



March 22, 2013

ENGROSSED HOUSE BILL No. 1293

DIGEST OF HB 1293 (Updated March 21, 2013 9:13 am - DI 110)

Citations Affected: IC 7.1-1; IC 7.1-2; IC 7.1-3; IC 7.1-4; IC 7.1-5.

Synopsis: Artisan distiller's permit. Creates an artisan distiller's permit for a person who desires to commercially manufacture not more than 10,000 gallons of liquor in a calendar year (excluding the amount of any liquor sold through a liquor wholesaler). Allows an artisan distiller to do the following: (1) Manufacture, blend, bottle, store, transport, and sell liquor to a wholesaler. (2) Serve complimentary samples and sell liquor to consumers by the drink, bottle, or case at the artisan's distillery. (3) Hold an interest in a farm winery permit or microbrewery permit. Provides that the holder of an artisan distiller permit may be: (1) an individual; (2) a firm; (3) a corporation; (4) a partnership; (5) a limited partnership; (6) a limited liability company; (7) an incorporated or unincorporated association; or (8) other legal entity. Provides that an applicant must meet certain requirements to be eligible for an artisan distiller's permit. Provides that the holder of an artisan distiller's permit that provides samples or sells liquor by the glass must furnish the minimum food requirements prescribed by the alcohol and tobacco commission. Allows the commission to collect an annual \$250 permit fee for a biennial artisan distiller's permit. Provides that a percentage of the artisan distiller's permit fee is deposited in the enforcement and administration fund and the state general fund. Makes conforming amendments.

Effective: July 1, 2013.

Clere, Behning, Rhoads, DeLaney

(SENATE SPONSORS — BANKS, ALTING, GROOMS, YOUNG R, YODER, BOOTS)

January 14, 2013, read first time and referred to Committee on Public Policy.
January 31, 2013, amended, reported — Do Pass.
February 4, 2013, read second time, ordered engrossed.
February 5, 2013, engrossed. Read third time, passed. Yeas 91, nays 8.

SENATE ACTION

February 25, 2013, read first time and referred to Committee on Public Policy.
March 21, 2013, amended, reported favorably — Do Pass.

EH 1293—LS 7383/DI 87+



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March 22, 2013

First Regular Session 118th General Assembly (2013)

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 2012 Regular Session of the General Assembly.

ENGROSSED HOUSE BILL No. 1293

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

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

1 SECTION 1. IC 7.1-1-3-32.5 IS AMENDED TO READ AS
2 FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 32.5. The term
3 "primary source of supply" means, in regard to the alcoholic beverage
4 being sold to a wholesaler:

- 5 (1) ~~a~~ **an artisan distiller or** distiller of the alcoholic beverage;
- 6 (2) a producer of the alcoholic beverage;
- 7 (3) a vintner of the alcoholic beverage;
- 8 (4) a rectifier of the alcoholic beverage;
- 9 (5) an importer into the United States of the alcoholic beverage;
- 10 (6) an owner of the alcoholic beverage at the time it becomes a
- 11 marketable product;
- 12 (7) a bottler of the alcoholic beverage;
- 13 (8) a brewer of the alcoholic beverage; or
- 14 (9) an agent specifically authorized to make sales to an Indiana
- 15 wholesaler by a person listed in subdivisions (1) through (8).

16 SECTION 2. IC 7.1-2-3-16.5, AS AMENDED BY P.L.15-2011,
17 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

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1 JULY 1, 2013]: Sec. 16.5. (a) As used in this section, "facility"
2 includes the following:

3 (1) A facility to which IC 7.1-3-1-25(a) applies.

4 (2) A tract that contains a premises that is described in
5 IC 7.1-3-1-14(c)(2).

6 (3) A horse track or satellite facility to which IC 7.1-3-17.7
7 applies.

8 (4) A riverboat or racetrack to which IC 7.1-3-17.5 applies.

9 (5) A tract that contains an entertainment complex.

10 (b) As used in this section, "tract" has the meaning set forth in
11 IC 6-1.1-1-22.5.

12 (c) A facility may advertise alcoholic beverages:

13 (1) in the facility's interior; or

14 (2) on the facility's exterior.

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

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

22 SECTION 3. IC 7.1-3-8-3, AS AMENDED BY P.L.94-2008,
23 SECTION 31, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
24 JULY 1, 2013]: Sec. 3. (a) The holder of a liquor wholesaler's permit
25 shall be entitled to sell liquor at wholesale.

26 (b) A liquor wholesaler shall be entitled to purchase liquor within
27 this state from a person who holds **an artisan distiller's permit**, a
28 distiller's permit, a rectifier's permit, or a liquor wholesaler's permit. A
29 liquor wholesaler also may purchase liquor outside this state from the
30 primary source of supply and, from that source, may transport and
31 import liquor into this state.

32 (c) A liquor wholesaler may sell, transport, and deliver liquor only
33 to a person who, under this title, holds a:

34 (1) liquor retailer's permit;

35 (2) supplemental caterer's permit;

36 (3) liquor dealer's permit; or

37 (4) liquor wholesaler's permit.

38 The sale, transportation, and delivery of liquor shall be made only from
39 inventory that has been located on the wholesaler's premises before the
40 time of invoicing and delivery, and only in permissible containers and
41 is subject to the rules of the commission fixing the quantity which may
42 be sold or delivered at any one (1) time.



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1 (d) A liquor wholesaler's bona fide regular employees may purchase
2 liquor from the wholesaler in an amount not to exceed eighteen (18)
3 liters.

4 SECTION 4. IC 7.1-3-23-3 IS AMENDED TO READ AS
5 FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 3. The commission,
6 pursuant to section 2 of this chapter, may impose upon a permittee the
7 following civil penalties:

8 (1) An amount of not more than four thousand dollars (\$4,000) for
9 each violation if the permittee is a brewer, **or an artisan distiller,**
10 **or a distiller.**

11 (2) An amount of not more than two thousand dollars (\$2,000) for
12 each violation if the permittee is a wholesaler of any type.

13 (3) An amount of not more than one thousand dollars (\$1,000) for
14 each violation if the permittee is the holder of a permit of a type
15 not listed in subdivision (1) or (2).

16 SECTION 5. IC 7.1-3-23-4 IS AMENDED TO READ AS
17 FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 4. ~~Additional Fine.~~ The
18 commission, if a fine imposed pursuant to IC ~~1971~~, 7.1-3-23-2 is not
19 paid according to the order of commission, may suspend or add to the
20 period of suspension of a permit in the following increments:

21 ~~(a)~~ **(1)** A period of one (1) day for each one hundred dollars
22 (\$100) remaining unpaid if the permittee is a brewer, **or an**
23 **artisan distiller, or a distiller.**

24 ~~(b)~~ **(2)** A period of one (1) day for each fifty dollars (\$50)
25 remaining unpaid if the permittee is a wholesaler of any type. ~~and;~~

26 ~~(c)~~ **(3)** A period of one (1) day for each twenty-five dollars (\$25)
27 remaining unpaid if the permittee is the holder of a permit of a
28 type not listed in ~~(a) or (b) of this section.~~ **subdivision (1) or (2).**

29 SECTION 6. IC 7.1-3-27 IS ADDED TO THE INDIANA CODE
30 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
31 JULY 1, 2013]:

32 **Chapter 27. Artisan Distiller's Permit**

33 **Sec. 1. As used in this chapter, "artisan distiller" means a**
34 **person who holds an artisan distiller's permit under this title.**

35 **Sec. 2. The commission may issue an artisan distiller's permit as**
36 **provided in this chapter to a person who desires to commercially**
37 **manufacture liquor.**

38 **Sec. 3. An artisan distiller may produce not more than ten**
39 **thousand (10,000) gallons of liquor in any calendar year. Liquor**
40 **produced by an artisan distiller that is sold through a wholesaler**
41 **licensed under IC 7.1-3-8 may not be counted toward the gallonage**
42 **limit.**



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1 **Sec. 4. The commission may issue an artisan distiller's permit to**
 2 **a person if the person is qualified to obtain the necessary permit or**
 3 **license from the United States to own or operate an establishment**
 4 **to manufacture liquor.**

5 **Sec. 5. (a) Except as provided in section 7 of this chapter, an**
 6 **applicant for an artisan distiller's permit must meet all the**
 7 **following requirements to be eligible for an artisan distiller's**
 8 **permit:**

9 **(1) The permit applicant must hold one (1) of the following**
 10 **permits for the three (3) year period immediately preceding**
 11 **the date of the application:**

12 **(A) A farm winery permit under IC 7.1-3-12.**

13 **(B) A brewer's permit for a brewery described in**
 14 **IC 7.1-3-2-7(5).**

15 **(C) A distiller's permit under IC 7.1-3-7.**

16 **(2) The permit applicant may not have more than one (1)**
 17 **violation of this title during the three (3) year period**
 18 **immediately preceding the date of the application.**

19 **(3) The permit applicant may not have any violation of this**
 20 **title during the twelve (12) month period immediately**
 21 **preceding the date of the permit application.**

22 **(b) As used in this subsection, "qualifying permit" means a farm**
 23 **winery, brewer's, or distiller's permit under subsection (a)(1)(A),**
 24 **(a)(1)(B), or (a)(1)(C) that is required in order to hold an artisan**
 25 **distiller's permit. The same persons must directly or indirectly own**
 26 **and control one hundred percent (100%) of the entity that holds**
 27 **the qualifying permit and the artisan distiller's permit.**

28 **Sec. 6. A holder of an artisan distiller's permit may also hold**
 29 **one (1) of the following:**

30 **(1) A farm winery permit.**

31 **(2) A brewer's permit for a brewery described in**
 32 **IC 7.1-3-2-7(5).**

33 **(3) A distiller's permit under IC 7.1-3-7.**

34 **Sec. 7. (a) This section applies only to a person that, on January**
 35 **1, 2014:**

36 **(1) holds the necessary permit or license from the United**
 37 **States to own or operate an establishment to manufacture**
 38 **liquor; and**

39 **(2) does not hold any of the permits listed in section 5(a)(1) of**
 40 **this chapter.**

41 **(b) A person must meet all the following requirements to be**
 42 **eligible for an artisan distiller's permit under this section:**

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(1) Any person (except for a person under subdivision (2)) who sells or furnishes liquor by the bottle or glass on the premises of the artisan distillery:

(A) must have held for at least three (3) years an employee permit under IC 7.1-3-18-9 that authorizes the person to perform bartending duties;

(B) must have completed any alcohol server program or alcohol server training program refresher courses required under IC 7.1-3-1.5; and

(C) may not have any violations under this title.

(2) The applicant for the artisan distiller's permit and any management representative of the applicant must complete an alcohol server program or a trainer program established or approved under IC 7.1-3-1.5-5.5 or IC 7.1-3-1.5-6 not more than one (1) year before the date of the application for the artisan distiller's permit.

(c) Except as provided in subsection (f)(2), the person may not be required to fulfill the requirements of section 5 of this chapter.

(d) If the person is issued an artisan distiller's permit under this section, the person must meet the following requirements for the period set forth in subsection (e):

(1) Any person selling or furnishing liquor on the premises of the artisan distillery (except for a person under subsection (b)(2)) must meet the requirements of subsection (b)(1).

(2) The holder of the artisan distiller's permit and any management representative of the holder of the artisan distiller's permit must successfully complete refresher courses under IC 7.1-3-1.5 not later than three (3) years after the date the holder or representative completes the initial server program or trainer program.

(e) A person who is issued an artisan distiller's permit under this section must meet the requirements in subsection (d) until the later of:

(1) three (3) years after the date on which the initial artisan distiller's permit is issued; or

(2) the date that the holder of the artisan distiller's permit has one (1) twelve (12) month period without a violation of this title.

(f) Upon fulfilling the requirements of subsections (d) and (e), a person who is issued an artisan distiller's permit under this section must meet the following requirements for as long as the person holds the permit:

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- 1 (1) Any person who sells or furnishes liquor on the premises
- 2 of the artisan distillery (except for a person under subsection
- 3 (b)(2)) must have an employee permit under IC 7.1-3-18-9 and
- 4 be otherwise authorized by the commission to perform
- 5 bartending duties. However, the person is not required to:
- 6 (A) hold an employee bartending permit for three (3) years
- 7 before selling or furnishing liquor; and
- 8 (B) not have any violations under this title.
- 9 (2) The holder of the artisan distiller's permit and any
- 10 management representative of the holder of the artisan
- 11 distiller's permit are subject to the same alcohol server
- 12 training requirements and refresher course requirements as
- 13 the holder of an artisan distiller's permit that meets the
- 14 requirements of section 5 of this chapter.

15 **Sec. 8. (a) The holder of an artisan distiller's permit may do only**
 16 **the following:**

- 17 (1) Manufacture liquor, including blending liquor purchased
- 18 from another manufacturer with liquor the artisan distiller
- 19 manufactures under section 11 of this chapter.
- 20 (2) Bottle liquor manufactured by the artisan distiller.
- 21 (3) Store liquor manufactured by the artisan distiller.
- 22 (4) Transport, sell, and deliver liquor manufactured by the
- 23 artisan distiller to:
- 24 (A) places outside Indiana; or
- 25 (B) the holder of a liquor wholesaler's permit under
- 26 IC 7.1-3-8.
- 27 (5) Sell liquor manufactured by the artisan distiller to
- 28 consumers by the drink, bottle, or case from the premises of
- 29 the distillery where the liquor was manufactured.
- 30 (6) Serve complimentary samples of the liquor manufactured
- 31 by the artisan distiller to consumers on the premises of the
- 32 distillery where the liquor was manufactured.

33 (b) The holder of an artisan distiller's permit who provides
 34 samples or sells liquor by the glass must furnish the minimum food
 35 requirements prescribed by the commission.

36 **Sec. 9. An artisan distiller may not sell liquor to a retailer or**
 37 **dealer.**

38 **Sec. 10. An artisan distiller may not ship liquor or cause liquor**
 39 **to be shipped to a consumer.**

40 **Sec. 11. An artisan distiller may blend liquor that the artisan**
 41 **distiller obtains from another manufacturer with liquor that the**
 42 **artisan distiller manufactures. The artisan distiller may sell the**

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1 blended liquor as liquor that the artisan distiller manufactures
 2 only if the final product contains at least sixty percent (60%) of
 3 liquor that was fermented and distilled from raw materials by the
 4 artisan distiller at the licensed premises of the artisan distiller.

5 Sec. 12. (a) This section applies only to a person who:

- 6 (1) holds an artisan distiller's permit; and
- 7 (2) holds an interest in a farm winery permit under
- 8 IC 7.1-3-12.

9 (b) An artisan distiller may:

- 10 (1) serve samples of liquor that the artisan distiller
- 11 manufactures; and
- 12 (2) sell bottles and cases of liquor that the artisan distiller
- 13 manufactures;

14 on the licensed premises where the wine is manufactured only if the
 15 wine is manufactured on the same premises where the artisan
 16 distiller manufactures liquor.

17 Sec. 13. (a) This section applies only to a person who:

- 18 (1) holds an artisan distiller's permit; and
- 19 (2) holds an interest in a brewer's permit for a brewery
- 20 described in IC 7.1-3-2-7(5).

21 (b) An artisan distiller may:

- 22 (1) serve samples of liquor that the artisan distiller
- 23 manufactures; and
- 24 (2) sell bottles and cases of liquor that the artisan distiller
- 25 manufactures;

26 on the licensed premises where the beer is manufactured only if the
 27 beer is manufactured on the same premises where the artisan
 28 distiller manufactures liquor.

29 Sec. 14. (a) This section applies only to the holder of an artisan
 30 distiller's permit that also holds an interest in a distiller's permit
 31 under IC 7.1-3-7.

32 (b) An artisan distiller may not:

- 33 (1) serve complimentary samples of liquor; and
- 34 (2) sell liquor;

35 manufactured under the distiller's permit issued under IC 7.1-3-7
 36 on the premises of the artisan distillery or at any other location
 37 that the holder of the artisan distiller's permit is authorized to sell
 38 and serve samples of liquor manufactured under the artisan
 39 distiller's permit.

40 Sec. 15. (a) An artisan distiller's permit shall be issued for a
 41 period of two (2) years.

42 (b) The commission shall charge a permit fee of two hundred

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1 **fifty dollars (\$250) annually to the holder of an artisan distiller's**
 2 **permit. The holder of an artisan distiller's permit shall pay the**
 3 **permit fee to the chairman on the anniversary of the date of the**
 4 **issuance of the original permit.**

5 SECTION 7. IC 7.1-4-3-2 IS AMENDED TO READ AS
 6 FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 2. ~~Persons Liable for~~
 7 ~~Tax~~. The liquor excise tax shall be levied against a permittee who holds
 8 **an artisan distiller's permit**, a distiller's permit, a rectifier's permit, a
 9 liquor wholesaler's permit, a dining car liquor permit, a vintner's
 10 permit, a wine wholesaler's permit, a dining car wine permit, or a boat
 11 wine permit, whether the sale or gift, or withdrawal for sale or gift, is
 12 to a person authorized to purchase or receive it or not. However, the
 13 same article shall be taxed only once for liquor excise tax purposes.

14 SECTION 8. IC 7.1-4-7-1, AS AMENDED BY P.L.165-2006,
 15 SECTION 37, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 16 JULY 1, 2013]: Sec. 1. The chairman shall collect the required annual
 17 license fee paid in connection with the issuance of a brewer's permit,
 18 a beer wholesaler's permit, a temporary beer permit, a dining car permit
 19 of any type, a boat permit of any type, **an artisan distiller's permit**, a
 20 distiller's permit, a rectifier's permit, a liquor wholesaler's permit, a
 21 vintner's permit, a farm winery permit, a farm winery brandy distiller's
 22 permit, a wine wholesaler's permit, a wine bottler's permit, a temporary
 23 wine permit, a direct wine seller's permit, a salesman's permit, and a
 24 carrier's alcoholic permit.

25 SECTION 9. IC 7.1-5-1-9.5, AS AMENDED BY P.L.1-2006,
 26 SECTION 150, IS AMENDED TO READ AS FOLLOWS
 27 [EFFECTIVE JULY 1, 2013]: Sec. 9.5. (a) An in state or an out of state
 28 vintner, **artisan distiller**, distiller, brewer, rectifier, or importer that:

29 (1) holds a basic permit from the federal Bureau of Alcohol,
 30 Tobacco, Firearms and Explosives; and
 31 (2) knowingly violates IC 7.1-5-11-1.5;
 32 commits a Class A misdemeanor.

33 (b) A person who:
 34 (1) is not described in subsection (a); and
 35 (2) knowingly violates IC 7.1-5-11-1.5;
 36 commits a Class D felony.

37 (c) If the chairman of the alcohol and tobacco commission or the
 38 attorney general determines that a vintner, **an artisan distiller, a**
 39 **distiller, a brewer, a rectifier, or an importer** that holds a basic permit
 40 from the federal Bureau of Alcohol, Tobacco, Firearms and Explosives
 41 has made an illegal shipment of an alcoholic beverage to consumers in
 42 Indiana, the chairman shall:

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1 (1) notify the federal Bureau of Alcohol, Tobacco, Firearms and
 2 Explosives in writing and by certified mail of the official
 3 determination that state law has been violated; and

4 (2) request the federal bureau to take appropriate action.

5 SECTION 10. IC 7.1-5-9-6 IS AMENDED TO READ AS
 6 FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 6. ~~Liquor Permittee's~~
 7 ~~Interests Limited~~: It is unlawful for the holder of a distiller's, rectifier's,
 8 or liquor wholesaler's permit to have an interest in a beer permit of any
 9 type under this title. **This section does not apply to the holder of an**
 10 **artisan distiller's permit that has an interest in a brewer's permit**
 11 **under IC 7.1-3-2-7(5).**

12 SECTION 11. IC 7.1-5-9-7 IS AMENDED TO READ AS
 13 FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 7. ~~Distillers and~~
 14 ~~Rectifiers: Prohibited Interests~~: It is unlawful for the holder of an
 15 **artisan distiller's**, a distiller's, or a rectifier's permit to own, acquire,
 16 possess or cause to be transferred to ~~him~~, **the holder** shares of stock of
 17 a corporation that holds an Indiana permit to sell alcoholic beverages
 18 at retail, or in a permit to sell at retail in this state, or to own or acquire
 19 an interest in the business being conducted under the permit, or in or
 20 to shares of stock in a corporation that owns a permit to sell at retail.

21 SECTION 12. IC 7.1-5-9-8 IS AMENDED TO READ AS
 22 FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 8. ~~Certain Interests~~
 23 ~~Prohibited~~: The holder of an **artisan distiller's permit**, a distiller's
 24 permit, or a rectifier's permit may not own, acquire, or possess a permit
 25 to sell liquor at wholesale. A distiller or rectifier may not have an
 26 interest in the business of a permittee who is authorized to sell beer,
 27 liquor, or wine at wholesale or retail.

28 SECTION 13. IC 7.1-5-9-13 IS AMENDED TO READ AS
 29 FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 13. ~~Certain Interests~~
 30 ~~Prohibited~~: The proprietor of a drug store, a corporation holding an
 31 **artisan distiller's permit**, a distiller's **permit**, or a brewer's permit or
 32 a wholesaler's permit or a permit to retail or deal in alcoholic
 33 beverages, a wholesale drug company, and a person who is the
 34 proprietor of a wholesale drug company may not own or control or
 35 participate in the permit of a package liquor store, or in its business, or
 36 in its establishment.

37 SECTION 14. IC 7.1-5-10-12 IS AMENDED TO READ AS
 38 FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 12. ~~Credit Sales~~
 39 ~~Prohibited~~: It is unlawful for a permittee to sell, offer to sell, purchase
 40 or receive, an alcoholic beverage for anything other than cash. A
 41 permittee who extends credit in violation of this section shall have no
 42 right of action on the claim. This section shall not prohibit a permittee

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1 from crediting to a purchaser the actual price charged for a package or
2 an original container returned by the original purchaser as a credit on
3 a sale. This section shall not prohibit a permittee from refunding to a
4 purchaser the amount paid by the purchaser for a container, or as a
5 deposit on a container, if it is returned to the permittee. This section
6 shall not prohibit a manufacturer from extending usual and customary
7 credit for alcoholic beverages sold to a customer who maintains a place
8 of business outside this state when the alcoholic beverages are actually
9 shipped to a point outside this state. This section shall not prohibit **an**
10 **artisan distiller**, a distiller, or a liquor or wine wholesaler from
11 extending credit on liquor, flavored malt beverages, and wine sold to
12 a permittee for a period of fifteen (15) days from the date of invoice,
13 date of invoice included. However, if the fifteen (15) day period passes
14 without payment in full, the wholesaler shall sell to that permittee on
15 a cash on delivery basis only.

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COMMITTEE REPORT

Mr. Speaker: Your Committee on Public Policy, to which was referred House Bill 1293, 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:

Page 3, line 38, delete "twenty" and insert "**ten**".

Page 3, line 39, delete "(20,000)" and insert "**(10,000)**".

Page 4, line 2, delete ":" and insert "**a person**".

Page 4, delete lines 3 through 4.

Page 4, line 5, delete "corporation" and insert "**person**".

Page 4, run in lines 2 through 5.

Page 4, line 8, after "5." insert "**(a)**".

Page 4, between lines 23 and 24, begin a new paragraph and insert:

"(b) As used in this subsection, "qualifying permit" means a farm winery, brewer's, or distiller's permit under subsection (a)(1)(A), (a)(1)(B), or (a)(1)(C) that is required in order to hold an artisan distiller's permit. The same persons must directly or indirectly own and control one hundred percent (100%) of the entity that holds the qualifying permit and the artisan distiller's permit."

Page 4, line 34, after "7." insert "**(a)**".

Page 5, line 15, delete "additional locations" and insert "**licensed premises**".

Page 5, between lines 23 and 24, begin a new paragraph and insert:

"(b) The holder of an artisan distiller's permit who provides samples or sells liquor by the glass must furnish the minimum food requirements prescribed by the commission."

Page 6, line 2, delete "at the additional farm winery locations under IC 7.1-3-12-5(b)," and insert "**on the licensed premises where the wine is manufactured,**".

and when so amended that said bill do pass.

(Reference is to HB 1293 as introduced.)

DAVIS, Chair

Committee Vote: yeas 10, nays 2.

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COMMITTEE REPORT

Madam President: The Senate Committee on Public Policy, to which was referred House Bill No. 1293, 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 4, line 5, delete "An" and insert "**Except as provided in section 7 of this chapter, an**".

Page 4, line 27, delete "(a)".

Page 4, between lines 31 and 32, begin a new line block indented and insert:

"(3) A distiller's permit under IC 7.1-3-7."

Page 4, delete lines 32 through 36, begin a new paragraph and insert:

"Sec. 7. (a) This section applies only to a person that, on January 1, 2014:

(1) holds the necessary permit or license from the United States to own or operate an establishment to manufacture liquor; and

(2) does not hold any of the permits listed in section 5(a)(1) of this chapter.

(b) A person must meet all the following requirements to be eligible for an artisan distiller's permit under this section:

(1) Any person (except for a person under subdivision (2)) who sells or furnishes liquor by the bottle or glass on the premises of the artisan distillery:

(A) must have held for at least three (3) years an employee permit under IC 7.1-3-18-9 that authorizes the person to perform bartending duties;

(B) must have completed any alcohol server program or alcohol server training program refresher courses required under IC 7.1-3-1.5; and

(C) may not have any violations under this title.

(2) The applicant for the artisan distiller's permit and any management representative of the applicant must complete an alcohol server program or a trainer program established or approved under IC 7.1-3-1.5-5.5 or IC 7.1-3-1.5-6 not more than one (1) year before the date of the application for the artisan distiller's permit.

(c) Except as provided in subsection (f)(2), the person may not be required to fulfill the requirements of section 5 of this chapter.

(d) If the person is issued an artisan distiller's permit under this section, the person must meet the following requirements for the

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period set forth in subsection (e):

(1) Any person selling or furnishing liquor on the premises of the artisan distillery (except for a person under subsection (b)(2)) must meet the requirements of subsection (b)(1).

(2) The holder of the artisan distiller's permit and any management representative of the holder of the artisan distiller's permit must successfully complete refresher courses under IC 7.1-3-1.5 not later than three (3) years after the date the holder or representative completes the initial server program or trainer program.

(e) A person who is issued an artisan distiller's permit under this section must meet the requirements in subsection (d) until the later of:

(1) three (3) years after the date on which the initial artisan distiller's permit is issued; or

(2) the date that the holder of the artisan distiller's permit has one (1) twelve (12) month period without a violation of this title.

(f) Upon fulfilling the requirements of subsections (d) and (e), a person who is issued an artisan distiller's permit under this section must meet the following requirements for as long as the person holds the permit:

(1) Any person who sells or furnishes liquor on the premises of the artisan distillery (except for a person under subsection (b)(2)) must have an employee permit under IC 7.1-3-18-9 and be otherwise authorized by the commission to perform bartending duties. However, the person is not required to:

(A) hold an employee bartending permit for three (3) years before selling or furnishing liquor; and

(B) not have any violations under this title.

(2) The holder of the artisan distiller's permit and any management representative of the holder of the artisan distiller's permit are subject to the same alcohol server training requirements and refresher course requirements as the holder of an artisan distiller's permit that meets the requirements of section 5 of this chapter."

Page 4, line 37, delete "7." and insert "8."

Page 4, line 41, delete "10" and insert "11".

Page 5, delete lines 13 through 26.

Page 5, line 30, delete "8." and insert "9."

Page 5, line 32, delete "9." and insert "10."

Page 5, line 34, delete "10." and insert "11."

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Page 5, line 41, delete "11." and insert "12."

Page 6, line 8, delete "manufactured," and insert "**manufactured only if**".

Page 6, line 9, delete "regardless of whether".

Page 6, line 11, delete "12." and insert "13."

Page 6, line 20, delete "manufactured," and insert "**manufactured only if**".

Page 6, line 21, delete "regardless of whether".

Page 6, between lines 22 and 23, begin a new paragraph and insert:

"Sec. 14. (a) This section applies only to the holder of an artisan distiller's permit that also holds an interest in a distiller's permit under IC 7.1-3-7.

(b) An artisan distiller may not:

(1) serve complimentary samples of liquor; and

(2) sell liquor;

manufactured under the distiller's permit issued under IC 7.1-3-7 on the premises of the artisan distillery or at any other location that the holder of the artisan distiller's permit is authorized to sell and serve samples of liquor manufactured under the artisan distiller's permit."

Page 6, line 23, delete "13." and insert "15."

Page 6, delete lines 30 through 33.

and when so amended that said bill do pass.

(Reference is to HB 1293 as printed February 1, 2013.)

ALTING, Chairperson

Committee Vote: Yeas 9, Nays 0.

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