

SENATE BILL No. 5

DIGEST OF INTRODUCED BILL

Citations Affected: IC 7.1-2-9; IC 7.1-3.

Synopsis: Suspension of permit. Allows the alcohol and tobacco commission (commission) to refuse to grant or renew or to suspend or revoke a permit if a licensed premises becomes a public nuisance or engages in certain criminal conduct. Allows the commission to temporarily suspend an alcoholic beverage retail permit if certain crimes are committed on the licensed premises and one or more of the following apply: (1) The permit holder failed to take reasonable action to prevent the occurrence of a crime. (2) Multiple crimes have occurred on the licensed premises in the last 12 months. (3) The continued operation of the licensed premises would pose a clear and immediate danger to the safety of the community or the general public. Requires the commission to: (1) provide immediate notice to the permit holder of the time and place of a hearing on the suspension; and (2) hold the hearing not later than five business days after the permit is suspended.

Effective: July 1, 2026.

Alting

January 8, 2026, read first time and referred to Committee on Public Policy.



Second Regular Session of the 124th General Assembly (2026)

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 2025 Regular Session of the General Assembly.

SENATE BILL No. 5

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 7.1-2-9 IS ADDED TO THE INDIANA CODE AS
2 A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY
3 1, 2026]:

4 **Chapter 9. Permittee Qualifications**

5 **Sec. 1. The commission shall consider the following in**
6 **determining an applicant's or a permittee's eligibility to hold,**
7 **renew, or continue to hold a permit under IC 7.1-3:**

8 (1) **Whether the acts or conduct of the applicant or permittee**
9 **and its employees or agents would constitute action or**
10 **conduct prohibited under IC 35-41 or federal law.**

11 (2) **The esteem in which the applicant or permittee is held by**
12 **members of its community.**

13 (3) **An assessment of the applicant's or the permittee's**
14 **character as can be reasonably inferred from police reports,**
15 **evidence submitted in court and commission proceedings,**
16 **public records, and other sources of information permitted**
17 **under IC 7.1-3-19.**



1 **Sec. 2. (a) If a licensed premises becomes:**

2 **(1) a public nuisance (as defined in IC 7.1-1-3-33); or**

3 **(2) the scene of acts or conduct prohibited under IC 35-41 or**
 4 **federal law;**

5 **the commission may impose the sanctions in IC 7.1-2-6 on the**
 6 **licensed premises.**

7 **(b) The commission is not required to determine beyond a**
 8 **reasonable doubt that an act or conduct would constitute conduct**
 9 **prohibited under IC 35-41 or federal law.**

10 **(c) The commission may refuse to grant or renew a permit,**
 11 **suspend or revoke a permit, or fine a permittee for a violation**
 12 **described in subsection (a).**

13 **Sec. 3. (a) The commission, upon application for a new permit**
 14 **or for a transfer of the location of an existing permit, shall**
 15 **investigate the desirability of the permit in regard to the**
 16 **geographical location of the potential licensed premises. The**
 17 **commission may consider the following factors:**

18 **(1) The need for permitted services at the potential licensed**
 19 **premises.**

20 **(2) The desire of the neighborhood or community to receive**
 21 **permitted services.**

22 **(3) The impact of permitted services on other businesses in the**
 23 **neighborhood or community.**

24 **(4) The impact of permitted services on the neighborhood or**
 25 **community.**

26 **(b) The commission may not consider the factors in subsection**
 27 **(a) when evaluating an application for a renewal of a permit.**

28 **SECTION 2. IC 7.1-3-23-7 IS AMENDED TO READ AS**
 29 **FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 7. (a) Except as**
 30 **provided in subsection (b) and section 7.5 of this chapter, the**
 31 **commission, after notice and hearing, and for cause other than that**
 32 **expressly provided in this title, may suspend a permit to manufacture,**
 33 **transport or sell alcoholic beverages for not longer than thirty (30) days**
 34 **for the violation of a provision of this title, or for the failure or the**
 35 **refusal to comply with a rule or regulation of the commission.**

36 **(b) This subsection applies to an individual charged with a Class B**
 37 **misdemeanor for violating IC 7.1-5-10-15(a). Upon receiving notice of**
 38 **charges filed under IC 7.1-5-10-15(a), the commission:**

39 **(1) shall hold a hearing under section 6 of this chapter; and**

40 **(2) may suspend the permit of the individual charged with the**
 41 **violation until disposition of the charges.**

42 **SECTION 3. IC 7.1-3-23-7.5 IS ADDED TO THE INDIANA**



CODE AS A NEW SECTION TO READ AS FOLLOWS
 [EFFECTIVE JULY 1, 2026]: **Sec. 7.5. (a) The commission may suspend an alcoholic beverage retail permit without advance notice or a hearing for a period of not longer than five (5) business days if both of the following apply:**

(1) Any of the following crimes occur on the licensed premises:

(A) Murder (IC 35-42-1-1).

(B) A sex crime (IC 35-42-4).

(C) Rioting (IC 35-45-1-2).

(D) A human and sexual trafficking crime (IC 35-42-3.5).

(E) Dealing in a schedule I, II, or III controlled substance (IC 35-48-4-2).

(F) Promoting prostitution (IC 35-45-4-4).

(G) Attempted murder (IC 35-41-5-1).

(H) A crime committed while armed with a deadly weapon (as defined in IC 35-31.5-2-86).

(2) One (1) or more of the following factors apply:

(A) The permit holder failed to take reasonable action to prevent the occurrence of a crime under subdivision (1).

(B) Multiple crimes under subdivision (1) have occurred on the licensed premises in the last twelve (12) months.

(C) The continued operation of the licensed premises would pose a clear and immediate danger to the safety of the surrounding community or general public.

(b) Upon the suspension of a permit under subsection (a), the commission shall:

(1) give immediate notice to the permittee of the time and place of a hearing on the suspension; and

(2) hold the hearing not later than five (5) business days after the permit is suspended.

(c) The commission is not required to consider or prove the factors in subsection (a)(2) to declare a public nuisance under IC 7.1-2-6.

SECTION 4. [EFFECTIVE JULY 1, 2026] (a) 905 IAC 1-27 is void. The publisher of the Indiana Administrative Code and Indiana Register shall remove this rule from the Indiana Administrative Code.

(b) This SECTION expires July 1, 2027.

