

SENATE BILL No. 147

DIGEST OF INTRODUCED BILL

Citations Affected: IC 7.1-3.

Synopsis: Transit development district license. Allows the alcohol and tobacco commission to issue new three-way permits: (1) that are not subject to the permit quota; and (2) within a transit development district. Requires the maximum number of new permits issued within a district to be determined by written agreement of the legislative body of the municipality within the district and the northwest Indiana regional development authority board.

Effective: July 1, 2026.

Pol Jr.

January 5, 2026, read first time and referred to Committee on Public Policy.



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. 147

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 7.1-3-19-17, AS AMENDED BY P.L.220-2023,
2 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2026]: Sec. 17. (a) This section applies to a permit issued
4 under IC 7.1-3-20-16(d), IC 7.1-3-20-16(g), IC 7.1-3-20-16(k) through
5 IC 7.1-3-20-16(q), ~~or IC 7.1-3-20-16.8,~~ **or IC 7.1-3-20.1** if a municipal
6 legislative body has adopted an ordinance requiring a formal written
7 commitment as a condition of eligibility for a permit, as described in
8 subsection (b).
9 (b) As a condition of eligibility for a permit, the applicant must
10 enter into a formal written commitment with the municipal legislative
11 body regarding the character or type of business that will be conducted
12 on the permit premises. The municipal legislative body must adopt an
13 ordinance approving the formal written commitment. A formal written
14 commitment is binding on the permit holder and on any lessee or
15 proprietor of the permit premises. When an application for renewal of
16 a permit is filed, the applicant shall forward a copy of the application
17 to the municipal legislative body. The municipal legislative body shall



1 receive notice of any filings, hearings, or other proceedings on the
2 application for renewal from the applicant.

3 (c) A formal written commitment may be modified by the municipal
4 legislative body with the agreement of the permit holder.

5 (d) Except as provided in subsection (f), the amount of time that a
6 formal written commitment is valid may not be limited or restricted.

7 (e) A formal written commitment is terminated at the time a permit
8 is revoked or not renewed.

9 (f) If the character or type of business violates the formal written
10 commitments, the municipality may adopt a recommendation to the
11 local board and the commission to:

12 (1) deny the permit holder's application to renew the permit; or

13 (2) revoke the permit holder's permit.

14 (g) The commission shall consider evidence at the hearing on the
15 issue of whether the business violated the formal written commitments.
16 If the commission determines there is sufficient evidence that the
17 commitments have been violated by the permittee, the commission
18 may:

19 (1) deny the application to renew the permit; or

20 (2) revoke the permit;

21 as applicable.

22 SECTION 2. IC 7.1-3-20.1 IS ADDED TO THE INDIANA CODE
23 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
24 JULY 1, 2026]:

25 **Chapter 20.1. Transit Development Districts**

26 **Sec. 1. As used in this chapter, "board" means the governing**
27 **body appointed under IC 36-7.5-2-3 for the northwest Indiana**
28 **regional development authority.**

29 **Sec. 2. As used in this chapter, "district" means a transit**
30 **development district established under IC 36-7.5-4.5.**

31 **Sec. 3. As used in this chapter, "legislative body" means the**
32 **legislative body of a municipality in which a district is located.**

33 **Sec. 4. A permit authorized by this chapter may be issued**
34 **without regard to the quota provisions of IC 7.1-3-22.**

35 **Sec. 5. (a) The commission may issue new three-way permits to**
36 **an applicant who is a proprietor, as owner or lessee, or both, of a**
37 **restaurant located within a district.**

38 **(b) The municipality may adopt an ordinance requiring a**
39 **permit applicant to enter into a formal written commitment under**
40 **IC 7.1-3-19-17 as a condition of eligibility for being issued a permit**
41 **under this chapter.**

42 **Sec. 6. The ownership of a permit issued under this chapter and**



1 the location for which the permit was issued may not be
2 transferred.

3 Sec. 7. Notwithstanding IC 7.1-3-1.1, if business operations cease
4 at the permit premises for more than six (6) months the:

5 (1) permit reverts to the commission; and

6 (2) permit holder is not entitled to any refund or other
7 compensation.

8 Sec. 8. The legislative body and the board must enter into a
9 written agreement that sets forth the maximum number of new
10 permits that may be issued within the district under this chapter.
11 The legislative body must send a copy of the executed agreement to
12 the commission.

13 Sec. 9. If a permit issued under this chapter is later revoked or
14 not renewed, the commission may issue another new permit, as
15 long as the total number of active permits issued under this chapter
16 does not exceed the maximum number of permits set forth in the
17 written agreement at any time.

18 Sec. 10. (a) Except as provided in subsections (b) and (c), the
19 maximum number of new permits may be increased or reduced by
20 executing a new written agreement following the same procedure
21 set forth in section 8 of this chapter.

22 (b) The number of permits may not be reduced below the
23 number of active permits issued to the district under this chapter
24 at the time the new written agreement is executed.

25 (c) The maximum number of permits issued under this chapter
26 may not be increased or reduced by the legislative body and board
27 for four (4) years after a written agreement is executed.

