

SENATE BILL No. 5

AM000501 has been incorporated into introduced printing.

Synopsis: Suspension of permit.

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2026

IN 5—LS 6361/DI 137



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Introduced

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
2 AS A **NEW CHAPTER** TO READ AS FOLLOWS [EFFECTIVE
3 JULY 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 retailer's 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,**

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1 **public records, and other sources of information permitted
2 under IC 7.1-3-19.**

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

4 **(1) a public nuisance (as defined in IC 7.1-1-3-33); or
5 (2) the scene of acts or conduct prohibited under IC 35-41 or
6 federal law;**

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

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

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

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

20 **(1) The need for permitted services at the potential licensed
21 premises.
22 (2) The desire of the neighborhood or community to receive
23 permitted services.
24 (3) The impact of permitted services on other businesses in
25 the neighborhood or community.
26 (4) The impact of permitted services on the neighborhood or
27 community.**

28 **(b) The commission may not consider the factors in subsection**

29 **(a) when evaluating an application for a renewal of a permit.**

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

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

41 **(1) shall hold a hearing under section 6 of this chapter; and
42 (2) may suspend the permit of the individual charged with the**



1 violation until disposition of the charges.

2 SECTION 3. IC 7.1-3-23-7.5 IS ADDED TO THE INDIANA
 3 CODE AS A NEW SECTION TO READ AS FOLLOWS
 4 [EFFECTIVE JULY 1, 2026]: Sec. 7.5. **(a) The commission may**
 5 **suspend an alcoholic beverage retail permit without advance notice**
 6 **or a hearing for a period of not longer than five (5) business days**
 7 **if both of the following apply:**

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

- 10 **(A) Murder (IC 35-42-1-1).**
- 11 **(B) A sex crime (IC 35-42-4).**
- 12 **(C) Rioting (IC 35-45-1-2).**
- 13 **(D) A human and sexual trafficking crime**
 14 **(IC 35-42-3.5).**
- 15 **(E) Dealing in a schedule I, II, or III controlled**
 16 **substance (IC 35-48-4-2).**
- 17 **(F) Promoting prostitution (IC 35-45-4-4).**
- 18 **(G) Attempted murder (IC 35-41-5-1).**
- 19 **(H) A crime committed while armed with a deadly**
 20 **weapon (as defined in IC 35-31.5-2-86).**

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

- 22 **(A) The permit holder failed to take reasonable action to**
 23 **prevent the occurrence of a crime under subdivision (1).**
- 24 **(B) Multiple crimes under subdivision (1) have occurred**
 25 **on the licensed premises in the last twelve (12) months.**
- 26 **(C) The continued operation of the licensed premises**
 27 **would pose a clear and immediate danger to the safety**
 28 **of the surrounding community or general public.**

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

- 31 **(1) give immediate notice to the permittee of the time and**
 32 **place of a hearing on the suspension; and**
- 33 **(2) hold the hearing not later than five (5) business days after**
 34 **the permit is suspended.**

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

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

42 **(b) This SECTION expires July 1, 2027.**



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