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SENATE BILL No. 5

Proposed Changes to introduced printing by AM000501

DIGEST OF PROPOSED AMENDMENT

Retailer's permits. Specifies that the factors that the alcohol and tobacco commission shall consider when determining an applicant or permittee's eligibility to hold, renew, or continue to hold a permit apply to retailer's permits.

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:

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

Chapter 9. Permittee Qualifications

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

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

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

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

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

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

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(2) the scene of acts or conduct prohibited under IC 35-41 or federal law;
the commission may impose the sanctions in IC 7.1-2-6 on the licensed premises.

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

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

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

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

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

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

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

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

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

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

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

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

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.

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