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SENATE BILL No. 5

Proposed Changes to January 23, 2026 printing by AM000502

DIGEST OF PROPOSED AMENDMENT

Retail permit suspension. Allows the chairman of the alcohol and tobacco commission (instead of the alcohol and tobacco commission) to suspend a retail permit without advance notice or a hearing for not longer than three days (instead of five days) if certain conditions apply. Makes various changes to the list of conditions that must be met before a retail permit is suspended without notice. Requires the alcohol and tobacco commission to give immediate notice to the permittee of a factual basis for the suspension.

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**

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1 under IC 7.1-3-19.
2 **Sec. 2. (a) If a licensed premises becomes:**
3 **(1) a public nuisance (as defined in IC 7.1-1-3-33); or**
4 **(2) the scene of acts or conduct prohibited under IC 35-41 or**
5 **federal law;**
6 **the commission may impose the sanctions in IC 7.1-2-6 on the**
7 **licensed premises.**
8 **(b) The commission is not required to determine beyond a**
9 **reasonable doubt that an act or conduct would constitute conduct**
10 **prohibited under IC 35-41 or federal law.**
11 **(c) The commission may refuse to grant or renew a permit,**
12 **suspend or revoke a permit, or fine a permittee for a violation**
13 **described in subsection (a).**
14 **Sec. 3. (a) The commission, upon application for a new permit**
15 **or for a transfer of the location of an existing permit, shall**
16 **investigate the desirability of the permit in regard to the**
17 **geographical location of the potential licensed premises. The**
18 **commission may consider the following factors:**
19 **(1) The need for permitted services at the potential licensed**
20 **premises.**
21 **(2) The desire of the neighborhood or community to receive**
22 **permitted services.**
23 **(3) The impact of permitted services on other businesses in**
24 **the neighborhood or community.**
25 **(4) The impact of permitted services on the neighborhood or**
26 **community.**
27 **(b) The commission may not consider the factors in subsection**
28 **(a) when evaluating an application for a renewal of a permit.**
29 SECTION 2. IC 7.1-3-23-7 IS AMENDED TO READ AS
30 FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 7. (a) Except as
31 provided in subsection (b) **and section 7.5 of this chapter**, the
32 commission, after notice and hearing, and for cause other than that
33 expressly provided in this title, may suspend a permit to manufacture,
34 transport or sell alcoholic beverages for not longer than thirty (30) days
35 for the violation of a provision of this title, or for the failure or the
36 refusal to comply with a rule or regulation of the commission.
37 (b) This subsection applies to an individual charged with a Class
38 B misdemeanor for violating IC 7.1-5-10-15(a). Upon receiving notice
39 of charges filed under IC 7.1-5-10-15(a), the commission:
40 (1) shall hold a hearing under section 6 of this chapter; and
41 (2) may suspend the permit of the individual charged with the
42 violation until disposition of the charges.

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

8 (1) ~~A~~ The chairman ~~of the following crimes occur~~ has a reasonable belief that a felony has been committed on
 9 the licensed 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, H, 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
 23 to prevent the occurrence of a crime ~~under subdivision~~
 24 ~~(1)~~.
 25 ~~(B)~~ Multiple crimes ~~under subdivision (1)~~ or
 26 violations have occurred on the licensed premises in the
 27 last twelve (12) months.
 28 ~~(C)~~ The continued operation of the licensed
 29 premises would pose a clear and immediate danger to
 30 the safety of the surrounding community or general
 31 public.

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

- 34 (1) give immediate notice to the permittee of:
 35 (A) a factual basis for the suspension; and
 36 (B) the time and place of a hearing on the suspension;
 37 and
 38 (2) hold the hearing not later than ~~five~~ three (~~5~~ 3)
 39 business days after the permit is suspended.

40 (c) The commission is not required to consider or prove the
 41 factors in subsection (a) ~~(2)~~ to declare a public nuisance under
 42

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1 **IC 7.1-2-6.**
2 SECTION ~~4~~ [3](#). [EFFECTIVE JULY 1, 2026] (a) **905 IAC 1-27**
3 **is void. The publisher of the Indiana Administrative Code and**
4 **Indiana Register shall remove this rule from the Indiana**
5 **Administrative Code.**
6 (b) **This SECTION expires July 1, 2027.**

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