

**LEGISLATIVE SERVICES AGENCY**  
**OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**  
**FISCAL IMPACT STATEMENT**

**LS 6357**

**BILL NUMBER:** SB 89

**NOTE PREPARED:** Jan 27, 2026

**BILL AMENDED:** Jan 26, 2026

**SUBJECT:** Three-way Permits.

**FIRST AUTHOR:** Sen. Dernulc

**BILL STATUS:** As Passed Senate

**FIRST SPONSOR:** Rep. Olthoff

**FUNDS AFFECTED:**  **GENERAL**  
 **DEDICATED**  
 **FEDERAL**

**IMPACT:** State & Local

**Summary of Legislation:** This bill 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;
- (4) eight new three-way permits to restaurants located within a transit development district located in the city of Michigan City;
- (5) two new three-way permits to the city of Delphi; and
- (6) two new three-way permits to the city of Bloomington.

**Effective Date:** Upon Passage.

**Explanation of State Expenditures:** The Alcohol and Tobacco Commission would have an increase in workload to issue the permits. This workload increase should be done within current resources.

**Explanation of State Revenues:** The bill adds up to 3 three-way permits for the town of Schererville, 3 for the city of Lafayette, 2 for the city of West Lafayette, 2 for Delphi, 2 for Bloomington, and 8 for a transit development district in Michigan City. If all 20 permits are issued, the total initial fee revenue would be \$800,000. The revenue would be distributed as follows:

- \$296,000 to the General Fund,
- \$264,000 to the cities and towns, and
- \$240,000 to the Enforcement and Administration Fund.

The initial fee for these permits is \$40,000. The annual permit fee for a three-way permit is \$1,000. Revenue is distributed to the General Fund (37%); the city, town, or county in which the licensed premises are located (33%); and the Enforcement and Administration Fund (30%).

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:** To the extent that revenue from permit fees increases, the amounts

distributed to the cities and towns would also increase. [See *Explanation of State Revenues*.]

**State Agencies Affected:** Alcohol and Tobacco Commission.

**Local Agencies Affected:** Cities and towns.

**Information Sources:** Legislative Services Agency. *Indiana Handbook of Taxes, Revenues, and Appropriations*, FY 2025.

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