

**CONFERENCE COMMITTEE REPORT  
DIGEST FOR EHB 1369**

**Citations Affected:** IC 6-1.1-12.1-3; IC 7.1-2-3-16.5; IC 7.1-3; IC 7.1-5-9-10; IC 7.1-5-9-5.

**Synopsis:** Alcoholic beverage matters. Allows the alcohol and tobacco commission to issue a beer wholesaler's permit to: (1) a person who is not a resident of Indiana; or (2) a corporation, partnership, limited partnership, or limited liability company if no person having an interest in the corporation, partnership, limited partnership, or limited liability company is a resident of Indiana. Allows the holder of a retailer's permit to have an interest in a brewer's permit of a brewery that manufactures not more than 20,000 barrels in a calendar year. Provides that the holder of a beer, wine, and liquor retailer permit may allow the self-service of alcoholic beverages in a suite of a civic center, a sports arena, a stadium, an exhibition hall, an auditorium, a theater, a tract that contains a paved auto racetrack more than two miles in length, or a convention center. Provides that if an applicant for an alcoholic beverage permit for a restaurant in a municipal riverfront development project already holds a retailer's permit for the premises, the applicant is not eligible for the special permit. Allows a supplemental retailer to sell alcoholic beverages on Sunday from 10 a.m. to 3 a.m. Allows a beer, wine, or liquor wholesaler to obtain a deduction for the redevelopment or rehabilitation of real property in areas designated as economic revitalization areas. Repeals a statute that prohibits a corporation that does business in Indiana from enabling a nonresident of Indiana to control or acquire an interest in a beer wholesaler's permit. Makes conforming amendments. **(This conference committee report does the following: (1) Removes a provision that requires, rather than allows, the commission to provide procedures for retailers and dealers to enter into a formal group purchasing agreement. (2) Allows all supplemental retailers to sell alcoholic beverages on Sunday from 10 a.m. to 3 a.m. (3) Allows a beer, wine, or liquor wholesaler to obtain a deduction for the redevelopment or rehabilitation of real property in an area designated as an economic revitalization area. Makes conforming amendments.)**

**Effective:** July 1, 2003.

Adopted

Rejected

## CONFERENCE COMMITTEE REPORT

**MR. SPEAKER:**

*Your Conference Committee appointed to confer with a like committee from the Senate upon Engrossed Senate Amendments to Engrossed House Bill No. 1369 respectfully reports that said two committees have conferred and agreed as follows to wit:*

that the House recede from its dissent from all Senate amendments and that the House now concur in all Senate amendments to the bill and that the bill be further amended as follows:

- 1 Delete everything after the enacting clause and insert the following:
- 2 SECTION 1. IC 6-1.1-12.1-3, AS AMENDED BY P.L.90-2002,
- 3 SECTION 118, IS AMENDED TO READ AS FOLLOWS
- 4 [EFFECTIVE JULY 1, 2003]: Sec. 3. (a) An applicant must provide a
- 5 statement of benefits to the designating body. If the designating body
- 6 requires information from the applicant for economic revitalization
- 7 area status for use in making its decision about whether to designate an
- 8 economic revitalization area, the applicant shall provide the completed
- 9 statement of benefits form to the designating body before the hearing
- 10 required by section 2.5(c) of this chapter. Otherwise, the statement of
- 11 benefits form must be submitted to the designating body before the
- 12 initiation of the redevelopment or rehabilitation for which the person
- 13 desires to claim a deduction under this chapter. The department of local
- 14 government finance shall prescribe a form for the statement of benefits.
- 15 The statement of benefits must include the following information:
- 16 (1) A description of the proposed redevelopment or rehabilitation.
- 17 (2) An estimate of the number of individuals who will be employed
- 18 or whose employment will be retained by the person as a result of
- 19 the redevelopment or rehabilitation and an estimate of the annual

1 salaries of these individuals.

2 (3) An estimate of the value of the redevelopment or rehabilitation.  
 3 With the approval of the designating body, the statement of benefits  
 4 may be incorporated in a designation application. Notwithstanding any  
 5 other law, a statement of benefits is a public record that may be  
 6 inspected and copied under IC 5-14-3-3.

7 (b) The designating body must review the statement of benefits  
 8 required under subsection (a). The designating body shall determine  
 9 whether an area should be designated an economic revitalization area  
 10 or whether a deduction should be allowed, based on (and after it has  
 11 made) the following findings:

12 (1) Whether the estimate of the value of the redevelopment or  
 13 rehabilitation is reasonable for projects of that nature.

14 (2) Whether the estimate of the number of individuals who will be  
 15 employed or whose employment will be retained can be reasonably  
 16 expected to result from the proposed described redevelopment or  
 17 rehabilitation.

18 (3) Whether the estimate of the annual salaries of those individuals  
 19 who will be employed or whose employment will be retained can  
 20 be reasonably expected to result from the proposed described  
 21 redevelopment or rehabilitation.

22 (4) Whether any other benefits about which information was  
 23 requested are benefits that can be reasonably expected to result  
 24 from the proposed described redevelopment or rehabilitation.

25 (5) Whether the totality of benefits is sufficient to justify the  
 26 deduction.

27 A designating body may not designate an area an economic  
 28 revitalization area or approve a deduction unless the findings required  
 29 by this subsection are made in the affirmative.

30 (c) Except as provided in subsections (a) through (b), the owner of  
 31 property which is located in an economic revitalization area is entitled  
 32 to a deduction from the assessed value of the property. If the area is a  
 33 residentially distressed area, the period is not more than five (5) years.  
 34 For all other economic revitalization areas designated before July 1,  
 35 2000, the period is three (3), six (6), or ten (10) years. For all economic  
 36 revitalization areas designated after June 30, 2000, the period is the  
 37 number of years determined under subsection (d). The owner is entitled  
 38 to a deduction if:

39 (1) the property has been rehabilitated; or

40 (2) the property is located on real estate which has been  
 41 redeveloped.

42 The owner is entitled to the deduction for the first year, and any  
 43 successive year or years, in which an increase in assessed value  
 44 resulting from the rehabilitation or redevelopment occurs and for the  
 45 following years determined under subsection (d). However, property  
 46 owners who had an area designated an urban development area  
 47 pursuant to an application filed prior to January 1, 1979, are only  
 48 entitled to a deduction for a five (5) year period. In addition, property  
 49 owners who are entitled to a deduction under this chapter pursuant to  
 50 an application filed after December 31, 1978, and before January 1,  
 51 1986, are entitled to a deduction for a ten (10) year period.

1 (d) For an area designated as an economic revitalization area after  
 2 June 30, 2000, that is not a residentially distressed area, the designating  
 3 body shall determine the number of years for which the property owner  
 4 is entitled to a deduction. However, the deduction may not be allowed  
 5 for more than ten (10) years. This determination shall be made:

6 (1) as part of the resolution adopted under section 2.5 of this  
 7 chapter; or

8 (2) by resolution adopted within sixty (60) days after receiving a  
 9 copy of a property owner's certified deduction application from the  
 10 county auditor. A certified copy of the resolution shall be sent to  
 11 the county auditor who shall make the deduction as provided in  
 12 section 5 of this chapter.

13 A determination about the number of years the deduction is allowed  
 14 that is made under subdivision (1) is final and may not be changed by  
 15 following the procedure under subdivision (2).

16 (e) Except for deductions related to redevelopment or rehabilitation  
 17 of real property in a county containing a consolidated city or a  
 18 deduction related to redevelopment or rehabilitation of real property  
 19 initiated before December 31, 1987, in areas designated as economic  
 20 revitalization areas before that date, a deduction for the redevelopment  
 21 or rehabilitation of real property may not be approved for the following  
 22 facilities:

23 (1) Private or commercial golf course.

24 (2) Country club.

25 (3) Massage parlor.

26 (4) Tennis club.

27 (5) Skating facility (including roller skating, skateboarding, or ice  
 28 skating).

29 (6) Racquet sport facility (including any handball or racquetball  
 30 court).

31 (7) Hot tub facility.

32 (8) Suntan facility.

33 (9) Racetrack.

34 (10) Any facility the primary purpose of which is:

35 (A) retail food and beverage service;

36 (B) automobile sales or service; or

37 (C) other retail;

38 unless the facility is located in an economic development target  
 39 area established under section 7 of this chapter.

40 (11) Residential, unless:

41 (A) the facility is a multifamily facility that contains at least  
 42 twenty percent (20%) of the units available for use by low and  
 43 moderate income individuals;

44 (B) the facility is located in an economic development target  
 45 area established under section 7 of this chapter; or

46 (C) the area is designated as a residentially distressed area.

47 (12) A package liquor store that holds a liquor dealer's permit  
 48 under IC 7.1-3-10 or any other entity that is required to operate  
 49 under a license issued under IC 7.1. This subdivision does not  
 50 apply to an applicant that:

51 (A) was eligible for tax abatement under this chapter before July

- 1 1, 1995; ~~or~~  
 2 (B) is described in IC 7.1-5-7-11; **or**  
 3 **(C) operates an entity under:**  
 4 **(i) a beer wholesaler's permit under IC 7.1-3-3;**  
 5 **(ii) a liquor wholesaler's permit under IC 7.1-3-8; or**  
 6 **(iii) a wine wholesaler's permit under IC 7.1-3-13;**  
 7 **for which the applicant claims a deduction under this**  
 8 **chapter.**

9 (f) This subsection applies only to a county having a population of  
 10 more than two hundred thousand (200,000) but less than three hundred  
 11 thousand (300,000). Notwithstanding subsection (e)(11), in a county  
 12 subject to this subsection a designating body may, before September 1,  
 13 2000, approve a deduction under this chapter for the redevelopment or  
 14 rehabilitation of real property consisting of residential facilities that are  
 15 located in unincorporated areas of the county if the designating body  
 16 makes a finding that the facilities are needed to serve any combination  
 17 of the following:

- 18 (1) Elderly persons who are predominately low-income or  
 19 moderate-income persons.  
 20 (2) Disabled persons.

21 A designating body may adopt an ordinance approving a deduction  
 22 under this subsection only one (1) time. This subsection expires  
 23 January 1, 2011.

24 SECTION 2. IC 7.1-2-3-16.5 IS AMENDED TO READ AS  
 25 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 16.5. (a) As used in this  
 26 section, "facility" includes the following:

- 27 (1) A facility to which IC 7.1-3-1-25(a) applies.  
 28 (2) A tract that contains a premises that is described in  
 29 ~~IC 7.1-3-1-14(c)(2)~~. **IC 7.1-3-1-14(c)(2)**.  
 30 (3) A horse track or satellite facility to which IC 7.1-3-17.7 applies.  
 31 (4) A tract that contains an entertainment complex.

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

34 (c) A facility may advertise alcoholic beverages:

- 35 (1) in the facility's interior; or  
 36 (2) on the facility's exterior.

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

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

43 SECTION 3. IC 7.1-3-1-14, AS AMENDED BY P.L.136-2000,  
 44 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 45 JULY 1, 2003]: Sec. 14. (a) It is lawful for an appropriate permittee,  
 46 unless otherwise specifically provided in this title, to sell alcoholic  
 47 beverages each day Monday through Saturday from 7 a.m., prevailing  
 48 local time, until 3 a.m., prevailing local time, the following day. Sales  
 49 shall cease wholly on Sunday at 3 a.m., prevailing local time, and not  
 50 be resumed until the following Monday at 7 a.m., prevailing local time.

51 (b) It is lawful for the holder of a supplemental retailer's permit

1 which is not specified in subsection (c) to sell the appropriate alcoholic  
 2 beverages on Sunday from ~~noon~~, **10 a.m.**, prevailing local time, until  
 3 ~~12:30 a.m.~~, **3 a.m.**, prevailing local time, the following day.

4 (e) It is lawful for the holder of a supplemental retailer's permit to sell  
 5 the appropriate alcoholic beverages on Sunday from 11:00 a.m.;  
 6 prevailing local time, until ~~12:30 a.m.~~, prevailing local time, the  
 7 following day if the holder of the permit meets the following criteria:

8 (1) the holder of the permit is a hotel; or

9 (2) the holder of the permit meets the requirements of 905  
 10 IAC 1-41-2(a);

11 (d) Notwithstanding subsections (b) and (c), if December 31 (New  
 12 Year's Eve) is on a Sunday, it is lawful for the holder of a supplemental  
 13 retailer's permit to sell the appropriate alcoholic beverages on Sunday,  
 14 December 31 from the time provided in subsection (b) or (c) until 3  
 15 a.m. the following day.

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

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

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

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

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

30 SECTION 4. IC 7.1-3-9-12 IS ADDED TO THE INDIANA CODE  
 31 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
 32 1, 2003]: **Sec. 12. (a) This section applies to:**

33 (1) the holder of a three-way permit that is issued to a civic  
 34 center, a sports arena, a stadium, an exhibition hall, an  
 35 auditorium, a theater, a tract that contains a premises that is  
 36 described in IC 7.1-3-1-14(c)(2), or a convention center; or

37 (2) the holder of a catering permit while catering alcoholic  
 38 beverages at a civic center, a sports arena, a stadium, an  
 39 exhibition hall, an auditorium, a theater, a tract that contains  
 40 a premises that is described in IC 7.1-3-1-14(c)(2), or a  
 41 convention center.

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

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

45 (2) has accommodations for not more than seventy-five (75)  
 46 persons; and

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

48 (A) to an event in a building or facility referred to in  
 49 subsection (a); and

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

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

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

6 **(d) A person who:**

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

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

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

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

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

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

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

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

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

19 SECTION 5. IC 7.1-3-20-16, AS AMENDED BY P.L.170-2002,  
 20 SECTION 55, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 21 JULY 1, 2003]: Sec. 16. (a) A permit that is authorized by this section  
 22 may be issued without regard to the quota provisions of IC 7.1-3-22.

23 (b) The commission may issue a three-way permit to sell alcoholic  
 24 beverages for on premises consumption only to an applicant who is the  
 25 proprietor, as owner or lessee, or both, of a restaurant facility in the  
 26 passenger terminal complex of a publicly owned airport which is  
 27 served by a scheduled commercial passenger airline certified to  
 28 enplane and deplane passengers on a scheduled basis by a federal  
 29 aviation agency. A permit issued under this subsection shall not be  
 30 transferred to a location off the airport premises.

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

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

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

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

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

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

50 (1) on land; or

51 (2) in a historic river vessel;

1 within a municipal riverfront development project funded in part with  
 2 state and city money. A permit issued under this subsection may not be  
 3 transferred. **If an applicant already holds a retailer's permit for the**  
 4 **premises, the applicant is not eligible for a permit under this**  
 5 **section.**

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

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

12 (2) was built before 1900.

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

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

18 (1) is located in a county having a population of more than four  
 19 hundred thousand (400,000) but less than seven hundred thousand  
 20 (700,000); and

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

23 SECTION 6. IC 7.1-3-21-3 IS AMENDED TO READ AS  
 24 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 3. ~~Residency~~  
 25 ~~Requirements:~~ The commission shall not issue:

26 (1) an alcoholic beverage ~~wholesaler's, retailer's or dealer's permit~~  
 27 of any type; **or**

28 **(2) a wine wholesaler's or liquor wholesaler's permit;**

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

32 SECTION 7. IC 7.1-3-21-4 IS AMENDED TO READ AS  
 33 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 4. The commission  
 34 shall not issue:

35 (1) an alcoholic beverage ~~wholesaler's, retailer's or dealer's permit~~  
 36 of any type; **or**

37 **(2) a wine wholesaler's or liquor wholesaler's permit;**

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

41 SECTION 8. IC 7.1-3-21-5 IS AMENDED TO READ AS  
 42 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 5. (a) ~~Corporations:~~  
 43 The commission shall not issue:

44 (1) an alcoholic beverage ~~wholesaler's, retailer's or dealer's permit~~  
 45 of any type; **or**

46 **(2) a wine wholesaler's or liquor wholesaler's permit;**

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

50 (b) The commission shall not issue ~~an alcoholic beverage a liquor~~  
 51 ~~wholesaler's permit of any type~~ to a corporation unless at least one (1)



1 of the stockholders shall have been a resident, for at least one (1) year  
 2 immediately prior to making application for the permit, of the county  
 3 in which the licensed premises are to be situated.

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

7 SECTION 9. IC 7.1-3-21-5.2 IS AMENDED TO READ AS  
 8 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 5.2. (a) The  
 9 commission shall not issue:

10 (1) an alcoholic beverage ~~wholesaler's~~, retailer's or dealer's permit  
 11 of any type; **or**

12 (2) **a wine wholesaler's or liquor wholesaler's permit;**

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

16 (b) The commission shall not issue ~~an alcoholic beverage~~ **a liquor**  
 17 wholesaler's permit ~~of any type~~ to a limited partnership unless for at  
 18 least one (1) year immediately before making application for the  
 19 permit, at least one (1) of the persons having a partnership interest has  
 20 been a resident of the county in which the licensed premises are to be  
 21 situated.

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

25 SECTION 10. IC 7.1-3-21-5.4 IS AMENDED TO READ AS  
 26 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 5.4. (a) The  
 27 commission shall not issue:

28 (1) an alcoholic beverage ~~wholesaler's~~, retailer's or dealer's permit  
 29 of any type; **or**

30 (2) **a wine wholesaler's or liquor wholesaler's permit;**

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

34 (b) The commission shall not issue ~~an alcoholic beverage~~ **a liquor**  
 35 wholesaler's permit ~~of any type~~ to a limited liability company unless for  
 36 at least one (1) year immediately before making application for the  
 37 permit, at least one (1) of the persons having a membership interest has  
 38 been a resident of the county in which the licensed premises are to be  
 39 situated.

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

43 SECTION 11. IC 7.1-5-9-10 IS AMENDED TO READ AS  
 44 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 10. ~~Retailer Owning~~  
 45 ~~Interest in Another Permit Prohibited:~~ (a) **Except as provided in**  
 46 **subsection (b),** it is unlawful for a holder of a retailer's permit of any  
 47 type to acquire, hold, own, or possess an interest of any type in a  
 48 manufacturer's or wholesaler's permit of any type.

49 (b) **It is lawful for a holder of a retailer's permit of any type to**  
 50 **acquire, hold, own, or possess an interest of any type in a brewer's**  
 51 **permit for a brewery that manufactures not more than twenty**

1       **thousand (20,000) barrels of beer in a calendar year.**  
2       SECTION 12. IC 7.1-5-9-5 IS REPEALED [EFFECTIVE JULY 1,  
3       2003].  
      (Reference is to EHB 1369 as printed April 4, 2003.)

**Conference Committee Report**  
**on**  
**Engrossed House Bill 1369**

**S**igned by:

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Representative Kuzman  
Chairperson

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Senator Server

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Representative Alderman

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Senator Lewis

**House Conferees**

**Senate Conferees**