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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:

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

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

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

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

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

20 **(3) The impact of permitted services on other businesses in**
21 **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.

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

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

37 (1) shall hold a hearing under section 6 of this chapter; and
38 (2) may suspend the permit of the individual charged with the
39 violation until disposition of the charges.

40 SECTION 3. IC 7.1-3-23-7.5 IS ADDED TO THE INDIANA
41 CODE AS A NEW SECTION TO READ AS FOLLOWS
42 [EFFECTIVE JULY 1, 2026]: **Sec. 7.5. (a) The commission may**

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1 **suspend an alcoholic beverage retail permit without advance notice**
 2 **or a hearing for a period of not longer than five (5) business days**
 3 **if both of the following apply:**

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

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

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

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

25 (b) Upon the suspension of a permit under subsection (a), the

26 commission shall:

- 27 (1) give immediate notice to the permittee of the time and
- 28 place of a hearing on the suspension; and
- 29 (2) hold the hearing not later than five (5) business days after
- 30 the permit is suspended.

31 (c) The commission is not required to consider or prove the

32 factors in subsection (a)(2) to declare a public nuisance under

33 IC 7.1-2-6.

34 SECTION 4. [EFFECTIVE JULY 1, 2026] (a) 905 IAC 1-27 is

35 void. The publisher of the Indiana Administrative Code and

36 Indiana Register shall remove this rule from the Indiana

37 Administrative Code.

38 (b) This SECTION expires July 1, 2027.1

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