

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

LS 6357
BILL NUMBER: SB 89

NOTE PREPARED: Feb 16, 2026
BILL AMENDED: Jan 26, 2026

SUBJECT: Three-way Permits.

FIRST AUTHOR: Sen. Dernulc
FIRST SPONSOR: Rep. VanNatter

BILL STATUS: As Passed House

FUNDS AFFECTED: X GENERAL
 X 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.

Fiscal Analyst: Nate Bodnar, 317-234-9476.