



Reprinted
February 18, 2011

SENATE BILL No. 112

DIGEST OF SB 112 (Updated February 17, 2011 3:29 pm - DI 110)

Citations Affected: IC 7.1-3.

Synopsis: Alcoholic beverage wholesalers. Allows an alcoholic beverage wholesaler to provide certain services to another alcoholic beverage wholesaler regarding any alcoholic beverage. Allows the alcohol and tobacco commission to adopt rules to establish terms and conditions that apply to the services.

Effective: July 1, 2011.

**Merritt, Steele, Arnold, Taylor,
Hershman**

January 5, 2011, read first time and referred to Committee on Public Policy.
January 20, 2011, amended, reported favorably — Do Pass.
February 17, 2011, read second time, amended, ordered engrossed.

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SB 112—LS 6558/DI 87+



First Regular Session 117th General Assembly (2011)

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 2010 Regular Session of the General Assembly.

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SENATE BILL No. 112

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

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

1 SECTION 1. IC 7.1-3-27 IS ADDED TO THE INDIANA CODE
2 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2011]:

4 **Chapter 27. Services Between Wholesalers**
5 **Sec. 1. (a) An alcoholic beverage wholesaler may provide the**
6 **following services to another alcoholic beverage wholesaler**
7 **regarding any alcoholic beverage:**
8 **(1) Receiving and storing alcoholic beverages.**
9 **(2) Insuring alcoholic beverages against risk of loss or damage**
10 **while in the possession or control of the wholesaler that is**
11 **insuring the alcoholic beverages.**
12 **(3) Preparing orders received from the wholesaler that is**
13 **selling the alcoholic beverages for delivery to retailers and**
14 **dealers.**
15 **(4) Transporting alcoholic beverages to or from retailers and**
16 **dealers.**
17 **(5) Delivering alcoholic beverages to retailers or dealers.**

SB 112—LS 6558/DI 87+



- 1 **(6) Preparing and delivering invoices for alcoholic beverages**
- 2 **shipped to retailers or dealers.**
- 3 **(7) Preparing and collecting proof of delivery of alcoholic**
- 4 **beverages.**
- 5 **(8) Collecting, as an agent for the wholesaler that is selling the**
- 6 **alcoholic beverages, payments required by law to be made at**
- 7 **the time of delivery of the alcoholic beverages.**
- 8 **(9) Depositing money collected from retailers and dealers on**
- 9 **behalf of the wholesaler that is selling the alcoholic beverages.**
- 10 **(10) Maintaining records in connection with services provided**
- 11 **by one wholesaler to another wholesaler.**
- 12 **(11) Preparing and transmitting information regarding the**
- 13 **services provided.**
- 14 **(12) Making payments to the wholesaler that is selling the**
- 15 **alcoholic beverages for loss of or damage to the wholesaler's**
- 16 **alcoholic beverages while in the possession of the wholesaler**
- 17 **providing the services.**
- 18 **(13) Other services approved by the commission.**
- 19 **(b) An alcoholic beverage wholesaler may not provide the**
- 20 **following services to another alcoholic beverage wholesaler:**
- 21 **(1) Soliciting or accepting orders for alcoholic beverages from**
- 22 **retailers or dealers.**
- 23 **(2) Providing post-delivery sales or promotional services to**
- 24 **retailers or dealers.**
- 25 **Sec. 2. The commission may adopt rules to establish terms and**
- 26 **conditions applying to the services that one wholesaler may**
- 27 **provide to another wholesaler under section 1 of this chapter.**
- 28 **Sec. 3. This chapter does not authorize a wholesaler to:**
- 29 **(1) acquire an interest in another wholesaler in violation of**
- 30 **any provision of this title; or**
- 31 **(2) otherwise violate any provision of this title.**

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COMMITTEE REPORT

Madam President: The Senate Committee on Public Policy, to which was referred Senate Bill No. 112, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 3, between lines 8 and 9, begin a new paragraph and insert:

"SECTION 3. IC 7.1-5-5-9, AS AMENDED BY P.L.94-2008, SECTION 48, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 9. (a) This section does not apply to product management (as described in 905 IAC 1-5.2-15) by a permittee.

(b) It is unlawful for a permittee to knowingly or intentionally coerce, or attempt to coerce, or persuade another permittee to enter into an agreement, or to take an action, which would violate a provision of this title or of the rules and regulations of the commission.

(c) 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.

(d) As used in this subsection, "product" has the meaning set forth in IC 7.1-3-25-2. It is unlawful for 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 purpose of transferring a product or a territory for a product to the holder of a liquor wholesaler's permit."

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to SB 112 as introduced.)

ALTING, Chairperson

Committee Vote: Yeas 7, Nays 3.

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SENATE MOTION

Madam President: I move that Senate Bill 112 be amended to read as follows:

Delete everything after the enacting clause and insert the following:

(SEE TEXT OF BILL)

(Reference is to SB 112 as printed January 21, 2011.)

MERRITT

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