



January 23, 2026

SENATE BILL No. 89

DIGEST OF SB 89 (Updated January 21, 2026 2:24 pm - DI 137)

Citations Affected: IC 7.1-3.

Synopsis: Three-way permits. Provides the alcohol and tobacco commission may issue not more than: (1) three new three-way permits to the town of Schererville; (2) three new three-way permits to the city of Lafayette; (3) two new three-way permits to the city of West Lafayette; and (4) eight new three-way permits to restaurants located within a transit development district.

Effective: Upon passage.

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December 9, 2025, read first time and referred to Committee on Public Policy.
January 22, 2026, amended, reported favorably — Do Pass.

SB 89—LS 6357/DI 87



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.

SENATE BILL No. 89

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 7.1-3-20-16.8, AS AMENDED BY THE
2 TECHNICAL CORRECTIONS BILL OF THE 2026 GENERAL
3 ASSEMBLY, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
4 UPON PASSAGE]: Sec. 16.8. (a) A permit that is authorized by this
5 section may be issued without regard to the quota provisions of
6 IC 7.1-3-22.

7 (b) Except as provided in section 16.3 of this chapter, the
8 commission may issue not more than four (4) new three-way permits
9 to sell alcoholic beverages for on-premises consumption to applicants
10 in each of the following municipalities:

- 11 (1) Whitestown.
- 12 (2) Lebanon.
- 13 (3) Zionsville.
- 14 (4) Westfield.
- 15 (5) Carmel.
- 16 (6) Fishers.
- 17 (7) Noblesville.

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(c) The following apply to permits issued under subsection (b):

(1) An applicant for a permit under subsection (b) must be a proprietor, as owner or lessee, or both, of a restaurant located within an economic development area, an area needing redevelopment, or a redevelopment district as established under IC 36-7-14 in a municipality's:

(A) downtown redevelopment district; or

(B) downtown economic revitalization area.

(2) The cost of an initial permit is forty thousand dollars (\$40,000).

(3) The total number of active permits issued under subsection (b) may not exceed twenty-four (24) permits at any time. If any of the permits issued under subsection (b) are revoked or not renewed, the commission may issue only enough new permits to bring the total number of permits to twenty-four (24) active permits, with not more than four (4) in each municipality listed in subsection (b)(1) through (b)(6).

(4) The municipality may adopt an ordinance under IC 7.1-3-19-17 requiring a permit holder to enter into a formal written commitment as a condition of eligibility for a permit. As set forth in IC 7.1-3-19-17(b), a formal written commitment is binding on the permit holder and on any lessee or proprietor of the permit premises.

(5) Notwithstanding ~~IC 7.1-3-1-3.5~~ and IC 7.1-3-1.1, if business operations cease at the permit premises for more than six (6) months, the permit shall revert to the commission and the permit holder is not entitled to any refund or other compensation.

(6) Except as provided in subdivision (8), the ownership of a permit may not be transferred.

(7) A permit may not be transferred from the premises for which the permit was issued.

(8) If the area in which the permit premises is located is no longer designated an economic development area, an area needing redevelopment, or a redevelopment district, a permit issued under this section may be renewed, and the ownership of the permit may be transferred, but the permit may not be transferred from the permit premises.

(d) Except as provided in section 16.3 of this chapter, in addition to the permits issued to the town of Whitestown under subsection (c), the commission may issue to the town of Whitestown not more than:

(1) three (3) new three-way permits; and

(2) three (3) new two-way permits;



under this subsection.

(e) The following apply to permits issued under subsection (d):

(1) An applicant for a permit under subsection (d)(1) or (d)(2) must be a proprietor, an owner or lessee, or both, of a restaurant located within an economic development area, an area needing redevelopment, or a redevelopment district as established under IC 36-7-14 in a municipality's:

(A) downtown redevelopment district; or

(B) downtown economic revitalization area.

(2) The cost of an initial permit is forty thousand dollars (\$40,000).

(3) The total number of active permits issued under subsection (d) may not exceed the six (6) permits allocated by permit type, as set forth in that subsection.

(4) The municipality may adopt an ordinance under IC 7.1-3-19-17 requiring a permit holder to enter into a formal written commitment as a condition of eligibility for a permit. As set forth in IC 7.1-3-19-17(b), a formal written commitment is binding on the permit holder and on any lessee or proprietor of the permit premises.

(5) Notwithstanding IC 7.1-3-1.1, if business operations cease at the permit premises for more than six (6) months, the permit shall revert to the commission and the permit holder is not entitled to any refund or other compensation.

(6) Except as provided in subdivision (8), the ownership of a permit may not be transferred.

(7) A permit may not be transferred from the premises for which the permit was issued.

(8) If the area in which the permit issued to a premises under subsection (d)(1) or (d)(2) is located is no longer designated an economic development area, an area needing redevelopment, or a redevelopment district, a permit issued under this section may be renewed, and the ownership of the permit may be transferred, but the permit may not be transferred from the permit premises.

(f) Except as provided in section 16.3 of this chapter, in addition to the permits issued to the city of Noblesville under subsection (c), the commission may issue to the city of Noblesville not more than ten (10) new three-way permits under this subsection. The new three-way permits may be issued as follows:

(1) Three (3) new three-way permits in 2024.

(2) Three (3) new three-way permits in 2025.

(3) Four (4) new three-way permits in 2026.



1 If the commission does not issue the amount of three-way permits
 2 allowed in subdivisions (1) through (3) in that year, any unissued
 3 permits will roll over and may be issued in a subsequent year.

4 (g) The following apply to permits issued under subsection (f):

5 (1) An applicant for a permit under subsection (f) must be a
 6 proprietor, an owner or lessee, or both, of a restaurant located
 7 within an economic development area, an area needing
 8 redevelopment, or a redevelopment district as established under
 9 IC 36-7-14 in a municipality's:

10 (A) downtown redevelopment district; or

11 (B) downtown economic revitalization area.

12 (2) The cost of an initial permit is forty thousand dollars
 13 (\$40,000).

14 (3) The total number of active permits issued under subsection (f)
 15 may not exceed the ten (10) new three-way permits, as set forth
 16 in that subsection.

17 (4) The municipality may adopt an ordinance under
 18 IC 7.1-3-19-17 requiring a permit holder to enter into a formal
 19 written commitment as a condition of eligibility for a permit. As
 20 set forth in IC 7.1-3-19-17(b), a formal written commitment is
 21 binding on the permit holder and on any lessee or proprietor of
 22 the permit premises.

23 (5) Notwithstanding IC 7.1-3-1.1, if business operations cease at
 24 the permit premises for more than six (6) months, the permit shall
 25 revert to the commission and the permit holder is not entitled to
 26 any refund or other compensation.

27 (6) Except as provided in subdivision (8), the ownership of a
 28 permit may not be transferred.

29 (7) A permit may not be transferred from the premises for which
 30 the permit was issued.

31 (8) If the area in which the permit issued to a premises under
 32 subsection (f) is located is no longer designated an economic
 33 development area, an area needing redevelopment, or a
 34 redevelopment district, a permit issued under this section may be
 35 renewed, and the ownership of the permit may be transferred, but
 36 the permit may not be transferred from the permit premises.

37 (h) Except as provided in section 16.3 of this chapter, the
 38 commission may issue to the city of Delphi not more than two (2) new
 39 three-way permits under this subsection.

40 (i) The following apply to permits issued under subsection (h):

41 (1) An applicant for a permit under subsection (h) must be a
 42 proprietor, an owner or lessee, or both, of a restaurant located



1 within an economic development area, an area needing
 2 redevelopment, or a redevelopment district as established under
 3 IC 36-7-14 in a municipality's:

4 (A) downtown redevelopment district; or

5 (B) downtown economic revitalization area.

6 (2) The cost of an initial permit is forty thousand dollars
 7 (\$40,000).

8 (3) The total number of active permits issued under subsection (h)
 9 may not exceed the two (2) new three-way permits, as set forth in
 10 that subsection.

11 (4) The municipality may adopt an ordinance under
 12 IC 7.1-3-19-17 requiring a permit holder to enter into a formal
 13 written commitment as a condition of eligibility for a permit. As
 14 set forth in IC 7.1-3-19-17(b), a formal written commitment is
 15 binding on the permit holder and on any lessee or proprietor of
 16 the permit premises.

17 (5) Notwithstanding IC 7.1-3-1.1, if business operations cease at
 18 the permit premises for more than six (6) months, the permit shall
 19 revert to the commission and the permit holder is not entitled to
 20 any refund or other compensation.

21 (6) Except as provided in subdivision (8), the ownership of a
 22 permit may not be transferred.

23 (7) A permit may not be transferred from the premises for which
 24 the permit was issued.

25 (8) If the area in which the permit issued to a premises under
 26 subsection (h) is located is no longer designated an economic
 27 development area, an area needing redevelopment, or a
 28 redevelopment district, a permit issued under this section may be
 29 renewed, and the ownership of the permit may be transferred, but
 30 the permit may not be transferred from the permit premises.

31 (j) Except as provided in section 16.3 of this chapter, the
 32 commission may issue to the city of Warsaw not more than three (3)
 33 new three-way permits under this subsection.

34 (k) The following apply to permits issued under subsection (j):

35 (1) An applicant for a permit under subsection (j) must be a
 36 proprietor, an owner or lessee, or both, of a restaurant located
 37 within an economic development area, an area needing
 38 redevelopment, or a redevelopment district as established under
 39 IC 36-7-14 in a municipality's:

40 (A) downtown redevelopment district; or

41 (B) downtown economic revitalization area.

42 (2) The cost of an initial permit is forty thousand dollars



- 1 (\$40,000).
- 2 (3) The total number of active permits issued under subsection (j)
- 3 may not exceed the three (3) new three-way permits, as set forth
- 4 in that subsection.
- 5 (4) The municipality may adopt an ordinance under
- 6 IC 7.1-3-19-17 requiring a permit holder to enter into a formal
- 7 written commitment as a condition of eligibility for a permit. As
- 8 set forth in IC 7.1-3-19-17(b), a formal written commitment is
- 9 binding on the permit holder and on any lessee or proprietor of
- 10 the permit premises.
- 11 (5) Notwithstanding IC 7.1-3-1.1, if business operations cease at
- 12 the permit premises for more than six (6) months, the permit shall
- 13 revert to the commission and the permit holder is not entitled to
- 14 any refund or other compensation.
- 15 (6) Except as provided in subdivision (8), the ownership of a
- 16 permit may not be transferred.
- 17 (7) A permit may not be transferred from the premises for which
- 18 the permit was issued.
- 19 (8) If the area in which the permit issued to a premises under
- 20 subsection (j) is located is no longer designated an economic
- 21 development area, an area needing redevelopment, or a
- 22 redevelopment district, a permit issued under this section may be
- 23 renewed, and the ownership of the permit may be transferred, but
- 24 the permit may not be transferred from the permit premises.
- 25 (l) Except as provided in section 16.3 of this chapter, the
- 26 commission may issue to the town of Syracuse not more than one (1)
- 27 new three-way permit under this subsection.
- 28 (m) The following apply to a permit issued under subsection (l):
- 29 (1) An applicant for a permit under subsection (l) must be a
- 30 proprietor, an owner or lessee, or both, of a restaurant located
- 31 within an economic development area, an area needing
- 32 redevelopment, or a redevelopment district as established under
- 33 IC 36-7-14 in a municipality's:
- 34 (A) downtown redevelopment district; or
- 35 (B) downtown economic revitalization area.
- 36 (2) The cost of an initial permit is forty thousand dollars
- 37 (\$40,000).
- 38 (3) The total number of active permits issued under subsection (l)
- 39 may not exceed the one (1) new three-way permit, as set forth in
- 40 that subsection.
- 41 (4) The municipality may adopt an ordinance under
- 42 IC 7.1-3-19-17 requiring a permit holder to enter into a formal



written commitment as a condition of eligibility for a permit. As set forth in IC 7.1-3-19-17(b), a formal written commitment is binding on the permit holder and on any lessee or proprietor of the permit premises.

(5) Notwithstanding IC 7.1-3-1.1, if business operations cease at the permit premises for more than six (6) months, the permit shall revert to the commission and the permit holder is not entitled to any refund or other compensation.

(6) Except as provided in subdivision (8), the ownership of a permit may not be transferred.

(7) A permit may not be transferred from the premises for which the permit was issued.

(8) If the area in which the permit issued to a premises under subsection (1) is located is no longer designated an economic development area, an area needing redevelopment, or a redevelopment district, a permit issued under this section may be renewed, and the ownership of the permit may be transferred, but the permit may not be transferred from the permit premises.

(n) Except as provided in section 16.3 of this chapter, the commission may issue to the town of Schererville not more than three (3) new three-way permits. The following applies to a permit issued under this subsection:

(1) An applicant for a permit must be a proprietor, an owner or lessee, or both, of a restaurant located within an economic development area, an area needing redevelopment, or a redevelopment district as established under IC 36-7-14 in the town's:

(A) downtown redevelopment district; or

(B) downtown economic revitalization area.

(2) The cost of an initial permit is forty thousand dollars (\$40,000).

(3) The total number of active permits issued under this subsection may not exceed the three (3) new three-way permits.

(4) The town may adopt an ordinance under IC 7.1-3-19-17 requiring a permit holder to enter into a formal written commitment as a condition of eligibility for a permit. As set forth in IC 7.1-3-19-17(b), a formal written commitment is binding on the permit holder and on any lessee or proprietor of the permit premises.

(5) Notwithstanding IC 7.1-3-1.1, if business operations cease at the permit premises for more than six (6) months, the



1 permit shall revert to the commission and the permit holder
2 is not entitled to any refund or other compensation.

3 (6) Except as provided in subdivision (8), the ownership of the
4 permit may not be transferred.

5 (7) The permit may not be transferred from the premises for
6 which the permit was issued.

7 (8) If the area in which the permit issued to a premises is
8 located is no longer designated an economic development
9 area, an area needing redevelopment, or a redevelopment
10 district, a permit issued under this section may be renewed,
11 and the ownership of the permit may be transferred, but the
12 permit may not be transferred from the permit premises.

13 (o) Except as provided in section 16.3 of this chapter, the
14 commission may issue to the city of Lafayette not more than three
15 (3) new three-way permits. The following apply to a permit issued
16 under this subsection:

17 (1) An applicant for a permit must be a proprietor, an owner
18 or lessee, or both, of a restaurant located within an economic
19 development area, an area needing redevelopment, or a
20 redevelopment district as established under IC 36-7-14 in the
21 city's:

22 (A) downtown redevelopment district; or

23 (B) downtown economic revitalization area.

24 (2) The cost of an initial permit is forty thousand dollars
25 (\$40,000).

26 (3) The total number of active permits issued under this
27 subsection may not exceed the three (3) new three-way
28 permits.

29 (4) The city may adopt an ordinance under IC 7.1-3-19-17
30 requiring a permit holder to enter into a formal written
31 commitment as a condition of eligibility for a permit. As set
32 forth in IC 7.1-3-19-17(b), a formal written commitment is
33 binding on the permit holder and on any lessee or proprietor
34 of the permit premises.

35 (5) Notwithstanding IC 7.1-3-1.1, if business operations cease
36 at the permit premises for more than six (6) months, the
37 permit shall revert to the commission and the permit holder
38 is not entitled to any refund or other compensation.

39 (6) Except as provided in subdivision (8), the ownership of the
40 permit may not be transferred.

41 (7) The permit may not be transferred from the premises for
42 which the permit was issued.



(8) If the area in which the permit issued to a premises is located is no longer designated an economic development area, an area needing redevelopment, or a redevelopment district, a permit issued under this section may be renewed, and the ownership of the permit may be transferred, but the permit may not be transferred from the permit premises.

(p) Except as provided in section 16.3 of this chapter, the commission may issue to the city of West Lafayette not more than two (2) new three-way permits. The following apply to a permit issued under this subsection:

(1) An applicant for a permit must be a proprietor, an owner or lessee, or both, of a restaurant located within an economic development area, an area needing redevelopment, or a redevelopment district as established under IC 36-7-14 in the city's:

(A) downtown redevelopment district; or

(B) downtown economic revitalization area.

(2) The cost of an initial permit is forty thousand dollars (\$40,000).

(3) The total number of active permits issued under this subsection may not exceed the two (2) new three-way permits.

(4) The city may adopt an ordinance under IC 7.1-3-19-17 requiring a permit holder to enter into a formal written commitment as a condition of eligibility for a permit. As set forth in IC 7.1-3-19-17(b), a formal written commitment is binding on the permit holder and on any lessee or proprietor of the permit premises.

(5) Notwithstanding IC 7.1-3-1.1, if business operations cease at the permit premises for more than six (6) months, the permit shall revert to the commission and the permit holder is not entitled to any refund or other compensation.

(6) Except as provided in subdivision (8), the ownership of the permit may not be transferred.

(7) The permit may not be transferred from the premises for which the permit was issued.

(8) If the area in which the permit issued to a premises is located is no longer designated an economic development area, an area needing redevelopment, or a redevelopment district, a permit issued under this section may be renewed, and the ownership of the permit may be transferred, but the permit may not be transferred from the permit premises.

(q) Except as provided in section 16.3 of this chapter, the



1 commission may issue a new three-way permit to an applicant who
 2 is a proprietor, as owner or lessee, or both, of a restaurant located
 3 within a transit development district established under
 4 IC 36-7.5-4.5. The commission may issue not more than eight (8)
 5 new three-way permits under this subsection. The following apply
 6 to a permit issued under this subsection:

7 (1) The cost of an initial permit is forty thousand dollars
 8 (\$40,000).

9 (2) The total number of active permits issued under this
 10 subsection may not exceed the eight (8) new three-way
 11 permits.

12 (3) The municipality may adopt an ordinance under
 13 IC 7.1-3-19-17 requiring a permit holder to enter into a
 14 formal written commitment as a condition of eligibility for a
 15 permit. As set forth in IC 7.1-3-19-17(b), a formal written
 16 commitment is binding on the permit holder and on any lessee
 17 or proprietor of the permit premises.

18 (4) Notwithstanding IC 7.1-3-1.1, if business operations cease
 19 at the permit premises for more than six (6) months, the
 20 permit shall revert to the commission and the permit holder
 21 is not entitled to any refund or other compensation.

22 (5) Except as provided in subdivision (7), the ownership of the
 23 permit may not be transferred.

24 (6) The permit may not be transferred from the premises for
 25 which the permit was issued.

26 (7) If the area in which the permit issued to a premises is
 27 located is no longer designated as part of transit development
 28 district established under IC 36-7.5-4.5, a permit issued under
 29 this section may be renewed, and the ownership of the permit
 30 may be transferred, but the permit may not be transferred
 31 from the permit premises.

32 SECTION 2. An emergency is declared for this act.



COMMITTEE REPORT

Mr. President: The Senate Committee on Public Policy, to which was referred Senate Bill No. 89, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Replace the effective date in SECTION 1 with "[EFFECTIVE UPON PASSAGE]".

Page 8, after line 12, begin a new paragraph and insert:

"(o) Except as provided in section 16.3 of this chapter, the commission may issue to the city of Lafayette not more than three (3) new three-way permits. The following apply to a permit issued under this subsection:

(1) An applicant for a permit must be a proprietor, an owner or lessee, or both, of a restaurant located within an economic development area, an area needing redevelopment, or a redevelopment district as established under IC 36-7-14 in the city's:

(A) downtown redevelopment district; or

(B) downtown economic revitalization area.

(2) The cost of an initial permit is forty thousand dollars (\$40,000).

(3) The total number of active permits issued under this subsection may not exceed the three (3) new three-way permits.

(4) The city may adopt an ordinance under IC 7.1-3-19-17 requiring a permit holder to enter into a formal written commitment as a condition of eligibility for a permit. As set forth in IC 7.1-3-19-17(b), a formal written commitment is binding on the permit holder and on any lessee or proprietor of the permit premises.

(5) Notwithstanding IC 7.1-3-1.1, if business operations cease at the permit premises for more than six (6) months, the permit shall revert to the commission and the permit holder is not entitled to any refund or other compensation.

(6) Except as provided in subdivision (8), the ownership of the permit may not be transferred.

(7) The permit may not be transferred from the premises for which the permit was issued.

(8) If the area in which the permit issued to a premises is located is no longer designated an economic development area, an area needing redevelopment, or a redevelopment district, a permit issued under this section may be renewed,



and the ownership of the permit may be transferred, but the permit may not be transferred from the permit premises.

(p) Except as provided in section 16.3 of this chapter, the commission may issue to the city of West Lafayette not more than two (2) new three-way permits. The following apply to a permit issued under this subsection:

(1) An applicant for a permit must be a proprietor, an owner or lessee, or both, of a restaurant located within an economic development area, an area needing redevelopment, or a redevelopment district as established under IC 36-7-14 in the city's:

(A) downtown redevelopment district; or

(B) downtown economic revitalization area.

(2) The cost of an initial permit is forty thousand dollars (\$40,000).

(3) The total number of active permits issued under this subsection may not exceed the two (2) new three-way permits.

(4) The city may adopt an ordinance under IC 7.1-3-19-17 requiring a permit holder to enter into a formal written commitment as a condition of eligibility for a permit. As set forth in IC 7.1-3-19-17(b), a formal written commitment is binding on the permit holder and on any lessee or proprietor of the permit premises.

(5) Notwithstanding IC 7.1-3-1.1, if business operations cease at the permit premises for more than six (6) months, the permit shall revert to the commission and the permit holder is not entitled to any refund or other compensation.

(6) Except as provided in subdivision (8), the ownership of the permit may not be transferred.

(7) The permit may not be transferred from the premises for which the permit was issued.

(8) If the area in which the permit issued to a premises is located is no longer designated an economic development area, an area needing redevelopment, or a redevelopment district, a permit issued under this section may be renewed, and the ownership of the permit may be transferred, but the permit may not be transferred from the permit premises.

(q) Except as provided in section 16.3 of this chapter, the commission may issue a new three-way permit to an applicant who is a proprietor, as owner or lessee, or both, of a restaurant located within a transit development district established under IC 36-7.5-4.5. The commission may issue not more than eight (8)



new three-way permits under this subsection. The following apply to a permit issued under this subsection:

- (1) The cost of an initial permit is forty thousand dollars (\$40,000).**
- (2) The total number of active permits issued under this subsection may not exceed the eight (8) new three-way permits.**
- (3) The municipality may adopt an ordinance under IC 7.1-3-19-17 requiring a permit holder to enter into a formal written commitment as a condition of eligibility for a permit. As set forth in IC 7.1-3-19-17(b), a formal written commitment is binding on the permit holder and on any lessee or proprietor of the permit premises.**
- (4) Notwithstanding IC 7.1-3-1.1, if business operations cease at the permit premises for more than six (6) months, the permit shall revert to the commission and the permit holder is not entitled to any refund or other compensation.**
- (5) Except as provided in subdivision (7), the ownership of the permit may not be transferred.**
- (6) The permit may not be transferred from the premises for which the permit was issued.**
- (7) If the area in which the permit issued to a premises is located is no longer designated as part of transit development district established under IC 36-7.5-4.5, a permit issued under this section may be renewed, and the ownership of the permit may be transferred, but the permit may not be transferred from the permit premises.**

SECTION 2. An emergency is declared for this act."

and when so amended that said bill do pass.

(Reference is to SB 89 as introduced.)

ALTING, Chairperson

Committee Vote: Yeas 10, Nays 0.

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