
SENATE BILL No. 5

AM000502 has been incorporated into January 23, 2026 printing.

Synopsis: Suspension of permit.

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SB 5—LS 6361/DI 137



January 23, 2026

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.

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

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DOCUMENT HAS NOT BEEN CHECKED FOR ACCURACY

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**
 23 **the 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
 37 B misdemeanor for violating IC 7.1-5-10-15(a). Upon receiving notice
 38 of 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

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1 CODE AS A NEW SECTION TO READ AS FOLLOWS
 2 [EFFECTIVE JULY 1, 2026]: **Sec. 7.5. (a) The chairman of the**
 3 **commission may suspend an alcoholic beverage retail permit**
 4 **without advance notice or a hearing for a period of not longer than**
 5 **three (3) business days if all of the following apply:**
 6 (1) The chairman has a reasonable belief that a felony has
 7 been committed on the licensed premises.
 8 (2) The permit holder failed to take reasonable action to
 9 prevent the occurrence of a crime.
 10 (3) Multiple crimes or violations have occurred on the
 11 licensed premises in the last twelve (12) months.
 12 (4) The continued operation of the licensed premises would
 13 pose a clear and immediate danger to the safety of the
 14 surrounding community or general public.
 15 (b) Upon the suspension of a permit under subsection (a), the
 16 commission shall:
 17 (1) give immediate notice to the permittee of:
 18 (A) a factual basis for the suspension; and
 19 (B) the time and place of a hearing on the suspension;
 20 and
 21 (2) hold the hearing not later than three (3) business days
 22 after the permit is suspended.
 23 (c) The commission is not required to consider or prove the
 24 factors in subsection (a) to declare a public nuisance under
 25 IC 7.1-2-6.
 26 SECTION 3. [EFFECTIVE JULY 1, 2026] (a) 905 IAC 1-27 is
 27 void. The publisher of the Indiana Administrative Code and
 28 Indiana Register shall remove this rule from the Indiana
 29 Administrative Code.
 30 (b) This SECTION expires July 1, 2027.

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