed February 9, 2007.)

RIEGSECKER, Chairperson

Committee Vote: Yeas 7, Nays 3.

SENATE MOTION

Madam President: I move that Senator Alting be added as second author of Senate Bill 339.

RIEGSECKER

C o p y

SENATE MOTION

Madam President: I move that Senate Bill 339 be amended to read as follows:

Page 1, line 3, after "Sec. 18.5." insert "**(a)**".

Page 1, line 6, after "445110," insert "**445299 (gourmet food stores),**".

Page 1, between lines 14 and 15, begin a new paragraph and insert:

"**(b) The term does not include a store or part of a store that has the primary North American Industry Classification System (NAICS) classification 447190.**".

Page 2, line 14, delete "Liquor" and insert "**Except as provided in subsection (d), liquor**".

Page 2, line 14, delete "separated from the" and insert "**.**".

Page 2, line 15, delete "area where nonalcoholic retail merchandise is displayed.".

Page 2, line 17, delete "The designated area".

Page 2, delete lines 18 through 21, begin a new paragraph and insert:

"**(d) The holder of a liquor dealer's permit is not required to comply with subsection (c) if the holder of the liquor dealer's permit uses at least one (1) of the following security measures:**

(1) The liquor is displayed behind a retail counter or in a locked display case.

(2) Each bottle of liquor for sale on the licensed premises has a security cap if the bottle of liquor is capable of having a security cap.

(3) The liquor is displayed adjacent to a drug store counter.

(4) The area in which the liquor is displayed is under video surveillance.".

Page 2, line 22, delete "(d)" and insert "**(e)**"

Page 2, line 31, delete "(e)" and insert "**(f)**".

Page 2, between lines 36 and 37, begin a new paragraph and insert:

"SECTION 4. IC 7.1-3-19-10.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 10.5. (a) Upon application for a new permit or transfer of a location of an existing permit, the commission shall investigate the desirability of the permit in regard to the potential geographical location of the permit.**

(b) In investigating the desirability of the permit under subsection (a), the commission may consider the following:

(1) The need for the services at the requested location of the permit.

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(2) The desire of the neighborhood or the community to receive the services.

(3) The impact of the services on other business in the neighborhood or community.

(4) The impact of the services on the neighborhood or community.

SECTION 5. IC 7.1-3-21-3, AS AMENDED BY P.L.165-2006, SECTION 28, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 3. The commission shall not issue:

(1) an alcoholic beverage retailer's ~~or dealer's~~ permit of any type; or

(2) a liquor wholesaler's permit;

to a person who has not been a continuous and bona fide resident of Indiana for five (5) years immediately preceding the date of the application for a permit.

SECTION 6. IC 7.1-3-21-4, AS AMENDED BY P.L.165-2006, SECTION 29, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 4. The commission shall not issue:

(1) a liquor wholesaler's permit; or

(2) an alcoholic beverage retailer's ~~or dealer's~~ permit;

of any type to a partnership unless each member of the partnership possesses the same qualifications as those required of an individual applicant for that particular type of permit.

SECTION 7. IC 7.1-3-21-5, AS AMENDED BY P.L.165-2006, SECTION 30, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 5. (a) The commission shall not issue:

(1) an alcoholic beverage retailer's ~~or dealer's~~ permit of any type; or

(2) a liquor wholesaler's permit;

to a corporation unless sixty percent (60%) of the outstanding common stock is owned by persons who have been continuous and bona fide residents of Indiana for five (5) years.

(b) The commission shall not issue a liquor wholesaler's permit to a corporation unless at least one (1) of the stockholders shall have been a resident, for at least one (1) year immediately prior to making application for the permit, of the county in which the licensed premises are to be situated.

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

SECTION 8. IC 7.1-3-21-5.2, AS AMENDED BY P.L.165-2006, SECTION 31, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

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JULY 1, 2007]: Sec. 5.2. (a) The commission shall not issue:

(1) an alcoholic beverage retailer's ~~or dealer's~~ permit of any type; or

(2) a liquor wholesaler's permit;

to a limited partnership unless at least sixty percent (60%) of the partnership interest is owned by persons who have been continuous and bona fide residents of Indiana for five (5) years.

(b) The commission shall not issue a liquor wholesaler's permit to a limited partnership unless for at least one (1) year immediately before making application for the permit, at least one (1) of the persons having a partnership interest has been a resident of the county in which the licensed premises are to be situated.

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

SECTION 9. IC 7.1-3-21-5.4, AS AMENDED BY P.L.165-2006, SECTION 32, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 5.4. (a) The commission shall not issue:

(1) an alcoholic beverage retailer's ~~or dealer's~~ permit of any type; or

(2) a liquor wholesaler's permit;

to a limited liability company unless at least sixty percent (60%) of the membership interest is owned by persons who have been continuous and bona fide residents of Indiana for five (5) years.

(b) The commission shall not issue a liquor wholesaler's permit to a limited liability company unless for at least one (1) year immediately before making application for the permit, at least one (1) of the persons having a membership interest has been a resident of the county in which the licensed premises are to be situated.

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

SECTION 10. IC 7.1-3-21-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 6. (a) The provisions of sections 4, 5, 5.2, and 5.4 of this chapter concerning retail ~~and dealer~~ partnerships, corporations, limited partnerships, and limited liability companies shall not apply to the issuance of:

(1) a dining car permit;

(2) **a** boat permit;

(3) **a** drug store permit;

(4) **a** grocery store permit;

(5) **a** hotel permit;

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(6) **an** airplane permit;
(7) an excursion and adjacent landsite permit;
(8) a horse track permit;
(9) a satellite facility permit; or
(10) a retail permit to an establishment:
(A) that is sufficiently served by adequate law enforcement at its permit location; and
(B) whose annual gross food sales at the permit location:
(i) exceed one hundred thousand dollars ($100,000); or
(ii) in the case of a new application and as proved by the applicant to the local board and the commission, will exceed two hundred thousand dollars ($200,000) by the end of the two (2) year period from the date of the issuance of the permit.

(b) The commission shall not issue a permit listed in subsection (a) to a foreign:
(1) corporation;
(2) limited partnership; or
(3) limited liability company;
that is not duly qualified to do business in Indiana.".

Page 2, delete lines 37 through 42, begin a new paragraph and insert:

"SECTION 11. IC 7.1-3-22-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 4. ~~Dealers' Permits Limited.~~ **(a)** The commission may grant: ~~only~~
(1) one (1) beer dealer's permit **in an:**
(A) incorporated city or town that has a population of less than fifteen thousand one (15,001); or
(B) unincorporated town;
for each one thousand five hundred (1,500) persons, or fraction thereof, within the incorporated city or town described in clause (A) or the unincorporated town;
(2) in an incorporated city or town that has a population of more than fifteen thousand (15,000) but less than eighty thousand (80,000):
(A) one (1) beer dealer's permit for each three thousand (3,000) persons, or a fraction thereof; or
(B) ten (10) beer dealer's permits;
whichever is greater, within the incorporated city or town;
(3) in an incorporated city or town that has a population of at least eighty thousand (80,000):
(A) one (1) beer dealer's permit for each five thousand

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(5,000) persons, or a fraction thereof; or

(B) twenty-seven (27) beer dealer's permits;

whichever is greater, within the incorporated city or town;".

Page 3, line 1, delete "unincorporated town;".

Page 3, line 2, delete "(2)" and insert "**(4) one (1)**".

Page 3, line 7, delete "or liquor dealer's permit".

Page 3, line 8, delete "or liquor dealer".

Page 3, delete lines 12 through 37.

Page 5, after line 12, begin a new paragraph and insert:

"**(d) All civil penalties collected under this section shall be deposited in the alcohol and tobacco commission's enforcement and administration fund under IC 7.1-4-10.**".

Renumber all SECTIONS consecutively.

(Reference is to SB 339 as printed February 23, 2007.)

RIEGSECKER

COMMITTEE REPORT

Mr. Speaker: Your Committee on Public Policy, to which was referred Senate Bill 339, 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:

Delete the technical correction adopted under Senate Rule 33(c) on February 27, 2007.

Page 1, delete lines 1 through 17, begin a new paragraph and insert:

"SECTION 1. IC 7.1-1-3-18.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 18.5. (a) "Grocery store" means a store or part of a store that meets the following requirements:**

(1) The establishment is known generally as:

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

(i) canned and frozen foods;

(ii) fresh fruits and vegetables; and

(iii) fresh and prepared meats, fish, and poultry;

(B) a convenience store or food mart (except as provided in subsection (b)) and is primarily engaged in:

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

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

(C) 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;

(D) 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:

(i) meat, fish, and seafood;

(ii) fruits and vegetables;

(iii) confections, nuts, and popcorn; and

(iv) baked goods.

(2) The establishment meets the minimum requirement under IC 7.1-3-5-5` for annual gross sales of food for human consumption that is exempt from the state gross retail tax.

(b) The term does not include an establishment known generally as a gas station (except as provided in subsection (a)(1)(B)) 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.".

Page 2, line 3, after "Sec. 4." insert "**(a)**".

Page 2, between lines 8 and 9, begin a new paragraph and insert:

"**(b) The commission may transfer ownership of a beer dealer's permit under this section only to an applicant who is the proprietor of:**

(1) a drug store;

(2) a grocery store (as defined by IC 7.1-1-3-18.5); or

(3) a package liquor store.".

Page 2, delete lines 9 through 42, begin a new paragraph and insert:

"SECTION 3. IC 7.1-1-3-40.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 40.5. "Sales clerk" means a person who:**

(1) rings up; or

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(2) otherwise records;

an alcoholic beverage sale in the course of the person's employment in a dealer establishment.

SECTION 4. IC 7.1-2-4-13.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 13.5. (a) This section does not apply to a designated member of the local board who is an employee or officer of the commission.**

(b) A local board member shall complete a training program conducted by the commission. A local board member may not be required to take a test or examination or pay a fee in order to complete the training program.

(c) The training program must include training on all of the following subjects:

(1) An overview of Indiana alcoholic beverage law and enforcement.

(2) Duties and responsibilities of the board concerning new permit applications, permit transfers, and renewal of existing permits.

(3) The open door law (IC 5-14-1.5) and the public records law (IC 5-14-3).

(4) Notice and hearing requirements.

(5) The process for appeal of an adverse decision of the board.

(6) Any other subject determined by the commission.

(d) A local board member must complete the training program not more than one hundred eighty (180) days after the member is appointed to the board. A local board member who does not complete the training program within the time allowed by this subsection shall be removed from the board under section 21 of this chapter.

SECTION 5. IC 7.1-2-4-22 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 22. (a) A local board shall allow all individuals attending a public local board meeting or hearing to make oral comments at the meeting or hearing regarding the subject of the meeting or hearing. However, a local board may set a reasonable limit on the amount of time allowed to each individual to provide oral comment.**

(b) A local board may give greater weight to oral comments provided by a person who:

(1) owns or operates a business that is located; or

(2) owns real property or resides;

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not more than one thousand (1,000) feet from the location for which a permit is requested.

SECTION 6. IC 7.1-2-4-23 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 23. The local board may appoint at least one (1) attorney to advise the local board and to assist the local board in fulfilling the local board's duties under this title.**

SECTION 7. IC 7.1-2-5-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 8. ~~Forfeiture to State.~~ An officer who makes an arrest for a violation of the provisions of this title shall seize the evidence of the commission of that violation, including any vehicle, automobile, boat, air or water craft, or other conveyance in which alcohol, alcoholic beverages, or malt articles are kept, possessed, or transported contrary to law, or contrary to a rule or regulation of the commission. The articles and vehicles mentioned in this section and in ~~IC 1971, 7.1-2-5-5 7.1-2-5-7,~~ **sections 5 through 7 of this chapter** are hereby declared forfeited to the state and shall be seized.

SECTION 8. IC 7.1-3-1-5.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 5.5. (a) ~~This section applies only in a county having a consolidated city.~~ **As used in this section, "authority" refers to the following:**

(1) In a consolidated city, the department of metropolitan development.

(2) In a municipality (as defined in IC 36-1-2-11) or a county not having a consolidated city, the plan commission that has jurisdiction in the municipality or county.

(3) In a municipality (as defined in IC 36-1-2-11) or county that is not within the jurisdiction of a plan commission:

(A) the municipal department designated by the executive of the municipality; or

(B) the county department designated by the executive of the county.

(b) As used in this section, "contiguous property owner" refers to a property owner who has real property that is geographically adjacent to or in contact with any point on the border of the property of a person who seeks a permit to sell alcoholic beverages for consumption on the licensed premises.

(c) As used in this section, "neighboring property owner" means:

(1) a contiguous property owner; or

(2) a property owner who has real property that:

(A) is geographically adjacent to or in contact with any point

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on the border of the property of a contiguous property owner; and

(B) some portion of which is within five hundred (500) feet of the property of a person who seeks a permit to sell alcoholic beverages for consumption on the licensed premises.

(d) As used in this section, "principal owner" means any person or entity holding at least a fifteen percent (15%) interest in the business for which a permit is sought to sell alcoholic beverages.

(e) As used in this section, "property owner" means any person whose name and address appears in the county assessor's real property tax assessment records as a person responsible for the payment of property taxes on a parcel of real property.

(f) Except as provided in section 28(d) of this chapter, subsection (g) applies to a location in the consolidated city only if:

(1) the application is for a liquor dealer's permit for a location within the boundaries of the special fire service district, as determined in conformity with IC 7.1-3-22-8; or

(2) the local alcoholic beverage board requires the applicant to comply with subsection (g).

(g) In addition to the notice required by section 5 of this chapter, the applicant for a new permit, or a transfer of a permit to sell alcoholic beverages of any type or at any location must, at least fifteen (15) days before the date of the local alcoholic beverage board hearing, mail notice of the hearing at the applicant's expense to the following:

(1) Each neighboring property owner.

(2) The ~~department of metropolitan development of the consolidated city;~~ **authority.**

(3) The following entities that have registered with the ~~department of metropolitan development of the consolidated city:~~ **authority:**

(A) The principal, headmaster, or other primary administrator of each public, private, or parochial elementary or secondary school located less than one thousand (1,000) feet from the property line of the applicant's property.

(B) Each church that is located less than one thousand (1,000) feet from the property line of the applicant's property.

(C) Each neighborhood association that represents the area in which the applicant's property is located.

(h) The notice that the applicant mails must provide the following information:

(1) The name and address of the applicant, or if the applicant is a corporation, a club, an association, or an organization, the name

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and address of the applicant's president, secretary, and principal owners who will be responsible to the public for the sale of alcoholic beverages.

(2) A statement that the applicant has filed an application with the alcohol and tobacco commission for the sale of alcoholic beverages.

(3) The specific address where alcoholic beverages are asked to be sold.

(4) The type of alcoholic beverage permit applied for.

(5) The date, time, and location of the public hearing before the local alcoholic beverage board regarding the application.

(6) That if there is a desire to remonstrate against the application, the recipient of the notice may attend this public hearing.

(i) The applicant shall furnish evidence of the applicant's compliance with this section by filing an affidavit with the local alcoholic beverage board at the public hearing on the application. The affidavit must list the names and addresses of the individuals or other entities to which notice was mailed by the applicant.

(j) In addition to the information required by subsection (i), the applicant shall file with the local alcoholic beverage board at the public hearing the following information:

(1) **This subdivision applies only to an authority referred to in subsection (a)(1) or (a)(2).** Verification from the ~~department of metropolitan development of the consolidated city~~ **authority** that the applicant is in compliance with zoning requirements for the premises to be licensed.

(2) Verification from the department of state revenue that the applicant does not have any outstanding income tax, excise tax, or sales tax liabilities.

(3) Verification from the county treasurer that the applicant does not have any outstanding property tax liability.

(k) Subsection (j)(1) does not apply to a permit holder that received and held a permit before September 1, 1987.

(l) Notwithstanding subsection (f)(1), an applicant seeking a transfer of a permit from a permit holder to a new permit holder when the new permit holder does not intend to change the nature of the business operated under the permit may apply to the local board for a waiver of the notice requirement in subsection (g). The local board may consider any information the local board considers relevant in making a determination to approve or deny the waiver request. The local board must approve or deny a waiver request at the first regularly scheduled meeting that occurs at least fifteen (15) days after the local board

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receives the waiver request from the applicant.

SECTION 9. IC 7.1-3-1-5.6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 5.6. ~~(a) This section applies only in a county having a consolidated city.~~

~~(b)~~ **(a)** This section applies only to an application for the renewal of a permit to sell alcoholic beverages.

~~(c)~~ **(b)** The definitions set forth in section 5.5 of this chapter apply to this section.

~~(d)~~ **(c)** The renewal of a permit is subject to IC 7.1-3-19-9.5.

~~(e)~~ **(d)** Except as provided in section 28(d) of this chapter, subsections ~~(f)~~ **(e)** and ~~(g)~~ **(f)** apply to a location ~~in the consolidated city~~ only if the application is for a liquor dealer's permit.

~~(f)~~ **(e)** Notwithstanding subsection ~~(d),~~ **(c),** if:

(1) an applicant has been cited for a violation of law or a rule of the commission; or

(2) the local alcoholic beverage board has received at least five (5) written complaints against the applicant alleging a violation of law or a rule of the commission;

then upon direction of the local board, the applicant shall, at least fifteen (15) days before the date of the local alcoholic beverage board hearing, mail notice of the hearing at the applicant's expense as provided in subsection ~~(g).~~ **(f).**

~~(g)~~ **(f)** The applicant shall mail the notice required under subsection ~~(f)~~ **(e)** to the following:

(1) Each neighboring property owner.

(2) The ~~department of metropolitan development of the consolidated city.~~ **authority (as defined in section 5.5 of this chapter).**

(3) The following entities that have registered with the ~~department of metropolitan development of the consolidated city:~~ **authority (as defined in section 5.5 of this chapter):**

(A) The principal, headmaster, or other primary administrator of each public, private, or parochial elementary or secondary school located less than one thousand (1,000) feet from the property line of the applicant's property.

(B) Each church that is located less than one thousand (1,000) feet from the property line of the applicant's property.

(C) Each neighborhood association that represents the area in which the applicant's property is located.

~~(h)~~ **(g)** The notice that the applicant mails must provide the following information:

(1) The name and address of the applicant, or if the applicant is

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a corporation, a club, an association, or an organization, the name and address of the applicant's president, secretary, and principal owners who will be responsible to the public for the sale of alcoholic beverages.

(2) A statement that the applicant has filed an application with the alcohol and tobacco commission for the sale of alcoholic beverages.

(3) The specific address where alcoholic beverages are asked to be sold.

(4) The type of alcoholic beverage permit applied for.

(5) The date, time, and location of the public hearing before the local alcoholic beverage board regarding the application.

(6) That if there is a desire to remonstrate against the application, the recipient of the notice may attend this public hearing.

~~(i)~~ **(h)** The applicant shall furnish evidence of the applicant's compliance with this section by filing an affidavit with the local alcoholic beverage board at the public hearing on the application. The affidavit must list the names and addresses of the persons to whom notice was mailed by the applicant.

~~(j)~~ **(i)** In addition to the information required by subsection ~~(i),~~ **(h),** the applicant shall file with the local alcoholic beverage board at the public hearing the following information:

(1) **This subdivision applies only to an authority referred to in section 5.5(a)(1) or 5.5(a)(2) of this chapter.** Verification from the ~~department of metropolitan development of the consolidated city~~ **authority** that the applicant is in compliance with zoning requirements for the premises to be licensed.

(2) Verification from the department of state revenue that the applicant does not have any outstanding income tax, excise tax, or sales tax liabilities.

(3) Verification from the county treasurer that the applicant does not have any outstanding property tax liability.

~~(k)~~ **(j)** Subsection ~~(j)(1)~~ **(i)(1)** does not apply to a permit holder that received and held a permit before September 1, 1987.

SECTION 10. IC 7.1-3-1-14, AS AMENDED BY P.L.165-2006, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 14. (a) It is lawful for an appropriate permittee, unless otherwise specifically provided in this title, to sell alcoholic beverages each day Monday through Saturday from 7 a.m., prevailing local time, until 3 a.m., prevailing local time, the following day. Sales shall cease wholly on Sunday at 3 a.m., prevailing local time, and not be resumed until the following Monday at 7 a.m., prevailing local time.

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(b) **Except as provided in subsection (f),** it is lawful for the holder of a retailer's permit to sell the appropriate alcoholic beverages for consumption on the licensed premises only on Sunday from 10 a.m., prevailing local time, until 12:30 a.m., prevailing local time, the following day.

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

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

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

(3) are being used for a professional or an amateur tournament;

beginning one (1) hour before the scheduled starting time of the event or, if the scheduled starting time of the event is 1 p.m. or later, beginning at noon.

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

(e) Notwithstanding subsection (b), if December 31 (New Year's Eve) is on a Sunday, it is lawful for the holder of a retailer's permit to sell the appropriate alcoholic beverages on Sunday, December 31, from 10 a.m., prevailing local time, until 3 a.m., prevailing local time, the following day.

(f) The governor may, by issuing an executive order, waive the hours of service restrictions under subsection (b) on a one (1) time basis if the following criteria are satisfied:

(1) The state or a municipality, or both, are hosting a public event that has the potential to benefit the state and local economy and bring prestige to the state.

(2) The event would involve at least forty thousand (40,000) people concentrated in one (1) area.

(3) If the hours of service restrictions under subsection (b) were not waived, it would potentially present negative economic consequences for retailers.

(4) The state or a municipality, or both, would potentially risk losing the opportunity to host the event because of the hours of service restriction under subsection (b).

This section shall be narrowly construed and applies only for the period designated in the executive order.

SECTION 11. IC 7.1-3-1-28 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 28. (a) This section

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applies to the initial issuance, transfer of location, or transfer of ownership of the following:

(1) Any form of retailer's permit issued under this title.

(2) Any form of dealer's permit issued under this title.

(b) To qualify for approval of an application, an applicant must show proof to the commission that the applicant has provided notice concerning the application in conformity with this section.

(c) Except as provided in subsection (d), the applicant shall post a sign for the period, in the location, and in the form specified in the rules adopted by the commission to indicate to the public that the applicant is seeking the issuance of a retailer's or dealer's permit. The rules adopted by the commission must require that:

(1) the wording on the sign be in a sufficiently large type size; and

(2) the sign be posted in a sufficient manner in a window or another area;

so that the sign is visible from the largest public thoroughfare or the nearest public thoroughfare in the vicinity of the applicant's location. The commission may require an applicant to use a sign prepared by the commission. The commission may charge a fee for a sign prepared by the commission that does not exceed the cost of the sign.

(d) ~~This subsection applies to a county having a consolidated city.~~ If the application is for a permit other than a liquor dealer's permit, the applicant may:

(1) post notice of the application as set forth in subsection (c); or

(2) mail notice in accordance with:

(A) section 5.5 of this chapter if the application is for a new permit or transfer of a permit; or

(B) section 5.6 of this chapter if the application is for renewal of a permit.

SECTION 12. IC 7.1-3-1.5-2, AS ADDED BY P.L.161-2005, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 2. As used in this chapter, "dealer permittee" means a person who holds a ~~liquor~~ dealer permit. ~~under IC 7.1-3-10 for a package liquor store.~~".

SECTION 13. IC 7.1-3-2-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: 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.

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(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's brewery manufactures not more than twenty thousand (20,000) barrels of beer in a calendar year, do the following:

(A) Sell and deliver beer to a person holding a retailer or a dealer permit under this title.

(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 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 by the glass for consumption on the premises. Brewers permitted to sell beer by the glass under this clause must furnish the minimum food requirements prescribed by the commission.

(H) Sell and deliver beer 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 may be contained in bottles or other permissible containers.

(6) If the brewer's brewery manufactures more than twenty thousand (20,000) barrels of beer in a calendar year, 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 twenty thousand (20,000) barrels of beer in a calendar year; and

(C) is the proprietor of a restaurant that operates under subdivision (5).

~~(7) Sell and deliver beer to a consumer at the plant of the brewer or at the residence of the consumer. The delivery to a consumer shall be made only in a quantity at any one (1) time of not more~~

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~~than one-half (1/2) barrel, but the beer may be contained in bottles or other permissible containers.~~

~~(8)~~ **(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.

~~(9)~~ **(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.

~~(10)~~ **(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 14. IC 7.1-3-3-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 4. (a) The premises to be used as a warehouse by an applicant shall be described in the application for the permit. The commission shall not issue a beer wholesaler's permit to an applicant for any other warehouse or premises than that described in the application. The commission shall issue only one (1) beer wholesaler's permit to an applicant, but a permittee may be permitted to transfer ~~his~~ **the permittee's** warehouse to another location within the county **that is not required to be within the corporate limits of an incorporated city or town,** upon application to, and approval of, the commission.

(b) As used in this subsection, "immediate relative" means the father, the mother, a brother, a sister, a son, or a daughter of a wholesaler permittee. Notwithstanding subsection (a), the commission, upon the death or legally adjudged mental incapacitation of a wholesaler permittee, may allow the transfer of the wholesaler permit only to an immediate relative of the wholesaler permittee who concurrently holds a majority share in a valid wholesaler permit.

SECTION 15. IC 7.1-3-3-5, AS AMENDED BY P.L.224-2005, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 5. (a) The holder of a beer wholesaler's permit may purchase and import from the primary source of supply, possess, and sell at wholesale, beer and flavored malt beverages manufactured within or without this state.

(b) A beer wholesaler permittee may possess, transport, sell, and

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deliver beer to:

(1) another beer wholesaler authorized by the brewer to sell the brand purchased;

(2) ~~a consumer;~~ **an employee;** or

(3) a holder of a beer retailer's permit, beer dealer's permit, temporary beer permit, dining car permit, boat permit, airplane permit, or supplemental caterer's permit;

located within this state. The sale, transportation, and delivery of beer shall be made only from inventory that has been located on the wholesaler's premises before the time of invoicing and delivery.

(c) ~~Delivery of beer to a consumer shall be made in barrels only with the exception of~~ The beer wholesaler's bona fide regular employees ~~who~~ may purchase beer from the wholesaler in:

(1) bottles, cans, or any other type of permissible containers in an amount not to exceed forty-eight (48) pints; **or**

(2) one (1) keg;

at any one (1) time.

(d) The importation, transportation, possession, sale, and delivery of beer shall be subject to the rules of the commission and subject to the same restrictions provided in this title for a person holding a brewer's permit.

(e) The holder of a beer wholesaler's permit may purchase, import, possess, transport, sell, and deliver any commodity listed in IC 7.1-3-10-5, unless prohibited by this title. However, a beer wholesaler may deliver flavored malt beverages only to the holder of one (1) of the following permits:

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

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

(f) A beer wholesaler may:

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

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

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

SECTION 16. IC 7.1-3-5-5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY

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1, 2007]: **Sec. 5. (a) As used in this section "annual gross sales of food" refers to annual gross sales of food for human consumption that are exempt from the state gross retail tax.**

(b) To be eligible for a permit for a grocery store under this title, an establishment must have at least eighty-four thousand dollars ($84,000) in annual gross sales of food. However, the figure set in this subsection as the minimum annual gross sales of food for an establishment is subject to adjustment under subsection (c).

(c) The commission shall annually adjust the minimum amount of annual gross sales of food initially set in subsection (b) by an amount that does not exceed the percent of increase in the United States Department of Labor Consumer Price Index during the calendar year preceding the calendar year in which an increase is established. The commission shall determine which consumer price index shall be applied in determining the adjustment under this subsection.

SECTION 17. IC 7.1-3-5-6 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 6. (a) As used in this section "annual gross sales of food" refers to annual gross sales of food for human consumption that are exempt from the state gross retail tax.**

(b) The holder of a permit issued to a grocery store shall annually report to the commission the amount of the permit holder's establishment's annual gross sales of food. The information provided to the commission under this subsection regarding the amount of annual gross sales of food 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 for the purpose of verifying the accuracy of the annual gross sales of food reported to the commission under this subsection; and

(2) in any administrative or judicial proceeding to revoke or suspend the holder's permit as a result of a discrepancy discovered by the department of state revenue under subsection (c).

(c) The department of state revenue shall verify the accuracy of the reports provided to the commission under this section. The department of state revenue shall report to the commission any discrepancy that the department discovers between:

(1) the amount of annual gross sales of food that the permit holder has reported to the department; and

(2) the amount of annual gross sales of food that the permit

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holder has reported to the commission.

(d) 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 section. 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 a discrepancy discovered by the department of state revenue under subsection (c).

` SECTION 18. IC 7.1-3-9-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 11. (a) A liquor retailer may allow customers to sample the following:

(1) Beer.

(2) Wines.

(3) Liquors.

(4) Liqueurs and cordials (as defined in 27 CFR 5.22(h)).

(5) Flavored malt beverages.

(6) Hard cider.

(b) Sampling is permitted only:

(1) on the liquor retailer's permit premises; and

(2) during the permittee's regular business hours.

(c) A liquor retailer may not charge for the samples provided to customers.

(d) Sample size of wines may not exceed one (1) ounce.

(e) In addition to the other provisions of this section, a liquor retailer who allows customers to sample liquors, liqueurs, or cordials shall comply with all of the following:

(1) A liquor retailer may allow a customer to sample only a combined total of two (2) liquor, liqueur, or cordial samples per day.

(2) Sample size of liqueurs or cordials may not exceed one-half (1/2) ounce.

(3) Sample size of liquors may not exceed four-tenths (0.4) ounce.

(f) A sample size of beer, **flavored malt beverage, or hard cider** may not exceed six (6) ounces.

SECTION 19. IC 7.1-3-10-13 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 13. (a) A liquor dealer permittee who is a proprietor of a package liquor store may allow customers to sample the following:

(1) Beer.

(2) Wines.

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(3) Liquors.

(4) Liqueurs and cordials (as defined in 27 CFR 5.22(h)).

(5) Flavored malt beverages.

(6) Hard cider.

(b) Sampling is permitted:

(1) only on the package liquor store permit premises; and

(2) only during the store's regular business hours.

(c) No charge may be made for the samples provided to the customers.

(d) Sample size of wines may not exceed one (1) ounce.

(e) In addition to the other provisions of this section, a proprietor who allows customers to sample liquors, liqueurs, or cordials shall comply with all of the following:

(1) A proprietor may allow a customer to sample not more than a combined total of two (2) liquor, liqueur, or cordial samples per day.

(2) Sample size of liqueurs or cordials may not exceed one-half (1/2) ounce.

(3) Sample size of liquors may not exceed four-tenths (0.4) ounce.

(f) **A** sample size of beer, **flavored malt beverage, or hard cider** may not exceed six (6) ounces.

SECTION 20. IC 7.1-3-10-14 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 14. (a) This section does not apply to a package liquor store.**

(b) Beginning July 1, 2007, a holder of a liquor dealer permit shall display liquor for sale in a clearly separated area that prohibits the presence of a minor unless the minor is accompanied by a parent or guardian who is at least twenty-one (21) years of age. Other alcoholic beverages may be displayed in a designated area where liquor is displayed under this subsection.

(c) Alcoholic beverages may not be displayed within fifteen (15) feet of a public entrance of a licensed premises.

(d) The commission may adopt rules under IC 4-22-2 to implement this section.

SECTION 21. IC 7.1-3-13-3.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 3.5. (a) A wine wholesaler may sell wine purchased from an estate sale only if the following requirements are met:**

(1) The primary source of the wine sold at auction:

(A) is authorized to sell wine in Indiana on the date the

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wine is resold by the wholesaler;

(B) is given notice of the purchase by the wine wholesaler; and

(C) authorizes the wine wholesaler to resell the wine purchased.

(2) The seller of wine at auction is a bona fide estate of an Indiana decedent.

(3) Each wine bottle is affixed with a sticker indicating that the wine was purchased from an estate.

(b) The notice given to the primary source under subsection (a)(1) must include the following information:

(1) The name of the seller.

(2) The amount of the product purchased and the sale price at auction.

(3) The vintage of the wine purchased.

(c) A wholesaler is not liable for product liability for wine that the wholesaler sells from an estate auction purchase.

SECTION 22. IC 7.1-3-17.5-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 6. Notwithstanding IC 7.1-5-5-7, the holder of an excursion and adjacent landsite permit may, subject to the approval of the commission, provide alcoholic beverages to guests without charge at an event on the licensed premises if all the following requirements are met:

~~(1) The event is attended by not more than six hundred fifty (650) guests.~~

~~(2) The event is not more than six (6) hours in duration.~~

~~(3)~~ **(1)** Each alcoholic beverage dispensed to a guest:

(A) is entered into a cash register that records and itemizes on the cash register tape each alcoholic beverage dispensed; and

(B) is entered into a cash register as a sale and at the same price that is charged to the general public.

~~(4)~~ **(2)** At the conclusion of the event, all alcoholic beverages recorded on the cash register tape are paid by the holder of the excursion and adjacent landsite permit.

~~(5)~~ **(3)** All records of the alcoholic beverage sales, including the cash register tape, shall be maintained by the holder of the excursion and adjacent landsite permit for not less than two (2) years.

~~(6)~~ **(4)** The holder of the excursion and adjacent landsite permit complies with the rules of the commission.

SECTION 23. IC 7.1-3-18-9, AS AMENDED BY P.L.165-2006, SECTION 26, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

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JULY 1, 2007]: Sec. 9. (a) **Except as provided in subsection (j),** the commission may issue an employee's permit to a person who desires to act as:

(1) a **sales** clerk in a ~~package liquor store;~~ **dealer establishment;**

(2) an employee who serves wine at a farm winery; or

(3) a bartender, waiter, waitress, or manager in a retail establishment. ~~excepting dining car and boat employees.~~

(b) A permit authorized by this section is conditioned upon the compliance by the holder with reasonable rules relating to the permit which the commission may prescribe from time to time.

(c) A permit issued under this section entitles its holder to work for any lawful employer. However, a person may work without an employee's permit for thirty (30) days from the date shown on a receipt for a cashier's check or money order payable to the commission for that person's employee's permit application.

(d) A person who, for a package liquor store or retail establishment, is:

(1) the sole proprietor;

(2) a partner, a general partner, or a limited partner in a partnership or limited partnership that owns the business establishment;

(3) a member of a limited liability company that owns the business establishment; or

(4) a stockholder in a corporation that owns the business establishment;

is not required to obtain an employee's permit in order to perform any of the acts listed in subsection (a).

(e) An applicant may declare on the application form that the applicant will use the employee's permit only to perform volunteer service that benefits a nonprofit organization. It is unlawful for an applicant who makes a declaration under this subsection to use an employee's permit for any purpose other than to perform volunteer service that benefits a nonprofit organization.

(f) The commission may not issue an employee's permit to an applicant while the applicant is serving a sentence for a conviction for operating while intoxicated, including any term of probation or parole.

(g) The commission may not issue an employee's permit to an applicant who has two (2) unrelated convictions for operating while intoxicated if:

(1) the first conviction occurred less than ten (10) years before the date of the applicant's application for the permit; and

(2) the applicant completed the sentence for the second

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conviction, including any term of probation or parole, less than two (2) years before the date of the applicant's application for the permit.

(h) If an applicant for an employee's permit has at least three (3) unrelated convictions for operating while intoxicated in the ten (10) years immediately preceding the date of the applicant's application for the permit, the commission may not grant the issuance of the permit. If, in the ten (10) years immediately preceding the date of the applicant's application the applicant has:

(1) one (1) conviction for operating while intoxicated, and the applicant is not subject to subsection (f); or

(2) two (2) unrelated convictions for operating while intoxicated, and the applicant is not subject to subsection (f) or (g);

the commission may grant or deny the issuance of a permit.

(i) The commission shall revoke a permit issued to an employee under this section if:

(1) the employee is convicted of a Class B misdemeanor for violating IC 7.1-5-10-15(a); or

(2) the employee is convicted of operating while intoxicated after the issuance of the permit.

The commission may revoke a permit issued to an employee under this section for any violation of this title or the rules adopted by the commission.

(j) This section does not apply to dining car, boat, or airline employees.

SECTION 24. IC 7.1-3-19-10.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 10.5. (a) This section applies only to an application for:**

(1) a new permit for a grocery store or package liquor store; or

(2) transfer of a location of an existing permit for a grocery store or package liquor store.

(b) Upon application for a new dealer permit or transfer of a location of an existing dealer permit, the local board shall investigate the desirability of the permit in regard to the potential geographic location of the permit premises.

(c) In investigating the desirability of a dealer permit under subsection (b), the local board may consider the following:

(1) Subject to subsection (d), whether there is a need for the services at the requested location of the dealer permit.

(2) The desire of the neighborhood or the community to

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receive the services.

(3) The impact of the services on other business in the neighborhood or community.

(4) The impact of the services on the neighborhood or community.

(d) If the evidence presented to the local board establishes that, within one thousand (1,000) feet of the location requested in the application, there is located an establishment that has been issued a permit for a grocery store or package liquor store, a rebuttable presumption is created that there is not a need for the services at the requested location under subsection (b)(1).

SECTION 25. IC 7.1-3-19-11.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 11.5. (a) As used in this section, "applicant" or "application" means an applicant or an application for:**

(1) a new permit; or

(2) transfer or renewal of an existing permit.

(b) This section applies if a permit applicant or a person who remonstrates at a local board hearing against the approval of the application files with the commission:

(1) an objection to the commission's action on the application; and

(2) a request for an appeal hearing before the commission.

(c) The commission shall do the following:

(1) Provide notice to the local board, by first class mail, of the date of an appeal hearing set by the commission. Notice under this subdivision must be provided not later than ten (10) days before the date of the hearing.

(2) Publish notice in the city, town, or county where the proposed permit premises is located of the date of an appeal hearing set by the commission. Notice under this subdivision must be published not later than ten (10) days before the date of the hearing.

SECTION 26. IC 7.1-3-20-16, AS AMENDED BY P.L.165-2006, SECTION 27, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 16. (a) A permit that is authorized by this section may be issued without regard to the quota provisions of IC 7.1-3-22.

(b) The commission may issue a three-way permit to sell alcoholic beverages for on-premises consumption only to an applicant who is the proprietor, as owner or lessee, or both, of a restaurant facility in the passenger terminal complex of a publicly owned airport which is

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served by a scheduled commercial passenger airline certified to enplane and deplane passengers on a scheduled basis by a federal aviation agency. A permit issued under this subsection shall not be transferred to a location off the airport premises.

(c) The commission may issue a three-way, two-way, or one-way permit to sell alcoholic beverages for on-premises consumption only to an applicant who is the proprietor, as owner or lessee, or both, of a restaurant within a redevelopment project consisting of a building or group of buildings that:

(1) was formerly used as part of a union railway station;

(2) has been listed in or is within a district that has been listed in the federal National Register of Historic Places maintained pursuant to the National Historic Preservation Act of 1966, as amended; and

(3) has been redeveloped or renovated, with the redevelopment or renovation being funded in part with grants from the federal, state, or local government.

A permit issued under this subsection shall not be transferred to a location outside of the redevelopment project.

(d) The commission may issue a three-way, two-way, or one-way permit to sell alcoholic beverages for on-premises consumption only to an applicant who is the proprietor, as owner or lessee, or both, of a restaurant:

(1) on land; or

(2) in a historic river vessel;

within a municipal riverfront development project funded in part with state and ~~city~~ **local** money. A permit issued under this subsection may not be transferred.

(e) The commission may issue a three-way, two-way, or one-way permit to sell alcoholic beverages for on-premises consumption only to an applicant who is the proprietor, as owner or lessee, or both, of a restaurant within a renovation project consisting of a building that:

(1) was formerly used as part of a passenger and freight railway station; and

(2) was built before 1900.

The permit authorized by this subsection may be issued without regard to the proximity provisions of IC 7.1-3-21-11.

(f) The commission may issue a three-way permit for the sale of alcoholic beverages for on-premises consumption at a cultural center for the visual and performing arts to a town that:

(1) is located in a county having a population of more than four hundred thousand (400,000) but less than seven hundred thousand

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(700,000); and

(2) has a population of more than twenty thousand (20,000) but less than twenty-three thousand (23,000).

(g) After June 30, 2005, the commission may issue not more than ten (10) new three-way, two-way, or one-way permits to sell alcoholic beverages for on-premises consumption to applicants, each of whom must be the proprietor, as owner or lessee, or both, of a restaurant located within a district, or not more than five hundred (500) feet from a district, that meets **at least two (2) of** the following requirements:

(1) The district has been listed in the National Register of Historic Places maintained under the National Historic Preservation Act of 1966, as amended.

(2) A county courthouse is located within the district.

(3) A historic opera house listed on the National Register of Historic Places is located within the district.

(4) A historic jail and sheriff's house listed on the National Register of Historic Places is located within the district.

The legislative body of the municipality in which the district is located shall recommend to the commission sites that are eligible to be permit premises. The commission shall consider, but is not required to follow, the municipal legislative body's recommendation in issuing a permit under this subsection. An applicant is not eligible for a permit if, less than two (2) years before the date of the application, the applicant sold a retailer's permit that was subject to IC 7.1-3-22 and that was for premises located within the district described in this section or within five hundred (500) feet of the district. A permit issued under this subsection shall not be transferred. The cost of an initial permit issued under this subsection is six thousand dollars ($6,000).

(h) The commission may issue a three-way permit for the sale of alcoholic beverages for on-premises consumption to an applicant who will locate as the proprietor, as owner or lessee, or both, of a restaurant within an economic development area under IC 36-7-14 in:

(1) a town with a population of more than twenty thousand (20,000); or

(2) a city with a population of more than twenty-seven thousand (27,000) but less than twenty-seven thousand four hundred (27,400);

located in a county having a population of more than ninety thousand (90,000) but less than one hundred thousand (100,000). The commission may issue not more than five (5) licenses under this ~~section~~ **subsection** to premises within a municipality described in subdivision (1) and not more than five (5) licenses to premises within

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a municipality described in subdivision (2). The commission shall conduct an auction of the permits under IC 7.1-3-22-9, except that the auction may be conducted at any time as determined by the commission. Notwithstanding any other law, the minimum bid for an initial license under this subsection is thirty-five thousand dollars ($35,000), and the renewal fee for a license under this subsection is one thousand three hundred fifty dollars ($1,350). Before the district expires, a permit issued under this subsection may not be transferred. After the district expires, a permit issued under this subsection may be renewed, and the ownership of the permit may be transferred, but the permit may not be transferred from the permit premises.

(i) After June 30, 2006, the commission may issue not more than five (5) new three-way, two-way, or one-way permits to sell alcoholic beverages for on-premises consumption to applicants, each of whom must be the proprietor, as owner or lessee, or both, of a restaurant located within a district, or not more than five hundred (500) feet from a district, that meets all of the following requirements:

(1) The district is within an economic development area, an area needing redevelopment, or a redevelopment district as established under IC 36-7-14.

(2) A unit of the National Park Service is partially located within the district.

(3) An international deep water seaport is located within the district.

An applicant is not eligible for a permit under this subsection if, less than two (2) years before the date of the application, the applicant sold a ~~retailers'~~ **retailer's** permit that was subject to IC 7.1-3-22 and that was for premises located within the district described in this subsection or within five hundred (500) feet of the district. A permit issued under this subsection may not be transferred. If the commission issues five (5) new permits under this subsection, and a permit issued under this subsection is later revoked or is not renewed, the commission may issue another new permit, as long as the total number of active permits issued under this subsection does not exceed five (5) at any time. The commission shall conduct an auction of the permits under IC 7.1-3-22-9, except that the auction may be conducted at any time as determined by the commission.

(j) After May 31, 2007, the commission may issue not more than five (5) three-way permits for the sale of alcoholic beverages for on-premises consumption to an applicant who will locate as the proprietor, as owner or lessee, or both, of a restaurant within an economic development area under IC 36-7-14 in a town with a

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population of more than twenty thousand (20,000) located in a county having a population of more than ninety thousand (90,000) but less than one hundred thousand (100,000). A permit issued under this subsection may not be issued to a tavern. For purposes of this subsection, "tavern" means a permit premises that meets the definition of restaurant under IC 7.1-3-20-9, but is used primarily for the serving of alcoholic beverages by the drink to the general public, and where food service is secondary to the primary use in the amount of sales and the service area where minors are not permitted. A permit issued under this subsection may not be transferred to a location outside the economic development area. If the commission issues five (5) new permits under this subsection and a permit issued under this subsection is later revoked or is not renewed, the commission may issue another new permit, as long as the total number of active permits issued under this subsection does not exceed five (5) at any time. The commission shall conduct an auction of the permits under IC 7.1-3-22-9, except that the auction may be conducted at any time as determined by the commission. Notwithstanding any other law, the minimum bid for an initial license under this subsection is thirty-five thousand dollars ($35,000), and the renewal fee for a license under this subsection is one thousand three hundred fifty dollars ($1,350). If after the 2010 decennial census, the town is authorized by the quota provisions of IC 7.1-3-22 to receive additional three-way permits, any three-way permits issued under this subsection shall be subtracted from any additional three-way permits that the town may be authorized to receive by the quota provisions.

(k) After June 30, 2007, the commission may issue not more than eight (8) new three-way, two-way, or one-way permits to sell alcoholic beverages for on-premises consumption to applicants, each of whom must be the proprietor, as owner or lessee, or both, of a restaurant located within:

(1) an economic development area, an area needing redevelopment, or a redevelopment district under IC 36-7-14; and

(2) an area that:

(A) consists of a total of at least twenty-five (25) contiguous or nearly contiguous acres of property dedicated solely to a new commercial development;

(B) is within three thousand (3,000) feet from the north boundary of a town that:

(i) has a population of more than twenty-four thousand

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eight hundred (24,800) but less than thirty thousand (30,000); and

(ii) contains a part of a state nature preserve that is also a National Natural Landmark and is between four hundred (400) and six hundred (600) acres in area; and

(C) is adjacent to a state or federal highway that runs in a northerly and southerly direction.

The commission may issue not more than eight (8) permits to applicants who are eligible to hold a permit under this subsection; however, not more than four (4) permits may be issued within the same commercial development. A permit issued under this subsection may not be issued to a tavern. For purposes of this subsection, "tavern" means a permit premises that meets the definition of restaurant under IC 7.1-3-20-9, but is used primarily for the serving of alcoholic beverages by the drink to the general public, and where food service is secondary to the primary use in the amount of sales and the service area where minors are not permitted. The commission shall conduct an auction of the permits under IC 7.1-3-22-9, except that the auction may be conducted at any time as determined by the commission. Notwithstanding any other law, the minimum bid for an initial license under this subsection is thirty-five thousand dollars ($35,000). A permit issued under this subsection may not be transferred to a location outside the area described in this subsection. If the commission issues eight (8) new permits under this subsection and a permit issued under this subsection is later revoked or is not renewed, the commission may issue another new permit, as long as the total number of active permits issued under this subsection does not exceed eight (8) at any time. If after the 2010 decennial census the town is authorized by the quota provisions of IC 7.1-3-22 to receive additional three-way permits, any three-way permits issued under this section shall be subtracted from any additional three-way permits that the town may be authorized to receive by the quota provisions. A permit may not be issued if the proposed permit premises is the location of an existing three-way permit subject to IC 7.1-3-22-3.

(l) After June 30, 2007, the commission may issue a total of not more than five (5) new three-way permits to sell alcoholic beverages for on-premises consumption only to an applicant who is the proprietor, as owner or lessee, or both, of a restaurant located within a redevelopment project area located within the central area of a city with a population of more than thirty-seven thousand seven hundred (37,700) but less than thirty-eight

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thousand (38,000). A permit may be issued under this subsection to a premises within a redevelopment project area that meets one (1) of the following requirements:

(1) The redevelopment project area consists of an area that:

(A) is generally located in a former commercial area that once had located within it a building formerly used as a grocery store;

(B) has been redeveloped or renovated or is in the process of being redeveloped or renovated to include performing arts areas and hotel areas;

(C) is a city center, where a former historic railway that once passed through the center has been converted to a linear park; and

(D) has been redeveloped or renovated or is in the process of being redeveloped or renovated, with the redevelopment or renovation being funded in part with grants or investments by a city redevelopment commission established under IC 36-7-14.

(2) The redevelopment project area consists of an area that:

(A) is generally located in an area:

(i) that was formerly the commerce center of a once rural farming community;

(ii) that was founded, at least in part, by Quaker residents;

(iii) where a historic railway depot was built; and

(iv) where an early residence exists that was built about 1848 or earlier;

(B) has been redeveloped or renovated or is in the process of being redeveloped or renovated to include art galleries, design centers, urban structures, and outdoor public art consisting in part of bronze sculptures;

(C) is adjacent to or near a former historic railway line that has been converted to a linear park;

(D) includes one (1) of the world's smallest children's art galleries, an original Carnegie Library building, and the community's early fire station; and

(E) has been redeveloped or renovated, or is in the process of being redeveloped or renovated, with the redevelopment or renovation being funded in part with grants or investments by a city redevelopment commission established under IC 36-7-14.

A permit issued under this subsection may not be issued to a

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tavern. For purposes of this subsection, "tavern" means a permit premises that meets the definition of restaurant under IC 7.1-3-20-9, but is used primarily for the serving of alcoholic beverages by the drink to the general public, and where food service is secondary to the primary use in the amount of sales and the service area where minors are not permitted. A permit issued under this subsection may not be transferred to a location outside the redevelopment project area. If the commission issues five (5) permits under this subsection and a permit issued under this subsection is later revoked or is not renewed, the commission may issue another new permit as long as the total number of active permits issued under this subsection does not exceed five (5) at any time. The commission shall conduct an auction of the permits under IC 7.1-3-22-9, except that the auction may be conducted at any time as determined by the commission. Notwithstanding any other law, the minimum bid for an initial license under this subsection is thirty-five thousand dollars ($35,000). If, after the 2010 decennial census, the city is authorized by the quota provisions of IC 7.1-3-22 to receive additional three-way permits, any three-way permits issued under this section shall be subtracted from any additional three-way permits that the city may be authorized to receive by the quota provisions.

SECTION 27. IC 7.1-3-20-16.1, AS AMENDED BY P.L.1-2006, SECTION 149, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 16.1. (a) This section applies to a municipal riverfront development project authorized under section 16(d) of this chapter.

(b) In order to qualify for a permit, an applicant must demonstrate that the municipal riverfront development project area where the permit is to be located meets the following criteria:

(1) The project boundaries must border on at least one (1) side of a river.

(2) The proposed permit premises may not be located more than:

(A) one thousand five hundred (1,500) feet; or

(B) three (3) city blocks;

from the river, whichever is greater. However, if the area adjacent to the river is incapable of being developed because the area is in a floodplain, or for any other reason that prevents the area from being developed, the distances described in clauses (A) and (B) are measured from the city blocks located nearest to the river that are capable of being developed.

(3) The permit premises are located within:

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(A) an economic development area, a redevelopment project area, an urban renewal area, or a redevelopment area established under IC 36-7-14, IC 36-7-14.5, or IC 36-7-15.1;

(B) an economic development project district under IC 36-7-15.2 or IC 36-7-26; or

(C) a community revitalization enhancement district designated under IC 36-7-13-12.1.

(4) The project must be funded in part with state and ~~city~~ **local** money.

(5) The boundaries of the municipal riverfront development project must be designated by ordinance or resolution by the legislative body (as defined in IC 36-1-2-9(3), ~~or~~ IC 36-1-2-9(4), **or IC 36-1-2-9(5)**) of the ~~city~~ **municipality (as defined in IC 36-1-2-11)** in which the project is located.

(c) Proof of compliance with subsection (b) must consist of the following documentation, which is required at the time the permit application is filed with the commission:

(1) A detailed map showing:

(A) definite boundaries of the entire municipal riverfront development project; and

(B) the location of the proposed permit within the project.

(2) A copy of the local ordinance or resolution of the local governing body authorizing the municipal riverfront development project.

(3) Detailed information concerning the expenditures of state and ~~city~~ **local** funds on the municipal riverfront development project.

(d) Notwithstanding subsection (b), the commission may issue a permit for premises, the location of which does not meet the criteria of subsection (b)(2), if all the following requirements are met:

(1) All other requirements of this section and section 16(d) of this chapter are satisfied.

(2) The proposed premises is located not more than:

(A) three thousand (3,000) feet; or

(B) six (6) blocks;

from the river, whichever is greater. However, if the area adjacent to the river is incapable of being developed because the area is in a floodplain, or for any other reason that prevents the area from being developed, the distances described in clauses (A) and (B) are measured from the city blocks located nearest to the river that are capable of being developed.

(3) The permit applicant satisfies the criteria established by the commission by rule adopted under IC 4-22-2. The criteria

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established by the commission may require that the proposed premises be located in an area or district set forth in subsection (b)(3).

(4) The permit premises may not be located less than two hundred (200) feet from facilities owned by a state educational institution (as defined in IC 20-12-0.5-1).

(e) A permit may not be issued if the proposed permit premises is the location of an existing three-way permit subject to IC 7.1-3-22-3.".

Page 5, delete lines 35 through 42, begin a new paragraph and insert:

"SECTION 34. IC 7.1-3-22-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 4. ~~Dealers' Permits Limited.~~ **(a)** The commission may grant: ~~only~~

(1) one (1) beer dealer's permit ~~and~~ **in an incorporated city or town that has a population of less than fifteen thousand one (15,001) for each two thousand five hundred (2,500) persons, or fraction thereof, within the incorporated city or town;**

(2) in an incorporated city or town that has a population of more than fifteen thousand (15,000) but less than eighty thousand (80,000):

(A) one (1) beer dealer's permit for each four thousand (4,000) persons, or a fraction thereof; or

(B) six (6) beer dealer's permits;

whichever is greater, within the incorporated city or town; and

(3) in an incorporated city or town that has a population of at least eighty thousand (80,000):

(A) one (1) beer dealer's permit for each six thousand (6,000) persons, or a fraction thereof; or

(B) twenty (20) beer dealer's permits;

whichever is greater, within the incorporated city or town.

(b) The commission may grant:

(1) one (1) liquor dealer's permit in an incorporated city **or** town ~~or unincorporated town~~ **that has a population of less than fifteen thousand one (15,001)** for each ~~one~~ **two** thousand five hundred ~~(1,500)~~ **(2,500)** persons, or fraction thereof, within the incorporated city **or** town; ~~or unincorporated town;~~

(2) in an incorporated city or town that has a population of more than fifteen thousand (15,000) but less than eighty thousand (80,000):

(A) one (1) liquor dealer's permit for each four thousand (4,000) persons, or a fraction thereof; or

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(B) six (6) liquor dealer's permits;

whichever is greater, within the incorporated city or town; and

(3) in an incorporated city or town that has a population of at least eighty thousand (80,000):

(A) one (1) liquor dealer's permit for each six thousand (6,000) persons, or a fraction thereof; or

(B) twenty (20) liquor dealer's permits;

whichever is greater, within the incorporated city or town.

(c) The commission may grant only one (1) beer dealer's permit and one (1) liquor dealer's permit in an area in the county outside an incorporated city or town for each four thousand (4,000) persons, or fraction thereof, within the area in a county outside an incorporated city or town.

(d) Notwithstanding subsections (a), (b), and (c), the commission may renew or transfer a beer dealer's or liquor dealer's permit for a beer dealer or liquor dealer that:

(1) held a permit before July 1, 2007; and

(2) does not qualify for a permit under the quota restrictions set forth in subsection (a), (b), or (c).".

Page 6, delete lines 1 through 25, begin a new paragraph and insert:

"SECTION 37. IC 7.1-3-26-15, AS ADDED BY P.L.165-2006, SECTION 34, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 15. (a) Except as provided in subsections (b) and (c), a seller who violates this chapter commits a Class A infraction.

(b) Except as provided in subsection (d), a seller who:

(1) knowingly or intentionally violates this chapter; and

(2) has one (1) prior unrelated conviction or judgment for an infraction under this section for an act or omission that occurred not more than ten (10) years before the act or omission that is the basis for the most recent conviction or judgment for an infraction;

commits a Class A misdemeanor.

(c) Except as provided in subsection (d), a seller who:

(1) knowingly or intentionally violates this chapter; and

(2) has at least two (2) prior unrelated convictions or judgments for infractions under this section for acts or omissions that occurred not more than ten (10) years before the act or omission that is the basis for the most recent conviction or judgment for an infraction;

commits a Class D felony.

(d) A person who violates section 6(5) of this chapter commits a Class A infraction. The commission may consider an infraction

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committed under this subsection in its determination of whether to renew a seller's permit. **However, a person may not be held in violation of section 6(5) of this chapter for a direct sale and shipment to a person that occurred before January 15, 2007.**

SECTION 38. IC 7.1-4-8-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 2. ~~Use of Funds.~~ The monies deposited in the postwar construction fund shall be used for construction by the state for the use of **public safety,** penal, benevolent, charitable, and educational institutions of the state.

SECTION 39. IC 7.1-5-5-9, AS AMENDED BY P.L.224-2005, SECTION 31, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 9. **(a)** It is unlawful for a ~~beer wholesaler or a primary source of supply to:~~ **permittee to knowingly or intentionally** ~~(1)~~ coerce, or attempt to coerce, or persuade ~~a beer wholesaler~~ **another permittee** to enter into an agreement, or to take an action, which ~~will~~ **would** violate ~~or tend to violate,~~ a provision of this title or of the rules and regulations of the commission. ~~or~~

~~(2)~~ **(b) It is unlawful for a beer wholesaler or a primary source of supply to** cancel or terminate an agreement or contract between a beer wholesaler and a primary source of supply for the sale of beer, unfairly and without due regard for the equities of the other party.

SECTION 40. IC 7.1-5-6-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 3. (a) It is unlawful for a person to act ~~as a clerk in a package liquor store, or as a bartender, waiter, waitress, or manager for a retailer permittee~~ **in a position that is listed in IC 7.1-3-18-9(a)** unless that person has applied for and been issued ~~the appropriate~~ **an employee's** permit. ~~This section does not apply to dining car or boat employees or to a person described in IC 7.1-3-18-9(d).~~

(b) It is a defense to a charge under this section if, within thirty (30) days after being cited by the commission, the person who was cited produces evidence that the appropriate permit was issued by the commission on the date of the citation.

(c) It is a defense to a charge under this section for a new applicant for a permit if, within thirty (30) days after being cited by the commission, the new applicant who was cited produces a receipt for a cashier's check or money order showing that an application for the appropriate permit was applied for on the date of the citation.

(d) It is a defense to a charge under this section that the person:

(1) acted as a dining car, a boat, or an airline employee; or

(2) is a person described in IC 7.1-3-18-9(d).

SECTION 41. IC 7.1-5-7-8 IS AMENDED TO READ AS

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FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 8. (a) ~~It is a Class C misdemeanor for~~ A person ~~to~~ **who** recklessly ~~sell, barter, exchange, provide, or furnish~~ **sells, barters, exchanges, provides, or furnishes** an alcoholic beverage to a minor **commits:**

(1) a Class B misdemeanor if the person is at least twenty-one (21) years of age; and

(2) a Class C misdemeanor if the person is less than twenty-one (21) years of age.

(b) This section shall not be construed to impose civil liability upon any educational institution of higher learning, including but not limited to public and private universities and colleges, business schools, vocational schools, and schools for continuing education, or its agents for injury to any person or property sustained in consequence of a violation of this section unless such institution or its agent sells, barters, exchanges, provides, or furnishes an alcoholic beverage to a minor.

SECTION 42. IC 7.1-5-7-13, AS AMENDED BY P.L.161-2005, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 13. 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 ~~eighteen (18)~~ **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 at least nineteen (19) years of age but less than twenty-one (21) years of age who:

(A) has successfully completed an alcohol server training program certified under IC 7.1-3-1.5; and

(B) serves alcoholic beverages in a dining area or family room of a restaurant or hotel:

(i) in the course of a person's employment as a waiter, waitress, or server; and

(ii) under the supervision of a person who is at least

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twenty-one (21) years of age, is present at the restaurant or hotel, and 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.".

Page 7, between lines 8 and 9, begin a new paragraph and insert:

"SECTION 43. IC 7.1-5-10-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 1. (a) Except as provided in subsection (d), it is unlawful to sell alcoholic beverages at the following times:

(1) At a time other than that made lawful by the provisions of IC 7.1-3-1-14.

(2) On Christmas Day and until 7:00 o'clock in the morning, prevailing local time, the following day.

(3) On primary election day, and general election day, from 3:00 o'clock in the morning, prevailing local time, until the voting polls are closed in the evening on these days.

(4) During a special election under IC 3-10-8-9 (within the precincts where the special election is being conducted), from 3:00 o'clock in the morning until the voting polls are closed in the evening on these days.

(b) During the time when the sale of alcoholic beverages is unlawful, no alcoholic beverages shall be sold, dispensed, given away, or otherwise disposed of on the licensed premises and the licensed premises shall remain closed to the extent that the nature of the business carried on the premises, as at a hotel or restaurant, permits.

~~(c) It is unlawful to sell alcoholic beverages on New Years Day for off-premises consumption.~~

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

SECTION 44. IC 7.1-5-10-23 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 23. (a) A wholesaler permittee who knowingly or intentionally sells a brand of alcoholic beverages that the wholesaler permittee has not been authorized to sell by the brand's primary source of supply commits a Class D felony.**

(b) A permittee who is injured as a result of a violation of this section has a private right of action to bring a civil action to recover compensatory damages against the wholesaler permittee

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who violates this section.

SECTION 45. IC 9-21-4-5, AS AMENDED BY P.L.229-2005, SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 5. (a) Except as provided in subsection (b), a person may not place or maintain upon a highway a traffic sign or signal bearing commercial advertising. A public authority may not permit the placement of a traffic sign or signal that bears a commercial message.

(b) Under criteria to be jointly established by the Indiana department of transportation and the office of tourism development, the Indiana department of transportation may authorize the posting of any of the following:

(1) Limited tourist attraction signage.

(2) Business signs on specific information panels on the interstate system of highways and other freeways.

All costs of manufacturing, installation, and maintenance to the Indiana department of transportation for a business sign posted under this subsection shall be paid by the business.

(c) Criteria established under subsection (b) for tourist attraction signage must include a category for a tourist attraction that is an establishment licensed under IC 7.1-3-2-7(5).

~~(c)~~ **(d)** A person may not place, maintain, or display a flashing, a rotating, or an alternating light, beacon, or other lighted device that:

(1) is visible from a highway; and

(2) may be mistaken for or confused with a traffic control device or for an authorized warning device on an emergency vehicle.

~~(d)~~ **(e)** This section does not prohibit the erection, upon private property adjacent to highways, of signs giving useful directional information and of a type that cannot be mistaken for official signs.

SECTION 46. IC 34-30-2-19.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 19.5. IC 7.1-3-13-3.5 (Concerning wine purchased at an estate sale and resold by a wine wholesaler).**".

Page 7, line 11, delete "permittee" and insert "**permit holder**".

Page 7, line 12, delete "permittee" and insert "**permit holder**".

Page 7, line 14, after "imposed" insert "**against the permit holder**".

Page 7, line 18, delete "one hundred fifty dollars ($150)." and insert "**two hundred fifty dollars ($250).**".

Page 7, line 22, delete "two hundred fifty dollars ($250)." and insert "**five hundred dollars ($500).**".

Page 7, line 26, delete "five hundred dollars ($500)." and insert "**one thousand dollars ($1,000).**".

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Page 7, line 30, delete "seven hundred fifty dollars ($750)." and insert "**two thousand dollars ($2,000).**".

Page 7, line 31, delete "permittee" and insert "**permit holder**".

Page 7, line 35, delete "permittee" and insert "**permit holder**".

Page 7, line 38, delete "permittee" and insert "**permit holder**".

Page 8, after line 3, begin a new paragraph and insert:

"SECTION 47. IC 7.1-3-1-5.3 IS REPEALED [EFFECTIVE JULY 1, 2007].

SECTION 48. [EFFECTIVE JULY 1, 2007] **(a) Notwithstanding IC 7.1-2-4-13.5, as added by this act, a member of a local board appointed before January 1, 2008, shall complete the training required under IC 7.1-2-4-13.5, as added by this act, not later than July 1, 2008.**

(b) The alcohol and tobacco commission shall begin providing a training program under IC 7.1-2-4-13.5, as added by this act, for members of local boards not later that January 1, 2008.

(c) This SECTION expires July 2, 2008.

SECTION 49. [EFFECTIVE JULY 1, 2007] **IC 7.1-5-7-8, as amended by this act, and IC 7.1-5-10-23, as added by this act, apply only to offenses committed after June 30, 2007.**".

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to SB 339 as reprinted February 26, 2007, and as corrected under Senate Rule 33(c) on February 27, 2007.)

VAN HAAFTEN, Chair

Committee Vote: yeas 9, nays 1.

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