



Reprinted
February 18, 2026

ENGROSSED SENATE BILL No. 185

DIGEST OF SB 185 (Updated February 17, 2026 5:13 pm - DI 144)

Citations Affected: IC 7.1-3; IC 7.1-5; IC 7.1-7; IC 24-3; IC 35-45;
IC 35-46.

Synopsis: Alcohol and tobacco matters. Specifies, with respect to a tobacco sales certificate (certificate), that a permitted premises may not include sleeping or living quarters. Provides that a person may not sell a tobacco product or electronic cigarette at wholesale without a certificate. Adds additional information an applicant must provide to the alcohol and tobacco commission (commission) when applying for a certificate. Provides, with one exception, that the commission shall not issue a certificate to a retail location where a certificate was
(Continued next page)

Effective: July 1, 2026.

Alting, Walker K, Spencer, Leising, Niezgodski

(HOUSE SPONSORS — VANNATTER, MANNING)

January 5, 2026, read first time and referred to Committee on Public Policy.
January 15, 2026, amended, reported favorably — Do Pass; reassigned to Committee on Appropriations.

January 22, 2026, amended, reported favorably — Do Pass.
January 26, 2026, read second time, ordered engrossed. Engrossed.
January 27, 2026, read third time, passed. Yeas 45, nays 0.

HOUSE ACTION

January 29, 2026, read first time and referred to Committee on Public Policy.
February 12, 2026, amended, reported — Do Pass.
February 17, 2026, read second time, amended, ordered engrossed.

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Digest Continued

revoked within one year prior to the application. Specifies the circumstances under which the commission must either suspend or revoke a certificate if the certificate holder's employees violate employee identification requirements three or more times in one year. Makes it a Class C infraction for a certificate holder or employee to violate particular identification requirements. Modifies the application of certain statutes concerning vapor pens and e-liquid. Establishes various requirements and penalties applicable to e-liquid, e-liquid products, and vapor devices, including restrictions on the manufacture, sourcing, possession, sale, and distribution of foreign adversary products. Amends the requirements for an initial and renewal application to manufacture e-liquids or e-liquid products. Requires, in a provision concerning the sale of cigarettes, that a buydown be considered in determining the cost to the retailer or cost to the distributor. Specifies an exception. Adds the sale of alcohol without a permit to the violations which may constitute racketeering activity. Changes the infraction of the habitual illegal sale of tobacco products from six violations in a year to three violations in a year. Changes the infraction of the habitual illegal entrance by a minor from six violations to three violations in a year. Specifies that a prohibition on the sale, use, or distribution of flavored nitrous oxide does not apply to a law enforcement agency disposing of flavored nitrous oxide by donation to a nonprofit organization.



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February 18, 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.

ENGROSSED SENATE BILL No. 185

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 7.1-3-18.5-1, AS AMENDED BY P.L.32-2019,
2 SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2026]: Sec. 1. (a) A person may not sell or otherwise
4 distribute in exchange for consideration a tobacco product or electronic
5 cigarette at retail **or wholesale** without a valid tobacco sales certificate
6 issued by the commission.

7 (b) A certificate may be issued only to a person who owns or
8 operates at least one (1) of the following:

9 (1) A premises consisting of a permanent building or structure
10 where the tobacco product or electronic cigarette is sold or
11 distributed.

12 (2) A premises upon which a cigarette vending machine is
13 located.

14 **(c) For purposes of subsection (b)(1), a permitted premises may**
15 **not include sleeping or living quarters.**

16 SECTION 2. IC 7.1-3-18.5-1.5 IS ADDED TO THE INDIANA
17 CODE AS A NEW SECTION TO READ AS FOLLOWS

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1 [EFFECTIVE JULY 1, 2026]: **Sec. 1.5. (a) A person may not sell**
 2 **tobacco products or electronic cigarettes at wholesale or**
 3 **participate in the wholesale distribution of tobacco products or**
 4 **electronic cigarettes without a valid wholesale tobacco sales**
 5 **certificate issued by the commission.**

6 **(b) The commission may only issue a wholesale tobacco sales**
 7 **certificate to a person who owns or operates a wholesale tobacco**
 8 **business at a premises consisting of a permanent building or**
 9 **structure that is used for the wholesale distribution of tobacco**
 10 **products or electronic cigarettes.**

11 SECTION 3. IC 7.1-3-18.5-2, AS AMENDED BY P.L.107-2024,
 12 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 13 JULY 1, 2026]: **Sec. 2. (a) A person who desires a certificate must**
 14 **provide the following to the commission:**

15 (1) The applicant's name and mailing address and the address of
 16 the premises for which the certificate is being issued.

17 (2) Except as provided in section 6(c) of this chapter, a fee of:

18 **(A) two hundred dollars (\$200) for a retail tobacco sales**
 19 **certificate; or**

20 **(B) one hundred dollars (\$100) for a wholesale tobacco**
 21 **sales certificate.**

22 (3) The name under which the applicant transacts or intends to
 23 transact business.

24 (4) The address of the applicant's principal place of business or
 25 headquarters, if any.

26 (5) The statement required under section 2.6 of this chapter.

27 (6) If the applicant is applying for a new certificate under section
 28 3.2 of this chapter, a copy of each of the following:

29 (A) If the new ownership of the business is a business entity,
 30 the articles of incorporation, articles of organization, or any
 31 other formation documents of the business entity.

32 (B) If the new ownership of the business is an individual,
 33 either:

34 (i) the sales or purchase agreement; or

35 (ii) an affidavit signed by the applicant concerning the sale
 36 or purchase, on a form prescribed by the commission, that
 37 includes the name and address of the seller and purchaser.

38 (C) The certificate held by the previous ownership of the
 39 business.

40 **(7) A photocopy of the owner's driver's license, identification**
 41 **card issued under IC 9-24-16-1, a similar card issued under**
 42 **the laws of another state or the federal government, or**



1 **another government issued document that bears the owner's**
 2 **photograph and birth date. If the applicant is a business with**
 3 **multiple owners, the applicant must designate at least one (1)**
 4 **managing owner for whom a photocopy of the managing**
 5 **owner's identification must be provided under this**
 6 **subdivision.**

7 (b) A separate certificate is required for each location where the
 8 tobacco products or electronic cigarettes are sold or distributed. ~~A retail~~
 9 **An establishment may not hold more than one (1) active tobacco sales**
 10 **certificate for a retail location at any time. Except when the real estate**
 11 **for a retail location is transferred to an independent third party,**
 12 **the commission shall not issue a certificate to a retail location**
 13 **where a tobacco sales certificate was revoked within one (1) year**
 14 **prior to the date of the application.**

15 (c) A certificate holder shall conspicuously display the holder's
 16 certificate on the holder's premises where the tobacco products or
 17 electronic cigarettes are sold or distributed.

18 (d) Any intentional misstatement or suppression of a material fact
 19 in an application filed under this section constitutes grounds for denial
 20 **or revocation** of the certificate.

21 (e) A certificate may be issued only to a person who meets the
 22 following requirements:

23 (1) If the person is an individual, the person must be at least
 24 twenty-one (21) years of age.

25 (2) The person must be authorized to do business in Indiana.

26 (3) The person has not had an interest in a certificate revoked by
 27 the commission for that business location within the preceding
 28 one (1) year.

29 (f) The fees collected under this section shall be deposited in the
 30 enforcement and administration fund under IC 7.1-4-10.

31 SECTION 4. IC 7.1-3-18.5-9.2, AS ADDED BY P.L.107-2024,
 32 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 33 JULY 1, 2026]: Sec. 9.2. (a) An employee of a certificate holder must
 34 hold a valid:

35 (1) driver's license issued by the state of Indiana or another state;
 36 or

37 (2) identification card issued by the state of Indiana, another state,
 38 or the United States;

39 to sell tobacco products.

40 (b) An employee must have the employee's driver's license or
 41 identification card or a copy of the employee's driver's license or
 42 identification card:



- 1 (1) either:
 2 (A) in the employee's possession; or
 3 (B) on file with the employee's employer; and
 4 (2) upon request, readily available to show to an excise officer or
 5 law enforcement;
 6 when selling tobacco products.
- 7 (c) If an employee holds a valid license or identification card as
 8 described in subsection (a) but is unable to show the license,
 9 identification card, or a copy to an excise officer under subsection (b)
 10 because:
 11 (1) the employee has left the license, identification card, or copy
 12 in another location; or
 13 (2) the license, identification card, or copy has otherwise been lost
 14 or mislaid;
 15 the employee may, within five (5) days of the employee's inability to
 16 show the license, identification card, or copy to the excise officer,
 17 produce to the excise officer or to the office of the commission
 18 satisfactory evidence of a license or identification card issued to the
 19 individual that was valid at the time the individual was unable to show
 20 the license, identification card, or copy.
- 21 (d) If an employee who is unable to show a license, identification
 22 card, or copy to an excise officer fails to produce satisfactory evidence
 23 within five (5) days in the manner described in subsection (c), the
 24 commission may impose a civil penalty on the certificate holder under
 25 IC 7.1-3-23-3.
- 26 **(e) The commission shall take the following actions with respect**
 27 **to a certificate holder's certificate if the certificate holder's**
 28 **employees violate this section:**
 29 **(1) For three (3) violations in a one (1) year period, suspend**
 30 **the certificate for a period of five (5) days.**
 31 **(2) For four (4) violations in a one (1) year period, suspend the**
 32 **certificate for a period of an additional five (5) days.**
 33 **(3) For five (5) violations in a one (1) year period, suspend the**
 34 **certificate for a period of an additional five (5) days.**
 35 **(4) For six (6) or more violations in a one (1) year period,**
 36 **revoke the certificate.**
- 37 SECTION 5. IC 7.1-5-10-23, AS AMENDED BY P.L.32-2019,
 38 SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 39 JULY 1, 2026]: Sec. 23. It is a Class C infraction for a permittee,
 40 **certificate holder**, or an employee or agent of a permittee **or**
 41 **certificate holder** to recklessly, knowingly, or intentionally sell, barter,
 42 exchange, provide, or furnish another person who is or reasonably



1 appears to be less than forty (40) years of age an alcoholic beverage or
 2 **tobacco product** for consumption off the licensed premises without
 3 first requiring the person to produce:

- 4 (1) a driver's license;
 5 (2) an identification card issued under IC 9-24-16-1 or a similar
 6 card issued under the laws of another state or the federal
 7 government; or
 8 (3) a government issued document;

9 bearing the person's photograph and birth date showing that the person
 10 is at least twenty-one (21) years of age.

11 SECTION 6. IC 7.1-7-1-0.5 IS ADDED TO THE INDIANA CODE
 12 AS A **NEW SECTION TO READ AS FOLLOWS** [EFFECTIVE JULY
 13 1, 2026]: **Sec. 0.5. (a) An e-liquid or e-liquid product manufactured,**
 14 **distributed, or sold in Indiana must adhere to all applicable rules**
 15 **and regulations of the federal Food and Drug Administration,**
 16 **including those rules and regulations regarding product safety,**
 17 **labeling, and manufacturing standards.**

18 **(b) Except as otherwise provided in this article, this article does**
 19 **not require a product subject to this article to be specifically**
 20 **approved by the federal Food and Drug Administration if the**
 21 **product satisfies all applicable rules and regulations.**

22 **(c) If a product subject to this article is approved by the federal**
 23 **Food and Drug Administration, the approval constitutes prima**
 24 **facie evidence of compliance with this article.**

25 SECTION 7. IC 7.1-7-1-1, AS AMENDED BY P.L.206-2017,
 26 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 27 JULY 1, 2026]: Sec. 1. ~~(a) Except as provided in subsection (b);~~ This
 28 article applies to the following:

- 29 ~~(1) The commercial manufacturing, bottling, selling, sale,~~
 30 ~~bartering, or importing, possession, and use of e-liquid and~~
 31 ~~e-liquid products in Indiana, including through a cigarette~~
 32 ~~vending machine.~~

- 33 ~~(2) The sale, possession, and use of e-liquid products in Indiana.~~

34 ~~(b) This article does not apply to a manufacturer of a closed system~~
 35 ~~vapor product, except as specifically provided in this article.~~

36 SECTION 8. IC 7.1-7-1-2, AS AMENDED BY P.L.206-2017,
 37 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 38 JULY 1, 2026]: Sec. 2. The purpose of this article is to protect public
 39 health and safety by:

- 40 (1) ensuring the safety and security of e-liquid **and e-liquid**
 41 **products** manufactured for sale in Indiana;
 42 (2) ensuring that e-liquid **and e-liquid products** manufactured or



1 sold in Indiana ~~conforms conform~~ to appropriate standards of
 2 identity, strength, quality, and purity; ~~and~~

3 (3) ensuring that e-liquid ~~and e-liquid products is are~~ not
 4 contaminated or adulterated by the inclusion of ingredients or
 5 other substances that might pose unreasonable threats to public
 6 health and safety; ~~and~~

7 **(4) ensuring dangerous foreign adversary products are not**
 8 **sold or distributed in Indiana.**

9 SECTION 9. IC 7.1-7-2-6.3, AS AMENDED BY P.L.49-2020,
 10 SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 11 JULY 1, 2026]: Sec. 6.3. "Delivery sale" means a sale of an e-liquid,
 12 **an e-liquid product, or a vapor device** to a purchaser in Indiana in
 13 which the purchaser submits the order for the sale:

14 (1) by telephone;

15 (2) over the Internet; or

16 (3) through the mail or another delivery system;

17 and the e-liquid, **e-liquid product, or vapor device** is shipped through
 18 a delivery service. "Delivery sale" does not include a sale of an
 19 e-liquid, **an e-liquid product, or a vapor device** not for personal
 20 consumption to a person who is a retailer.

21 SECTION 10. IC 7.1-7-2-8 IS REPEALED [EFFECTIVE JULY 1,
 22 2026]. Sec. 8. "~~Distributor~~" means a ~~person who is licensed under~~
 23 ~~IC 6-7-2-8~~ that:

24 ~~(1) distributes, sells, barter, or exchanges e-liquid in Indiana to~~
 25 ~~retail dealers for the purpose of resale; or~~

26 ~~(2) purchases e-liquid directly from a manufacturer for the~~
 27 ~~purpose of resale.~~

28 SECTION 11. IC 7.1-7-2-10, AS AMENDED BY P.L.206-2017,
 29 SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 30 JULY 1, 2026]: Sec. 10. "E-liquid" means a substance that:

31 (1) may or may not contain nicotine; and

32 (2) is intended to be vaporized and inhaled using a vapor ~~product~~.
 33 **device.**

34 SECTION 12. IC 7.1-7-2-10.5 IS ADDED TO THE INDIANA
 35 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
 36 [EFFECTIVE JULY 1, 2026]: **Sec. 10.5. "E-liquid product" means**
 37 **a vapor device that contains e-liquid, with or without nicotine.**

38 SECTION 13. IC 7.1-7-2-12, AS AMENDED BY P.L.206-2017,
 39 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 40 JULY 1, 2026]: Sec. 12. "Flavoring" means a food grade additive or
 41 synthetic flavoring substance that is used to add flavor and that is not
 42 prohibited by the federal Food and Drug Administration as an additive



1 in vapor products. **e-liquid or e-liquid products.**

2 SECTION 14. IC 7.1-7-2-12.3 IS ADDED TO THE INDIANA
3 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
4 [EFFECTIVE JULY 1, 2026]: **Sec. 12.3. "Foreign adversary" means**
5 **an individual, business entity, or other entity located in or**
6 **organized under the laws of a nation listed as a foreign adversary**
7 **in 15 CFR 791.4.**

8 SECTION 15. IC 7.1-7-2-12.5 IS ADDED TO THE INDIANA
9 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
10 [EFFECTIVE JULY 1, 2026]: **Sec. 12.5. (a) "Foreign adversary**
11 **product" means an:**

- 12 (1) **e-liquid;**
13 (2) **e-liquid containing an ingredient; or**
14 (3) **e-liquid product;**

15 **that is manufactured by, sourced from, or otherwise imported**
16 **from a nation listed as a foreign adversary in 15 CFR 791.4.**

17 **(b) The term does not include the following:**

- 18 (1) **A vapor device, including a part to be utilized in an open**
19 **or closed system to convert e-liquid to a vapor for inhalation.**
20 (2) **E-liquid or an e-liquid product that is manufactured by,**
21 **sourced from, or otherwise imported from a nation listed as**
22 **a foreign adversary in 15 CFR 791.4, if the e-liquid or e-liquid**
23 **product:**

24 **(A) has been approved or authorized by the federal Food**
25 **and Drug Administration; or**

26 **(B) is pending review by the federal Food and Drug**
27 **Administration under 21 U.S.C. 387j.**

28 SECTION 16. IC 7.1-7-2-15, AS AMENDED BY P.L.206-2017,
29 SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
30 JULY 1, 2026]: **Sec. 15. "Manufacturer" means a person located inside**
31 **or outside Indiana that is engaged in manufacturing:**

- 32 (1) **e-liquid for closed and open system vapor devices; or**
33 (2) **e-liquid products.**

34 SECTION 17. IC 7.1-7-2-15.5 IS REPEALED [EFFECTIVE JULY
35 1, 2026]. **Sec. 15.5. "Manufacturer of a closed system vapor product"**
36 **means a manufacturer of vapor products whose closed system vapor**
37 **products are for sale in Indiana, but that does not produce open system**
38 **vapor products that are for sale in Indiana.**

39 SECTION 18. IC 7.1-7-2-16, AS AMENDED BY P.L.206-2017,
40 SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
41 JULY 1, 2026]: **Sec. 16. "Manufacturing" means the process by which**
42 **an:**

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1 (1) e-liquid is mixed, bottled, and packaged; **and**

2 (2) **e-liquid product is produced and packaged.**

3 SECTION 19. IC 7.1-7-2-18, AS ADDED BY P.L.176-2015,
4 SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
5 JULY 1, 2026]: Sec. 18. "Permit" means a written authorization issued
6 by the commission entitling the holder to manufacture, sell, or
7 otherwise deal in e-liquid **or e-liquid products**, as provided in this
8 article.

9 SECTION 20. IC 7.1-7-2-21, AS ADDED BY P.L.176-2015,
10 SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
11 JULY 1, 2026]: Sec. 21. "Retailer" means a person, other than a
12 manufacturer, who in the ordinary course of the person's regular trade
13 or business:

14 (1) acquires any form of e-liquid **or e-liquid product** for the
15 purpose of resale; and

16 (2) transfers the e-liquid **or e-liquid product** to another person
17 for money or other consideration.

18 SECTION 21. IC 7.1-7-2-23, AS AMENDED BY P.L.206-2017,
19 SECTION 20, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
20 JULY 1, 2026]: Sec. 23. "Vapor ~~product~~ **device**" means a powered
21 vaporizer that converts e-liquid to a vapor intended for inhalation. **The**
22 **term includes both open and closed system vapor devices.**

23 SECTION 22. IC 7.1-7-2-24 IS ADDED TO THE INDIANA CODE
24 AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE JULY
25 1, 2026]: Sec. 24. "**Wholesaler**" means a person who has obtained
26 **or is required to obtain a wholesale tobacco sales certificate under**
27 **IC 7.1-3-18.5-1.5 that:**

28 (1) distributes, sells, barter, or exchanges e-liquid **or e-liquid**
29 **products in Indiana to retail dealers for the purpose of resale;**
30 **or**

31 (2) **purchases e-liquid or e-liquid products directly from a**
32 **manufacturer for the purpose of resale to resellers.**

33 SECTION 23. IC 7.1-7-3-2, AS AMENDED BY P.L.206-2017,
34 SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
35 JULY 1, 2026]: Sec. 2. The commission has the following duties and
36 responsibilities:

37 (1) To require the submission of information necessary to
38 implement this article.

39 (2) To issue permits.

40 (3) To charge fees as set forth in this article. ~~The fees charged~~
41 ~~under this subdivision may not exceed the actual costs incurred by~~
42 ~~the commission:~~



1 (4) To approve or deny a permit application made under
2 IC 7.1-7-4 within sixty (60) days of receiving the application.

3 SECTION 24. IC 7.1-7-4-1, AS AMENDED BY P.L.49-2020,
4 SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
5 JULY 1, 2026]: Sec. 1. **(a) Not later than January 1, 2027, a
6 manufacturer of e-liquid or an e-liquid product that is
7 manufactured or sold in Indiana must obtain a permit under this
8 section.**

9 ~~(a)~~ **(b)** A manufacturer of e-liquid may not mix, bottle, package, or
10 sell e-liquid to retailers, consumers, or ~~distributors~~ **wholesalers** in
11 Indiana without a permit issued by the commission under this article.

12 ~~(b) An e-liquid manufactured by an e-liquids manufacturer
13 approved by the commission under this article before July 1, 2017, may
14 be distributed and sold for retail until the expiration date of the
15 e-liquid.~~

16 ~~(c) A manufacturing permit issued by the commission before July
17 1, 2026, is valid for five (5) years. A manufacturing permit issued by
18 the commission after June 30, 2026, is valid for two (2) years. A
19 manufacturing permit issued by the commission under this article
20 before July 1, 2017, does not expire before July 1, 2020.~~

21 (d) An initial application for a manufacturing permit must include
22 the following:

- 23 (1) The name, telephone number, and address of the applicant.
24 (2) The name, telephone number, and address of the
25 manufacturing facility.
26 (3) The name, telephone number, title, and address of the person
27 responsible for the manufacturing facility.
28 (4) Verification that the facility will comply with applicable
29 tobacco products good manufacturing practices promulgated
30 under 21 U.S.C. 387f(e) of the federal Food, Drug, and Cosmetic
31 Act.
32 (5) Verification that the manufacturer will comply with the
33 applicable ingredient listing required by 21 U.S.C. 387d(a)(1) of
34 the federal Food, Drug, and Cosmetic Act.
35 (6) Written consent allowing the state police department to
36 conduct a state or national criminal history background check on
37 any person listed on the application.
38 (7) A nonrefundable initial application fee of ~~one thousand dollars~~
39 ~~(\$1,000)~~ **three thousand dollars (\$3,000)**.
40 **(8) Verification that the manufacturer will comply with all**
41 **other state and federal laws related to e-liquids and e-liquid**
42 **products.**



1 **(9) An affirmation, made under the penalties for perjury, that**
 2 **the manufacturer will not, to the best of the manufacturer's**
 3 **knowledge, use any ingredients or e-liquids in the**
 4 **manufacturer's manufacturing process from a nation listed as**
 5 **a foreign adversary in 15 CFR 791.4.**

6 **(10) Evidence of the federal Food and Drug Administration**
 7 **approval, authorization, or application status of each e-liquid**
 8 **or e-liquid product the manufacturer seeks to sell, source,**
 9 **import, or manufacture in the manner described under**
 10 **IC 7.1-7-2-12.5(b)(2).**

11 (e) The fees collected under subsection (d)(7) shall be deposited in
 12 the enforcement and administration fund established under IC 7.1-4-10.

13 **(f) Except as otherwise provided in this article, an applicant for**
 14 **a permit under this section must adhere to all state and federal**
 15 **laws applicable to e-liquids and e-liquid products, including rules**
 16 **and regulations promulgated by the federal Food and Drug**
 17 **Administration.**

18 **(g) If the federal Food and Drug Administration denies a**
 19 **manufacturer's application for approval or authorization of an**
 20 **e-liquid or e-liquid product during the term of a permit issued**
 21 **under this section, the manufacturer must notify the commission**
 22 **of the denial and submit a supplemental application for a**
 23 **manufacturing permit on a form prescribed by the commission.**

24 SECTION 25. IC 7.1-7-4-2, AS AMENDED BY P.L.206-2017,
 25 SECTION 24, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 26 JULY 1, 2026]: Sec. 2. (a) A manufacturing permit that is renewed by
 27 the commission **before July 1, 2026**, is valid for five (5) years. **A**
 28 **manufacturing permit that is renewed by the commission after**
 29 **June 30, 2026, is valid for two (2) years.**

30 (b) A renewal application for a manufacturing permit must include
 31 the following:

- 32 (1) The name, telephone number, and address of the applicant.
 33 (2) The name, telephone number, and address of the
 34 manufacturing facility.
 35 (3) The name, telephone number, title, and address of the person
 36 responsible for the manufacturing facility.
 37 (4) Verification that the facility complies with all tobacco
 38 products good manufacturing practices:
 39 (A) set forth in; and
 40 (B) promulgated in federal rules under;
 41 21 U.S.C. 387f through 21 U.S.C. 387u of the federal Food, Drug,
 42 and Cosmetic Act.



- 1 (5) Written consent allowing the state police department to
- 2 conduct a state or national criminal history background check on
- 3 any person listed on the application.
- 4 (6) A nonrefundable renewal application fee of ~~five hundred~~
- 5 ~~dollars (\$500):~~ **one thousand dollars (\$1,000).**
- 6 **(7) Verification that the manufacturer will comply with all**
- 7 **other state and federal laws related to e-liquids and e-liquid**
- 8 **products.**
- 9 **(8) An affirmation, made under the penalties for perjury, that**
- 10 **the manufacturer will not, to the best of the manufacturer's**
- 11 **knowledge, use any ingredients or e-liquids in the**
- 12 **manufacturer's manufacturing process from a nation listed as**
- 13 **a foreign adversary in 15 CFR 791.4.**
- 14 **(9) Evidence of the federal Food and Drug Administration**
- 15 **approval, authorization, or application status of each e-liquid**
- 16 **or e-liquid product the manufacturer seeks to sell, source,**
- 17 **import, or manufacture in the manner described under**
- 18 **IC 7.1-7-2-12.5(b)(2).**

19 (c) The fees collected under subsection (b)(6) shall be deposited in
 20 the enforcement and administration fund established under IC 7.1-4-10.

21 **(d) If the federal Food and Drug Administration denies a**
 22 **manufacturer's application for approval or authorization of an**
 23 **e-liquid or e-liquid product during the term of a permit issued**
 24 **under this section, the manufacturer must notify the commission**
 25 **of the denial and submit a supplemental renewal application for a**
 26 **manufacturing permit on a form prescribed by the commission.**

27 SECTION 26. IC 7.1-7-4-6, AS AMENDED BY P.L.17-2019,
 28 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 29 JULY 1, 2026]: Sec. 6. (a) As used in this section:

- 30 (1) "adulterated" means a product that:
- 31 (A) consists in whole or in part of any filthy, putrid, or
- 32 decomposed substance; ~~or~~
- 33 (B) is contaminated by any added poisonous or added
- 34 deleterious substance that may render the product injurious to
- 35 health; ~~and or~~
- 36 **(C) is a foreign adversary product; and**
- 37 (2) "tamper evident package" means a package having at least one
- 38 (1) indicator or barrier to entry that, if breached or missing, can
- 39 reasonably be expected to provide visible evidence to consumers
- 40 that tampering has occurred.

41 (b) A manufacturing facility shall comply with the following
 42 requirements:



- 1 (1) An e-liquid container must use a child proof cap that has the
 2 child resistant effectiveness set forth in the federal poison
 3 prevention packaging standards, 16 CFR 1700.15(b)(1).
 4 (2) An e-liquid container **or e-liquid product** must use a tamper
 5 evident package. The tamper evident package feature must be
 6 designed to and remain intact when handled in a reasonable
 7 manner during the manufacture, distribution, and retail display of
 8 the e-liquid container **or e-liquid product**.
 9 (3) The label on an e-liquid container **or e-liquid product** must
 10 meet the nicotine addictiveness warning statement requirements
 11 set forth in 21 CFR 1143.3.
 12 (4) The manufacturer, **wholesaler**, or retailer may not add an
 13 adulterated product to any e-liquid **or e-liquid product** produced
 14 for sale in Indiana.
 15 (5) The manufacturer must submit to random site visits by the
 16 commission.
 17 (6) The manufacturer may:
 18 (A) own and control both the e-liquid **or e-liquid product**
 19 manufacturing process and the bottling process; or
 20 (B) subcontract with another manufacturer for the performance
 21 of the e-liquid **or e-liquid product** manufacturing service, the
 22 bottling services, or both services.
 23 However, both the manufacturer performing a service under
 24 clause (B) and the manufacturer for which the service is
 25 performed must meet the requirements of this article, **including**
 26 **obtaining a permit**.
 27 (7) A manufacturer may use a flavoring, as defined by
 28 IC 7.1-7-2-12, as an ingredient in an e-liquid **or e-liquid product**.
 29 (8) The manufacturer or any person listed on the permit
 30 application may not have been convicted within ten (10) years
 31 before the date of application of:
 32 (A) a federal crime having a sentence of at least one (1) year;
 33 (B) an Indiana Class A, Class B, or Class C felony (for a crime
 34 committed before July 1, 2014) or a Level 1, Level 2, Level 3,
 35 Level 4, or Level 5 felony (for a crime committed after June
 36 30, 2014);
 37 (C) a crime in a state other than Indiana having a penalty equal
 38 to the penalty for an Indiana Class A, Class B, or Class C
 39 felony (for a crime committed before July 1, 2014) or a Level
 40 1, Level 2, Level 3, Level 4, or Level 5 felony (for a crime
 41 committed after June 30, 2014);
 42 (D) an Indiana Class D felony involving a controlled substance



1 under IC 35-48-4 (for a crime committed before July 1, 2014)
 2 or a Level 6 felony involving a controlled substance under
 3 IC 35-48-4 (for a crime committed after June 30, 2014); or
 4 (E) a crime in a state other than Indiana similar to a Class D
 5 felony involving a controlled substance under IC 35-48-4 (for
 6 a crime committed before July 1, 2014) or a Level 6 felony
 7 involving a controlled substance under IC 35-48-4 (for a crime
 8 committed after June 30, 2014).

9 SECTION 27. IC 7.1-7-4-8 IS ADDED TO THE INDIANA CODE
 10 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 11 1, 2026]: **Sec. 8. (a) A manufacturer that is permitted or required**
 12 **to be permitted under this chapter may not manufacture, source,**
 13 **possess, sell, or otherwise distribute a foreign adversary product.**

14 **(b) A retailer that holds or is required to hold a tobacco sales**
 15 **certificate under IC 7.1-3-18.5-1 may not possess, sell, or otherwise**
 16 **distribute a foreign adversary product.**

17 **(c) A wholesaler that holds or is required to hold a wholesale**
 18 **tobacco sales certificate under IC 7.1-3-18.5-1.5 may not possess,**
 19 **sell, or otherwise distribute a foreign adversary product.**

20 SECTION 28. IC 7.1-7-5.5-1, AS AMENDED BY P.L.49-2020,
 21 SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 22 JULY 1, 2026]: Sec. 1. A retailer may not make a delivery sale of
 23 e-liquid, **an e-liquid product, or a vapor device** to an individual who
 24 does not meet the minimum age requirement as set forth in
 25 IC 7.1-7-6-5.

26 SECTION 29. IC 7.1-7-5-1.1, AS AMENDED BY P.L.220-2023,
 27 SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 28 JULY 1, 2026]: Sec. 1.1. (a) A retailer must have a valid sales
 29 certificate issued by the commission in accordance with
 30 IC 7.1-3-18.5-1 that contains a separate box to check for identifying a
 31 retailer that sells e-liquids **or e-liquid products.**

32 (b) A retailer may purchase e-liquid **or an e-liquid product** only
 33 from an Indiana ~~e-liquid~~ manufacturing permit holder or an Indiana
 34 ~~distributor~~ **wholesaler** permit holder.

35 (c) A retailer shall retain all invoices for e-liquid **and e-liquid**
 36 **products** that the retailer purchases for two (2) years.

37 (d) A retailer shall not allow the self-service sale for individuals
 38 purchasing an e-liquid **or e-liquid product.**

39 (e) A retailer may not sell an e-liquid **or e-liquid product** that
 40 contains more than seventy-five (75) milligrams per milliliter of
 41 nicotine.

42 (f) A manufacturer must have ~~an e-liquid~~ a manufacturing permit



1 issued under IC 7.1-7-4.

2 (g) A ~~distributor~~ **wholesaler** that does not have a valid ~~e-liquid~~
3 manufacturing permit issued under IC 7.1-7-4 must have a valid
4 ~~distributor's license~~ **wholesale tobacco sales certificate** issued under
5 ~~IC 6-7-2-8~~ **IC 7.1-3-18.5-1.5**.

6 (h) A ~~distributor~~ **wholesaler** shall purchase and distribute e-liquid
7 **or e-liquid products** from an:

8 (1) Indiana ~~e-liquid~~ manufacturer that has a valid ~~e-liquid~~
9 manufacturing permit under IC 7.1-7-4; or

10 (2) Indiana ~~e-liquid distributor~~ **wholesaler** that has a valid:

11 (A) ~~e-liquid~~ manufacturing permit issued under IC 7.1-7-4; or

12 (B) ~~distributor's license~~ **wholesale tobacco sales certificate**
13 under ~~IC 6-7-2-8~~ **IC 7.1-3-18.5-1.5**.

14 (i) A ~~distributor~~ **wholesaler** shall retain all invoices to a retailer or
15 from a manufacturer for at least two (2) years.

16 (j) A manufacturer, ~~distributor~~, **wholesaler**, or retailer may not
17 market e-liquid **or an e-liquid product** as a modified risk tobacco
18 product, as defined by IC 7.1-7-2-17.5, that has not been designated as
19 a modified risk tobacco product by the federal Food and Drug
20 Administration.

21 (k) Except as provided in subsection (m), a manufacturer ~~including~~
22 ~~a manufacturer of a closed system vapor product~~, **permitted or**
23 **required to be permitted under IC 7.1-7-4** shall annually submit a
24 report to the commission setting forth:

25 (1) each new product that the manufacturer is producing and is
26 sold in Indiana with a list of the contents and ingredients by
27 volume; and

28 (2) whether the manufacturer has stopped producing products
29 previously produced and sold in Indiana.

30 A report under this subsection is confidential, and the commission may
31 not disclose it to another person.

32 (l) A manufacturer **permitted or required to be permitted under**
33 **IC 7.1-7-4** shall annually submit a report to the commission setting
34 forth:

35 (1) the milligrams per milliliter of nicotine in each product the
36 manufacturer produces; and

37 (2) the milliliters of each product sold that current year.

38 A report under this subsection is confidential, and the ~~ATC~~
39 **commission** may not disclose it to another person.

40 (m) A manufacturer is not required to submit a report described in
41 subsection (k) if the manufacturer submits to the commission a
42 certification, by October 1 of each year, that each of the manufacturer's



1 vapor products **e-liquid or e-liquid products** sold in Indiana ~~has have~~
2 been filed with the federal Food and Drug Administration.

3 SECTION 30. IC 7.1-7-5-2, AS ADDED BY P.L.176-2015,
4 SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
5 JULY 1, 2026]: Sec. 2. (a) A manufacturer of e-liquid may file a
6 request with the **Indiana** department **of health** for approval of an
7 ingredient to be allowed in the composition of e-liquid.

8 (b) The **Indiana** department **of health** may approve the request filed
9 under subsection (a) if the department determines that the ingredient
10 will not pose an unreasonable threat to public health and safety.

11 SECTION 31. IC 7.1-7-5.5-2, AS AMENDED BY P.L.49-2020,
12 SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
13 JULY 1, 2026]: Sec. 2. A retailer may not ship an e-liquid, **an e-liquid**
14 **product, or a vapor device** without first making a good faith effort to
15 verify the age of the purchaser of the e-liquid, **e-liquid product, or**
16 **vapor device** as set forth in IC 7.1-7-6-6.

17 SECTION 32. IC 7.1-7-5.5-3, AS AMENDED BY P.L.49-2020,
18 SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
19 JULY 1, 2026]: Sec. 3. (a) Before an e-liquid **or e-liquid product** is
20 shipped in a delivery sale, a retailer must be fully paid for the purchase
21 and shall accept payment from the purchaser:

- 22 (1) by a check drawn on an account in the purchaser's name;
- 23 (2) by a credit card issued in the purchaser's name; or
- 24 (3) by a debit card issued in the purchaser's name.

25 (b) A retailer may ship an e-liquid **or e-liquid product** only to a
26 purchaser.

27 SECTION 33. IC 7.1-7-5.5-5, AS AMENDED BY P.L.49-2020,
28 SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
29 JULY 1, 2026]: Sec. 5. A retailer who ships an e-liquid, **an e-liquid**
30 **product, or a vapor device** from a delivery sale order shall include as
31 part of the shipping documents a document with the following
32 statement: "E-LIQUIDS: Indiana law prohibits the sale of this product
33 to a person who is less than 21 years of age."

34 SECTION 34. IC 7.1-7-6-1, AS AMENDED BY P.L.206-2017,
35 SECTION 31, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
36 JULY 1, 2026]: Sec. 1. (a) If a manufacturer, ~~distributor, wholesaler,~~
37 or retailer violates **any provision of** this article, the manufacturer,
38 ~~distributor, wholesaler,~~ or retailer may be reprimanded, assessed a
39 civil penalty, or have the manufacturer's permit, ~~distributor's license,~~
40 **wholesaler's tobacco sales certificate,** or retailer's tobacco sales
41 certificate suspended **by the commission.**

42 (b) Any provision in this article that requires a manufacturer,



1 **wholesaler, or retailer** to comply with the federal Food, Drug, and
 2 Cosmetic Act or a federal rule promulgated under the federal Food,
 3 Drug, and Cosmetic Act is under the sole jurisdiction of the federal
 4 Food and Drug Administration. If the federal Food and Drug
 5 Administration seeks court enforcement of any section of the federal
 6 Food, Drug, and Cosmetic Act cited in this article and a civil monetary
 7 penalty is assessed against the manufacturer, the act or omission for
 8 which the penalty was assessed constitutes a violation of this article.
 9 **The commission shall revoke the permit, tobacco sales certificate,**
 10 **or wholesaler tobacco sales certificate of a manufacturer,**
 11 **wholesaler, or retailer that violates the federal Food, Drug, and**
 12 **Cosmetic Act or a federal rule promulgated under the federal**
 13 **Food, Drug, and Cosmetic Act.**

14 (c) The commission may assess a civil penalty against a
 15 manufacturer, ~~distributor,~~ **wholesaler,** or retailer for a violation of this
 16 article in an amount that does not exceed ten thousand dollars
 17 (\$10,000). A civil penalty may be assessed in addition to other
 18 penalties allowed under this article.

19 SECTION 35. IC 7.1-7-6-2.1, AS ADDED BY P.L.49-2020,
 20 SECTION 19, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 21 JULY 1, 2026]: Sec. 2.1. A person who sells or distributes an e-liquid,
 22 **an e-liquid product, or a vapor device** to a person less than
 23 twenty-one (21) years of age may be in violation of IC 35-46-1.

24 SECTION 36. IC 7.1-7-6-5, AS AMENDED BY P.L.49-2020,
 25 SECTION 20, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 26 JULY 1, 2026]: Sec. 5. A person who knowingly or intentionally makes
 27 a delivery sale of an e-liquid, **e-liquid product, or a vapor device** to
 28 an individual who is less than twenty-one (21) years of age commits a
 29 Class C infraction.

30 SECTION 37. IC 7.1-7-6-6, AS AMENDED BY P.L.49-2020,
 31 SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 32 JULY 1, 2026]: Sec. 6. (a) As used in this section, "good faith effort to
 33 verify the age of the purchaser of the e-liquid, **e-liquid product, or**
 34 **vapor device"** means:

35 (1) verifying the age of the purchaser in a commercially available
 36 database; or
 37 (2) obtaining a photocopy of a government issued identification;
 38 that indicates the birth date or age of the purchaser.

39 (b) A person who knowingly or intentionally ships an e-liquid, **an**
 40 **e-liquid product, or a vapor device** without first making a good faith
 41 effort to verify the age of the purchaser of the e-liquid, **e-liquid**
 42 **product, or vapor device** commits a Class C infraction.



1 SECTION 38. IC 24-3-2-2, AS AMENDED BY P.L.217-2017,
2 SECTION 154, IS AMENDED TO READ AS FOLLOWS
3 [EFFECTIVE JULY 1, 2026]: Sec. 2. Unless the context in this chapter
4 requires otherwise, the term:

5 (a) "Cigarette" shall mean and include any roll for smoking made
6 wholly or in part of tobacco, irrespective of size or shape and
7 irrespective of tobacco being flavored, adulterated, or mixed with any
8 other ingredient, where such roll has a wrapper or cover made of paper
9 or any other material; provided the definition in this paragraph shall not
10 be construed to include cigars.

11 (b) "Person" or the term "company", used in this chapter
12 interchangeably, means and includes any individual, assignee, receiver,
13 commissioner, fiduciary, trustee, executor, administrator, institution,
14 bank, consignee, firm, partnership, limited liability company, joint
15 vendor, pool, syndicate, bureau, association, cooperative association,
16 society, club, fraternity, sorority, lodge, corporation, municipal
17 corporation, or other political subdivision of the state engaged in
18 private or proprietary activities or business, estate, trust, or any other
19 group or combination acting as a unit, and the plural as well as the
20 singular number, unless the intention to give a more limited meaning
21 is disclosed by the context.

22 (c) "Distributor" shall mean and include every person who sells,
23 barter, exchanges, or distributes cigarettes in the state of Indiana to
24 retail dealers for the purpose of resale, or who purchases for resale
25 cigarettes from a manufacturer of cigarettes or from a wholesaler,
26 jobber, or distributor outside the state of Indiana who is not a
27 distributor holding a registration certificate issued under the provisions
28 of IC 6-7-1.

29 (d) "Retailer" shall mean every person, other than a distributor, who
30 purchases, sells, offers for sale, or distributes cigarettes to consumers
31 or to any person for any purpose other than resale, irrespective of
32 quantity or amount or the number of sales.

33 (e) "Sell at retail", "sale at retail", and "retail sales" shall mean and
34 include any transfer of title to cigarettes for a valuable consideration
35 made in the ordinary course of trade or usual conduct of the seller's
36 business to the purchaser for consummation or use.

37 (f) "Sell at wholesale", "sale at wholesale", and "wholesale sales"
38 shall mean and include any transfer of title to cigarettes for a valuable
39 consideration made in the ordinary course of trade or usual conduct of
40 a distributor's business.

41 (g) "Basic cost of cigarettes" shall mean the invoice cost of
42 cigarettes to the retailer or distributor, as the case may be, or the



1 replacement cost of cigarettes to the retailer or distributor, as the case
 2 may be, within thirty (30) days prior to the date of sale, in the quantity
 3 last purchased, whichever is the lower, less all trade discounts and
 4 customary discounts for cash, plus the cost at full face value of any
 5 stamps which may be required by IC 6-7-1, if not included by the
 6 manufacturer in his selling price to the distributor.

7 (h) "Department" shall mean the alcohol and tobacco commission
 8 or its duly authorized assistants and employees.

9 (i) "Cost to the retailer" shall mean the basic cost of cigarettes to the
 10 retailer, plus the cost of doing business by the retailer as evidenced by
 11 the standards and methods of accounting regularly employed by him in
 12 his allocation of overhead costs and expenses paid or incurred and must
 13 include without limitation labor (including salaries of executives and
 14 officers), rent, depreciation, selling costs, maintenance of equipment,
 15 delivery costs, all types of licenses, taxes, insurance, and advertising;
 16 however, any retailer who, in connection with the retailer's purchase,
 17 receives not only the discounts ordinarily allowed upon purchases by
 18 a retailer, but also, in whole or in part, discounts ordinarily allowed on
 19 purchases by a distributor shall, in determining costs to the retailer
 20 pursuant to this section, add the cost to the distributor, as defined in
 21 paragraph (j), to the basic cost of cigarettes to said retailer as well as
 22 the cost of doing business by the retailer. In the absence of proof of a
 23 lesser or higher cost of doing business:

24 (1) by the retailer making the sale, the cost of doing business by
 25 the retailer shall be presumed to be the following percent of the
 26 basic cost of cigarettes to the retailer:

27 (A) Until January 1, 2018, twelve percent (12%).

28 (B) During 2018, twelve and twenty-five hundredths percent
 29 (12.25%).

30 (C) During 2019, twelve and five tenths percent (12.5%).

31 (D) During 2020, twelve and seventy-five hundredths percent
 32 (12.75%).

33 (E) During 2021, thirteen percent (13%).

34 (F) During 2022, thirteen and twenty-five hundredths percent
 35 (13.25%).

36 (G) During 2023, thirteen and five tenths percent (13.5%).

37 (H) During 2024, thirteen and seventy-five hundredths percent
 38 (13.75%).

39 (I) After 2024, fourteen percent (14%).

40 (2) by the retailer, who in connection with the retailer's purchase
 41 receives not only the discounts ordinarily allowed upon purchases
 42 by a retailer, but also, in whole or in part, the discounts ordinarily



1 allowed upon purchases by a distributor, shall be presumed to be
 2 the following percent of the sum of the basic cost of cigarettes
 3 plus the cost of doing business by the distributor:

4 (A) Until January 1, 2018, twelve percent (12%).

5 (B) During 2018, twelve and twenty-five hundredths percent
 6 (12.25%).

7 (C) During 2019, twelve and five tenths percent (12.5%).

8 (D) During 2020, twelve and seventy-five hundredths percent
 9 (12.75%).

10 (E) During 2021, thirteen percent (13%).

11 (F) During 2022, thirteen and twenty-five hundredths percent
 12 (13.25%).

13 (G) During 2023, thirteen and five tenths percent (13.5%).

14 (H) During 2024, thirteen and seventy-five hundredths percent
 15 (13.75%).

16 (I) After 2024, fourteen percent (14%).

17 (j) "Cost to the distributor" shall mean the basic cost of cigarettes to
 18 the distributor, plus the cost of doing business by the distributor as
 19 evidenced by the standards and methods of accounting regularly
 20 employed by him in his allocation of overhead costs and expenses, paid
 21 or incurred, and must include without limitation labor costs (including
 22 salaries of executives and officers), rent, depreciation, selling costs,
 23 maintenance of equipment, delivery costs, all types of licenses, taxes,
 24 insurance, and advertising. In the absence of proof of a lesser or higher
 25 cost of doing business by the distributor making the sale, the cost of
 26 doing business by the wholesaler shall be presumed to be four percent
 27 (4%) of the basic cost of cigarettes to the distributor, plus cartage to the
 28 retail outlet, if performed or paid for by the distributor, which cartage
 29 cost, in the absence of proof of a lesser or higher cost, shall be deemed
 30 to be one-half of one percent (0.5%) of the basic cost of cigarettes to
 31 the distributor.

32 (k) "Registration certificate" refers to the registration certificate
 33 issued to cigarette distributors by the department of state revenue under
 34 IC 6-7-1-16.

35 **(l) "Buydown" means any payment or compensation given by**
 36 **a cigarette manufacturer to a cigarette distributor or retailer to**
 37 **promote the sale of cigarettes and for which the manufacturer**
 38 **requires that either:**

39 **(1) the distributor pass the resulting price reduction on to the**
 40 **retailer; or**

41 **(2) the retailer pass the resulting price reduction on to the**
 42 **consumer.**



1 SECTION 39. IC 24-3-2-9 IS AMENDED TO READ AS
 2 FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 9. (a) In determining
 3 cost to the retailer and cost to the distributor, the court or the
 4 department, as the case may be, shall receive and consider as bearing
 5 on the bona fides of such cost evidence tending to show that any person
 6 complained against under any of the provisions of this chapter
 7 purchased cigarettes with respect to the sale of which complaint is
 8 made at a fictitious price, or upon terms, or in such manner, or under
 9 such invoices, as to conceal the true cost, discounts, or terms of
 10 purchase, and shall also receive and consider as bearing on the bona
 11 fides of such cost evidence of the normal, customary, and prevailing
 12 terms and discounts in connection with other sales of a similar nature
 13 in the trade area or state.

14 (b) Merchandise given gratis or payment made to a retailer or
 15 distributor for display, or advertising, or promotion purposes, or
 16 otherwise shall not be considered in determining the cost of cigarettes
 17 to the retailer or distributor.

18 **(c) A buydown must be considered in determining the cost to the**
 19 **retailer or the cost to the distributor, as applicable, provided that**
 20 **the sum of any buydown and consideration paid by the purchaser**
 21 **is not below the cost to the retailer or distributor.**

22 SECTION 40. IC 35-45-6-1, AS AMENDED BY P.L.186-2025,
 23 SECTION 240, IS AMENDED TO READ AS FOLLOWS
 24 [EFFECTIVE JULY 1, 2026]: Sec. 1. (a) The definitions in this section
 25 apply throughout this chapter.

26 (b) "Documentary material" means any document, drawing,
 27 photograph, recording, or other tangible item containing compiled data
 28 from which information can be either obtained or translated into a
 29 usable form.

30 (c) "Enterprise" means:

31 (1) a sole proprietorship, corporation, limited liability company,
 32 partnership, business trust, or governmental entity; or

33 (2) a union, an association, or a group, whether a legal entity or
 34 merely associated in fact.

35 (d) "Pattern of racketeering activity" means engaging in at least two
 36 (2) incidents of racketeering activity that have the same or similar
 37 intent, result, accomplice, victim, or method of commission, or that are
 38 otherwise interrelated by distinguishing characteristics that are not
 39 isolated incidents. However, the incidents are a pattern of racketeering
 40 activity only if at least one (1) of the incidents occurred after August
 41 31, 1980, and if the last of the incidents occurred within five (5) years
 42 after a prior incident of racketeering activity.



1 (e) "Racketeering activity" means to commit, to attempt to commit,
2 to conspire to commit a violation of, or aiding and abetting in a
3 violation of any of the following:

4 (1) A provision of IC 23-19, or of a rule or order issued under
5 IC 23-19.

6 (2) A violation of IC 35-45-9.

7 (3) A violation of IC 35-47.

8 (4) A violation of IC 35-49-3.

9 (5) Murder (IC 35-42-1-1).

10 (6) Battery as a Class C felony before July 1, 2014, or a Level 5
11 felony after June 30, 2014 (IC 35-42-2-1).

12 (7) Kidnapping (IC 35-42-3-2).

13 (8) Human and sexual trafficking crimes (IC 35-42-3.5).

14 (9) Child exploitation (IC 35-42-4-4).

15 (10) Robbery (IC 35-42-5-1).

16 (11) Carjacking (IC 35-42-5-2) (before its repeal).

17 (12) Arson (IC 35-43-1-1).

18 (13) Burglary (IC 35-43-2-1).

19 (14) Theft (IC 35-43-4-2).

20 (15) Receiving stolen property (IC 35-43-4-2) (before its
21 amendment on July 1, 2018).

22 (16) Forgery (IC 35-43-5-2).

23 (17) An offense under IC 35-43-5.

24 (18) Bribery (IC 35-44.1-1-2).

25 (19) Official misconduct (IC 35-44.1-1-1).

26 (20) Conflict of interest (IC 35-44.1-1-4).

27 (21) Perjury (IC 35-44.1-2-1).

28 (22) Obstruction of justice (IC 35-44.1-2-2).

29 (23) Intimidation (IC 35-45-2-1).

30 (24) Promoting prostitution (IC 35-45-4-4).

31 (25) Professional gambling (IC 35-45-5-3).

32 (26) Maintaining a professional gambling site
33 (IC 35-45-5-3.5(b)).

34 (27) Promoting professional gambling (IC 35-45-5-4).

35 (28) Dealing in or manufacturing cocaine or a narcotic drug
36 (IC 35-48-4-1).

37 (29) Dealing in methamphetamine (IC 35-48-4-1.1).

38 (30) Manufacturing methamphetamine (IC 35-48-4-1.2).

39 (31) Dealing in a schedule I, II, or III controlled substance
40 (IC 35-48-4-2).

41 (32) Dealing in a schedule IV controlled substance
42 (IC 35-48-4-3).



- 1 (33) Dealing in a schedule V controlled substance (IC 35-48-4-4).
 2 (34) Dealing in marijuana, hash oil, hashish, or salvia
 3 (IC 35-48-4-10).
 4 (35) Money laundering (IC 35-45-15-5).
 5 (36) A violation of IC 35-47.5-5.
 6 (37) A violation of any of the following:
 7 (A) IC 23-14-48-9.
 8 (B) IC 30-2-9-7(b).
 9 (C) IC 30-2-10-9(b).
 10 (D) IC 30-2-13-38(f).
 11 (38) Practice of law by a person who is not an attorney
 12 (IC 33-43-2-1).
 13 (39) An offense listed in IC 35-48-4 involving the manufacture or
 14 sale of a synthetic drug (as defined in IC 35-31.5-2-321), a
 15 synthetic drug lookalike substance (as defined in
 16 IC 35-31.5-2-321.5 (before its repeal on July 1, 2019)) under
 17 IC 35-48-4-10.5 (before its repeal on July 1, 2019), a controlled
 18 substance analog (as defined in IC 35-48-1.1-8), or a substance
 19 represented to be a controlled substance (as described in
 20 IC 35-48-4-4.6).
 21 (40) Dealing in a controlled substance resulting in death
 22 (IC 35-42-1-1.5).
 23 (41) Organized retail theft (IC 35-43-4-2.2).
 24 **(42) Sale of alcohol without a permit (IC 7.1-5-10-5).**
 25 SECTION 41. IC 35-46-1-10.2, AS AMENDED BY P.L.163-2025,
 26 SECTION 63, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 27 JULY 1, 2026]: Sec. 10.2. (a) A person may not be charged with a
 28 violation under this section and a violation under IC 7.1-7-6-5.
 29 (b) A retail establishment that sells or distributes a tobacco product
 30 to a person less than twenty-one (21) years of age commits a Class C
 31 infraction. For a sale to take place under this section, the buyer must
 32 pay the retail establishment for the tobacco product.
 33 (c) Notwithstanding IC 34-28-5-4(c), a civil judgment for an
 34 infraction committed under this section must be imposed as follows:
 35 (1) If the retail establishment at that specific business location has
 36 not been issued a citation or summons for a violation of this
 37 section in the previous one (1) year, a civil penalty of up to four
 38 hundred dollars (\$400).
 39 (2) If the retail establishment at that specific business location has
 40 had one (1) citation or summons issued for a violation of this
 41 section in the previous one (1) year, a civil penalty of up to eight
 42 hundred dollars (\$800).



1 (3) If the retail establishment at that specific business location has
2 had two (2) citations or summonses issued for a violation of this
3 section in the previous one (1) year, a civil penalty of up to one
4 thousand four hundred dollars (\$1,400).

5 (4) If the retail establishment at that specific business location has
6 had three (3) or more citations or summonses issued for a
7 violation of this section in the previous one (1) year, a civil
8 penalty of up to two thousand dollars (\$2,000).

9 A retail establishment may not be issued a citation or summons for a
10 violation of this section more than once every twenty-four (24) hours
11 for each specific business location.

12 (d) It is not a defense that the person to whom the tobacco product
13 was sold or distributed did not smoke, chew, inhale, or otherwise
14 consume the tobacco product.

15 (e) The following defenses are available to a retail establishment
16 accused of selling or distributing a tobacco product to a person who is
17 less than twenty-one (21) years of age:

18 (1) The buyer or recipient produced a driver's license bearing the
19 purchaser's or recipient's photograph showing that the purchaser
20 or recipient was of legal age to make the purchase.

21 (2) The buyer or recipient produced a photographic identification
22 card issued under IC 9-24-16-1 or a similar card issued under the
23 laws of another state or the federal government showing that the
24 purchaser or recipient was of legal age to make the purchase.

25 (3) The appearance of the purchaser or recipient was such that an
26 ordinary prudent person would believe that the purchaser or
27 recipient was not less than thirty (30) years of age.

28 (f) It is a defense that the accused retail establishment sold or
29 delivered the tobacco product to a person who acted in the ordinary
30 course of employment or a business concerning tobacco products for
31 the following activities:

32 (1) Agriculture.

33 (2) Processing.

34 (3) Transporting.

35 (4) Wholesaling.

36 (5) Retailing.

37 (g) As used in this section, "distribute" means to give a tobacco
38 product to another person as a means of promoting, advertising, or
39 marketing the tobacco product to the general public.

40 (h) Unless a person buys or receives a tobacco product under the
41 direction of a law enforcement officer as part of an enforcement action,
42 a retail establishment that sells or distributes a tobacco product is not



1 liable for a violation of this section unless the person less than
2 twenty-one (21) years of age who bought or received the tobacco
3 product is issued a citation or summons under section 10.5 of this
4 chapter.

5 (i) Notwithstanding IC 34-28-5-5(c), civil penalties collected under
6 this section must be deposited in the Richard D. Doyle tobacco
7 education and enforcement fund (IC 7.1-6-2-6).

8 (j) A person who violates subsection (b) at least ~~six (6)~~ **three (3)**
9 times in any one (1) year commits habitual illegal sale of tobacco, a
10 Class B infraction.

11 SECTION 42. IC 35-46-1-11.7, AS AMENDED BY P.L.163-2025,
12 SECTION 66, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
13 JULY 1, 2026]: Sec. 11.7. (a) A retail establishment in which tobacco
14 products account for at least eighty-five percent (85%) of the retail
15 establishment's gross sales may not allow an individual who is less than
16 twenty-one (21) years of age to enter the retail establishment.

17 (b) An individual who is less than twenty-one (21) years of age may
18 not enter a retail establishment described in subsection (a).

19 (c) A retail establishment described in subsection (a) must
20 conspicuously post on all entrances to the retail establishment the
21 following:

22 (1) A sign in boldface type that states "NOTICE: It is unlawful for
23 a person less than 21 years old to enter this store."

24 (2) A sign printed in letters and numbers at least one-half (1/2)
25 inch high that displays a toll free phone number for assistance to
26 callers in quitting smoking, as determined by the Indiana
27 department of health.

28 (d) A person who violates this section commits a Class C infraction.
29 Notwithstanding IC 34-28-5-4(c), a civil judgment for an infraction
30 committed under this section must be imposed as follows:

31 (1) If the person has not been cited for a violation of this section
32 in the previous one (1) year, a civil penalty of up to four hundred
33 dollars (\$400).

34 (2) If the person has had one (1) violation in the previous one (1)
35 year, a civil penalty of up to eight hundred dollars (\$800).

36 (3) If the person has had two (2) violations in the previous one (1)
37 year, a civil penalty of up to one thousand four hundred dollars
38 (\$1,400).

39 (4) If the person has had three (3) or more violations in the
40 previous one (1) year, a civil penalty of up to two thousand dollars
41 (\$2,000).

42 A person may not be cited more than once every twenty-four (24)



1 hours.

2 (e) Notwithstanding IC 34-28-5-5(c), civil penalties collected under
3 this section must be deposited in the Richard D. Doyle tobacco
4 education and enforcement fund established under IC 7.1-6-2-6.

5 (f) A person who violates subsection (a) at least ~~six (6)~~ **three (3)**
6 times in any one (1) year period commits habitual illegal entrance by
7 a minor, a Class B infraction.

8 SECTION 43. IC 35-46-6-3, AS AMENDED BY P.L.163-2025,
9 SECTION 68, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
10 JULY 1, 2026]: Sec. 3. (a) A person who knowingly or intentionally
11 uses or distributes nitrous oxide with intent to cause a condition of
12 intoxication, euphoria, excitement, exhilaration, stupefaction, or
13 dulling of the senses of another person, unless the nitrous oxide is to be
14 used for medical purposes, commits a Class B misdemeanor. However,
15 the offense is a Class A misdemeanor if the person has a prior
16 unrelated conviction under this section.

17 (b) Except as provided in subsection (c), a person who knowingly
18 or intentionally sells, uses, or distributes flavored nitrous oxide
19 commits a Class B misdemeanor. However, the offense is a Class A
20 misdemeanor if the person has a prior unrelated conviction under this
21 section.

22 (c) The prohibition on the sale, **use, or distribution** of flavored
23 nitrous oxide in subsection (b) does not apply to:

24 (1) a retail or wholesale restaurant supply company that sells or
25 distributes flavored nitrous oxide to a person for use in food and
26 beverage preparation or other culinary purposes; ~~or~~

27 (2) a person that uses flavored nitrous oxide in food and beverage
28 recipes or for other legitimate culinary purposes; ~~or~~

29 **(3) a law enforcement agency that is disposing of flavored**
30 **nitrous oxide by donation to a nonprofit organization.**



COMMITTEE REPORT

Mr. President: The Senate Committee on Public Policy, to which was referred Senate Bill No. 185, 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:

Page 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 7.1-3-3-5, AS AMENDED BY P.L.163-2025, SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. (a) The holder of a beer wholesaler's permit may purchase and import from the primary source of supply, possess, and sell at wholesale, beer and flavored malt beverages manufactured within or without this state.

(b) A beer wholesaler permittee may possess, transport, sell, and deliver beer to:

- (1) another beer wholesaler authorized by the brewer to sell the brand purchased;
- (2) an employee; ~~and~~
- (3) a holder of a beer retailer's permit, beer dealer's permit, temporary beer permit, dining car permit, boat permit, airplane permit, or supplemental caterer's permit; **and**
- (4) a food manufacturer that is registered with the federal Food and Drug Administration, for the purpose of adding or integrating the beer into a product or recipe;**

located within this state. The sale, transportation, and delivery of beer shall be made only from inventory that has been located on the wholesaler's premises before the time of invoicing and delivery.

(c) The beer wholesaler's bona fide regular employees may purchase beer from the wholesaler in:

- (1) bottles, cans, or any other type of permissible containers in an amount not to exceed forty-eight (48) pints; or
- (2) one (1) keg;

at any one (1) time.

(d) The importation, transportation, possession, sale, and delivery of beer shall be subject to the rules of the commission and subject to the same restrictions provided in this title for a person holding a brewer's permit.

(e) The holder of a beer wholesaler's permit may purchase, import, possess, transport, sell, and deliver any commodity listed in IC 7.1-3-10-5, unless prohibited by this title. However, a beer wholesaler may deliver flavored malt beverages only to the holder of

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one (1) of the following permits:

(1) A beer wholesaler or wine wholesaler permit, if the wholesaler is authorized by the primary source of supply to sell the brand of flavored malt beverage purchased.

(2) A wine retailer's permit, wine dealer's permit, temporary wine permit, dining car wine permit, boat permit, airplane permit, or supplemental caterer's permit.

(f) A beer wholesaler may:

(1) store beer for an out-of-state brewer described in IC 7.1-3-2-9 and deliver the stored beer to another beer wholesaler that the out-of-state brewer authorizes to sell the beer;

(2) perform all necessary accounting and auditing functions associated with the services described in subdivision (1); and

(3) receive a fee from an out-of-state brewer for the services described in subdivisions (1) through (2).

(g) A beer wholesaler may sell, donate, transport, and deliver beer to a qualified organization for:

(1) an allowable event under IC 7.1-3-6.1;

(2) a charity auction under IC 7.1-3-6.2; or

(3) an event under IC 7.1-3-6.3;

located within this state. The sale, donation to a qualified organization, transportation, and delivery of beer shall be made only from inventory that has been located on the wholesaler's premises before the time of invoicing and delivery."

Page 1, between lines 13 and 14, begin a new paragraph and insert:

"SECTION 2. IC 7.1-3-18.5-1.5 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION TO READ AS FOLLOWS** [EFFECTIVE JULY 1, 2026]: **Sec. 1.5. (a) A person may not sell tobacco products or electronic cigarettes at wholesale or participate in the wholesale distribution of tobacco products or electronic cigarettes without a valid wholesale tobacco sales certificate issued by the commission.**

(b) The commission may only issue a wholesale tobacco sales certificate to a person who owns or operates at a premises consisting of a permanent building or structure that is used for the wholesale distribution of tobacco products or electronic cigarettes."

Page 5, delete lines 38 through 42, begin a new paragraph and insert:

"SECTION 8. IC 7.1-7-1-0.5 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION TO READ AS FOLLOWS** [EFFECTIVE JULY 1, 2026]: **Sec. 0.5. (a) An e-liquid product manufactured,**



distributed, or sold in Indiana must adhere to all applicable rules and regulations of the federal Food and Drug Administration, including those rules and regulations regarding product safety, labeling, and manufacturing standards.

(b) Except as otherwise provided in this article, this article does not require a product subject to this article to be specifically approved by the federal Food and Drug Administration if the product satisfies all applicable rules and regulations.

(c) If a product subject to this article is approved by the federal Food and Drug Administration, the approval constitutes prima facie evidence of compliance with this article.

SECTION 9. IC 7.1-7-1-1, AS AMENDED BY P.L.206-2017, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 1. (a) Except as provided in subsection (b), this article applies to the following:

- (1) The commercial manufacturing, bottling, selling, bartering, or importing of e-liquid in Indiana.
- (2) The sale, possession, and use of e-liquid products in Indiana, **including through a cigarette vending machine.**

(b) This article does not apply applies to a manufacturer manufacturers of a both closed and open system vapor product; except as specifically provided in this article: devices manufactured or sold in Indiana.

SECTION 10. IC 7.1-7-1-2, AS AMENDED BY P.L.206-2017, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 2. The purpose of this article is to protect public health and safety by:

- (1) ensuring the safety and security of e-liquid manufactured for sale in Indiana;
- (2) ensuring that e-liquid manufactured or sold in Indiana conforms to appropriate standards of identity, strength, quality, and purity; ~~and~~
- (3) ensuring that e-liquid is not contaminated or adulterated by the inclusion of ingredients or other substances that might pose unreasonable threats to public health and safety; **and**
- (4) ensuring dangerous foreign adversary products are not sold or distributed in Indiana.**

SECTION 11. IC 7.1-7-2-8 IS REPEALED [EFFECTIVE JULY 1, 2026]. Sec. 8. "Distributor" means a person who is licensed under IC 6-7-2-8 that:

- (1) distributes, sells, barter, or exchanges e-liquid in Indiana to retail dealers for the purpose of resale; or



(2) purchases e-liquid directly from a manufacturer for the purpose of resale:

SECTION 12. IC 7.1-7-2-10, AS AMENDED BY P.L.206-2017, SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 10. "E-liquid" means a substance that:

- (1) may or may not contain nicotine; and
- (2) is intended to be vaporized and inhaled using a vapor ~~product~~ **device**.

SECTION 13. IC 7.1-7-2-12, AS AMENDED BY P.L.206-2017, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 12. "Flavoring" means a food grade additive or synthetic flavoring substance that is used to add flavor and that is not prohibited by the federal Food and Drug Administration as an additive in vapor ~~products~~ **devices**.

SECTION 13. IC 7.1-7-2-12.3 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: **Sec. 12.3. "Foreign adversary" means an individual, business entity, or other entity located in or organized under the laws of a nation governed by a foreign government listed in 15 CFR 791.4.**

SECTION 14. IC 7.1-7-2-12.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: **Sec. 12.5. "Foreign adversary product" means:**

- (1) an e-liquid; or
- (2) an e-liquid containing an ingredient;

that is manufactured, sourced, or otherwise imported from a nation governed by a foreign government listed in 15 CFR 791.4.

SECTION 15. IC 7.1-7-2-15, AS AMENDED BY P.L.206-2017, SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 15. "Manufacturer" means a person located inside or outside Indiana that is engaged in manufacturing e-liquid **for closed and open system vapor devices**.

SECTION 16. IC 7.1-7-2-15.5 IS REPEALED [EFFECTIVE JULY 1, 2026]. ~~Sec. 15.5. "Manufacturer of a closed system vapor product" means a manufacturer of vapor products whose closed system vapor products are for sale in Indiana; but that does not produce open system vapor products that are for sale in Indiana.~~

SECTION 17. IC 7.1-7-2-23, AS AMENDED BY P.L.206-2017, SECTION 20, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 23. "Vapor ~~product~~ **device**" means a powered vaporizer that converts e-liquid to a vapor intended for inhalation. **The**



term includes both open and closed system vapor devices.

SECTION 18. IC 7.1-7-2-24 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: **Sec. 24. "Wholesaler" means a person who has obtained or is required to obtain a wholesale tobacco sales certificate under IC 7.1-3-18.5-1.5 that:**

- (1) distributes, sells, barter, or exchanges e-liquid in Indiana to retail dealers for the purpose of resale; or**
- (2) purchases e-liquid directly from a manufacturer for the purpose of resale to resellers.**

SECTION 19. IC 7.1-7-3-2, AS AMENDED BY P.L.206-2017, SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: **Sec. 2.** The commission has the following duties and responsibilities:

- (1) To require the submission of information necessary to implement this article.
- (2) To issue permits.
- (3) To charge fees as set forth in this article. ~~The fees charged under this subdivision may not exceed the actual costs incurred by the commission.~~
- (4) To approve or deny a permit application made under IC 7.1-7-4 within sixty (60) days of receiving the application.

SECTION 20. IC 7.1-7-4-1, AS AMENDED BY P.L.49-2020, SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: **Sec. 1. (a) Not later than January 1, 2027, a manufacturer of an e-liquid product that is manufactured or sold in Indiana must obtain a permit under this section.**

~~(a)~~ **(b)** A manufacturer of e-liquid may not mix, bottle, package, or sell e-liquid to retailers, consumers, or ~~distributors~~ **wholesalers** in Indiana without a permit issued by the commission under this article.

~~(b)~~ **An e-liquid manufactured by an e-liquids manufacturer approved by the commission under this article before July 1, 2017, may be distributed and sold for retail until the expiration date of the e-liquid:**

~~(c)~~ **(c)** A manufacturing permit issued by the commission **before July 1, 2026**, is valid for five (5) years. **A manufacturing permit issued by the commission after June 30, 2026, is valid for two (2) years.** ~~A manufacturing permit issued by the commission under this article before July 1, 2017, does not expire before July 1, 2020.~~

~~(d)~~ **(d)** An initial application for a manufacturing permit must include the following:

- (1) The name, telephone number, and address of the applicant.



- (2) The name, telephone number, and address of the manufacturing facility.
- (3) The name, telephone number, title, and address of the person responsible for the manufacturing facility.
- (4) Verification that the facility will comply with applicable tobacco products good manufacturing practices promulgated under 21 U.S.C. 387f(e) of the federal Food, Drug, and Cosmetic Act.
- (5) Verification that the manufacturer will comply with the applicable ingredient listing required by 21 U.S.C. 387d(a)(1) of the federal Food, Drug, and Cosmetic Act.
- (6) Written consent allowing the state police department to conduct a state or national criminal history background check on any person listed on the application.
- (7) A nonrefundable initial application fee of ~~one thousand dollars (\$1,000)~~ **three thousand dollars (\$3,000)**.
- (8) Verification that the manufacturer will comply with all other state and federal laws related to e-liquids.**
- (9) An affirmation, made under the penalties for perjury, that the manufacturer will not use any ingredients or e-liquids in the manufacturer's manufacturing process that originate in a nation governed by a foreign government listed in 15 CFR 791.4.**

(e) The fees collected under subsection (d)(7) shall be deposited in the enforcement and administration fund established under IC 7.1-4-10.

(f) Except as otherwise provided in this article, an applicant for a permit under this section must adhere to all state and federal laws applicable to e-liquids, including rules and regulations promulgated by the federal Food and Drug Administration.

SECTION 21. IC 7.1-7-4-2, AS AMENDED BY P.L.206-2017, SECTION 24, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 2. (a) A manufacturing permit that is renewed by the commission **before July 1, 2026**, is valid for five (5) years. **A manufacturing permit that is renewed by the commission after June 30, 2026, is valid for two (2) years.**

(b) A renewal application for a manufacturing permit must include the following:

- (1) The name, telephone number, and address of the applicant.
- (2) The name, telephone number, and address of the manufacturing facility.
- (3) The name, telephone number, title, and address of the person responsible for the manufacturing facility.



(4) Verification that the facility complies with all tobacco products good manufacturing practices:

(A) set forth in; and

(B) promulgated in federal rules under;

21 U.S.C. 387f through 21 U.S.C. 387u of the federal Food, Drug, and Cosmetic Act.

(5) Written consent allowing the state police department to conduct a state or national criminal history background check on any person listed on the application.

(6) A nonrefundable renewal application fee of ~~five hundred dollars (\$500)~~ **one thousand dollars (\$1,000)**.

(7) Verification that the manufacturer will comply with all other state and federal laws related to e-liquids.

(8) An affirmation, made under the penalties for perjury, that the manufacturer will not use any ingredients or e-liquids in the manufacturer's manufacturing process that originate in a nation governed by a foreign government listed in 15 CFR 791.4.

(c) The fees collected under subsection (b)(6) shall be deposited in the enforcement and administration fund established under IC 7.1-4-10.

SECTION 22. IC 7.1-7-4-6, AS AMENDED BY P.L.17-2019, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 6. (a) As used in this section:

(1) "adulterated" means a product that:

(A) consists in whole or in part of any filthy, putrid, or decomposed substance; ~~or~~

(B) is contaminated by any added poisonous or added deleterious substance that may render the product injurious to health; ~~and or~~

(C) is a foreign adversary product (as defined in IC 7.1-7-2-12.5); and

(2) "tamper evident package" means a package having at least one (1) indicator or barrier to entry that, if breached or missing, can reasonably be expected to provide visible evidence to consumers that tampering has occurred.

(b) A manufacturing facility shall comply with the following requirements:

(1) An e-liquid container must use a child proof cap that has the child resistant effectiveness set forth in the federal poison prevention packaging standards, 16 CFR 1700.15(b)(1).

(2) An e-liquid container must use a tamper evident package. The tamper evident package feature must be designed to and remain



intact when handled in a reasonable manner during the manufacture, distribution, and retail display of the e-liquid container.

(3) The label on an e-liquid container must meet the nicotine addictiveness warning statement requirements set forth in 21 CFR 1143.3.

(4) The manufacturer, **wholesaler**, or retailer may not add an adulterated product to any e-liquid produced for sale in Indiana.

(5) The manufacturer must submit to random site visits by the commission.

(6) The manufacturer may:

(A) own and control both the e-liquid manufacturing process and the bottling process; or

(B) subcontract with another manufacturer for the performance of the e-liquid manufacturing service, the bottling services, or both services.

However, both the manufacturer performing a service under clause (B) and the manufacturer for which the service is performed must meet the requirements of this article, **including obtaining a permit. A manufacturer may not be located in or source any ingredient or substance used in an e-liquid product from a nation governed by a foreign government listed in 15 CFR 791.4.**

(7) A manufacturer may use a flavoring, as defined by IC 7.1-7-2-12, as an ingredient in an e-liquid.

(8) The manufacturer or any person listed on the permit application may not have been convicted within ten (10) years before the date of application of:

(A) a federal crime having a sentence of at least one (1) year;

(B) an Indiana Class A, Class B, or Class C felony (for a crime committed before July 1, 2014) or a Level 1, Level 2, Level 3, Level 4, or Level 5 felony (for a crime committed after June 30, 2014);

(C) a crime in a state other than Indiana having a penalty equal to the penalty for an Indiana Class A, Class B, or Class C felony (for a crime committed before July 1, 2014) or a Level 1, Level 2, Level 3, Level 4, or Level 5 felony (for a crime committed after June 30, 2014);

(D) an Indiana Class D felony involving a controlled substance under IC 35-48-4 (for a crime committed before July 1, 2014) or a Level 6 felony involving a controlled substance under IC 35-48-4 (for a crime committed after June 30, 2014); or



(E) a crime in a state other than Indiana similar to a Class D felony involving a controlled substance under IC 35-48-4 (for a crime committed before July 1, 2014) or a Level 6 felony involving a controlled substance under IC 35-48-4 (for a crime committed after June 30, 2014).

SECTION 23. IC 7.1-7-4-8 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: **Sec. 8. (a) This section does not apply to:**

(1) a vapor device (as defined in IC 7.1-7-2-23), including:

(A) a part to be utilized in an open or closed system to convert e-liquid to a vapor for inhalation; or

(B) an e-liquid product that includes a vapor device sourced from or manufactured by a foreign adversary; and

(2) an e-liquid product that is manufactured by or sourced from a foreign adversary, if the e-liquid product has been specifically approved for distribution and sale in the United States by the federal Food and Drug Administration.

(b) A manufacturer of e-liquid that is permitted or required to be permitted under this chapter may not manufacture or source a foreign adversary product.

(c) A retailer that holds or is required to hold a tobacco sales certificate under IC 7.1-3-18.5-1 may not possess, sell, or otherwise distribute a foreign adversary product.

(d) A wholesaler that holds or is required to hold a wholesale tobacco sales certificate under IC 7.1-3-18.5-1.5 may not possess, sell, or otherwise distribute a foreign adversary product.

SECTION 24. IC 7.1-7-5-1.1, AS AMENDED BY P.L.220-2023, SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: **Sec. 1.1. (a) A retailer must have a valid sales certificate issued by the commission in accordance with IC 7.1-3-18.5-1 that contains a separate box to check for identifying a retailer that sells e-liquids.**

(b) A retailer may purchase e-liquid only from an Indiana e-liquid manufacturing permit holder or an Indiana ~~distributor~~ wholesaler permit holder.

(c) A retailer shall retain all invoices for e-liquid that the retailer purchases for two (2) years.

(d) A retailer shall not allow the self-service sale for individuals purchasing an e-liquid.

(e) A retailer may not sell an e-liquid that contains more than seventy-five (75) milligrams per milliliter of nicotine.

(f) A manufacturer must have an e-liquid manufacturing permit



issued under IC 7.1-7-4.

(g) A ~~distributor~~ **wholesaler** that does not have a valid e-liquid manufacturing permit issued under IC 7.1-7-4 must have a valid ~~distributor's license~~ **wholesale tobacco sales certificate** issued under ~~IC 6-7-2-8~~ **IC 7.1-3-18.5-1.5**.

(h) A ~~distributor~~ **wholesaler** shall purchase and distribute e-liquid from an:

- (1) Indiana e-liquid manufacturer that has a valid e-liquid manufacturing permit under IC 7.1-7-4; or
- (2) Indiana e-liquid ~~distributor~~ **wholesaler** that has a valid:
 - (A) e-liquid manufacturing permit issued under IC 7.1-7-4; or
 - (B) ~~distributor's license~~ **wholesale tobacco sales certificate** under ~~IC 6-7-2-8~~ **IC 7.1-3-18.5-1.5**.

(i) A ~~distributor~~ **wholesaler** shall retain all invoices to a retailer or from a manufacturer for at least two (2) years.

(j) A manufacturer, ~~distributor~~, **wholesaler**, or retailer may not market e-liquid as a modified risk tobacco product, as defined by IC 7.1-7-2-17.5, that has not been designated as a modified risk tobacco product by the federal Food and Drug Administration.

(k) Except as provided in subsection (m), a manufacturer ~~including a manufacturer of a closed system vapor product~~, **permitted or required to be permitted under IC 7.1-7-4** shall annually submit a report to the commission setting forth:

- (1) each new product that the manufacturer is producing and is sold in Indiana with a list of the contents and ingredients by volume; and
- (2) whether the manufacturer has stopped producing products previously produced and sold in Indiana.

A report under this subsection is confidential, and the commission may not disclose it to another person.

(l) A manufacturer **permitted or required to be permitted under IC 7.1-7-4** shall annually submit a report to the commission setting forth:

- (1) the milligrams per milliliter of nicotine in each product the manufacturer produces; and
- (2) the milliliters of each product sold that current year.

A report under this subsection is confidential, and the ATC may not disclose it to another person.

(m) A manufacturer is not required to submit a report described in subsection (k) if the manufacturer submits to the commission a certification, by October 1 of each year, that each of the manufacturer's vapor ~~products~~ **devices** sold in Indiana has been filed with the federal



Food and Drug Administration.

SECTION 25. IC 7.1-7-5-2, AS ADDED BY P.L.176-2015, SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 2. (a) A manufacturer of e-liquid may file a request with the **Indiana department of health** for approval of an ingredient to be allowed in the composition of e-liquid.

(b) The **Indiana department of health** may approve the request filed under subsection (a) if the department determines that the ingredient will not pose an unreasonable threat to public health and safety.

SECTION 26. IC 7.1-7-6-1, AS AMENDED BY P.L.206-2017, SECTION 31, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 1. (a) If a manufacturer, ~~distributor,~~ **wholesaler,** or retailer violates **any provision of** this article, the manufacturer, ~~distributor,~~ **wholesaler,** or retailer may be reprimanded, assessed a civil penalty, or have the manufacturer's permit, ~~distributor's license,~~ **wholesaler's tobacco sales certificate,** or retailer's tobacco sales certificate suspended **by the commission.**

(b) Any provision in this article that requires a manufacturer, **wholesaler, or retailer** to comply with the federal Food, Drug, and Cosmetic Act or a federal rule promulgated under the federal Food, Drug, and Cosmetic Act is under the ~~sole~~ **dual** jurisdiction of the federal Food and Drug Administration **and the commission and may be enforced through action by the federal Food and Drug Administration and the commission.** If the federal Food and Drug Administration seeks court enforcement of any section of the federal Food, Drug, and Cosmetic Act cited in this article and a civil monetary penalty is assessed against the manufacturer, the act or omission for which the penalty was assessed constitutes a violation of this article **and may result in a reprimand or civil penalty or a revocation by the commission of the license or sales certificate of the manufacturer, wholesaler, or retailer.**

(c) The commission may assess a civil penalty against a manufacturer, ~~distributor,~~ **wholesaler,** or retailer for a violation of this article in an amount that does not exceed ten thousand dollars (\$10,000). A civil penalty may be assessed in addition to other penalties allowed under this article.

(d) The commission has full authority to enforce all provisions of this article, including those that require compliance with federal law.

SECTION 27. IC 24-3-2-2, AS AMENDED BY P.L.217-2017, SECTION 154, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 2. Unless the context in this chapter



requires otherwise, the term:

(a) "Cigarette" shall mean and include any roll for smoking made wholly or in part of tobacco, irrespective of size or shape and irrespective of tobacco being flavored, adulterated, or mixed with any other ingredient, where such roll has a wrapper or cover made of paper or any other material; provided the definition in this paragraph shall not be construed to include cigars.

(b) "Person" or the term "company", used in this chapter interchangeably, means and includes any individual, assignee, receiver, commissioner, fiduciary, trustee, executor, administrator, institution, bank, consignee, firm, partnership, limited liability company, joint vendor, pool, syndicate, bureau, association, cooperative association, society, club, fraternity, sorority, lodge, corporation, municipal corporation, or other political subdivision of the state engaged in private or proprietary activities or business, estate, trust, or any other group or combination acting as a unit, and the plural as well as the singular number, unless the intention to give a more limited meaning is disclosed by the context.

(c) "Distributor" shall mean and include every person who sells, barter, exchanges, or distributes cigarettes in the state of Indiana to retail dealers for the purpose of resale, or who purchases for resale cigarettes from a manufacturer of cigarettes or from a wholesaler, jobber, or distributor outside the state of Indiana who is not a distributor holding a registration certificate issued under the provisions of IC 6-7-1.

(d) "Retailer" shall mean every person, other than a distributor, who purchases, sells, offers for sale, or distributes cigarettes to consumers or to any person for any purpose other than resale, irrespective of quantity or amount or the number of sales.

(e) "Sell at retail", "sale at retail", and "retail sales" shall mean and include any transfer of title to cigarettes for a valuable consideration made in the ordinary course of trade or usual conduct of the seller's business to the purchaser for consummation or use.

(f) "Sell at wholesale", "sale at wholesale", and "wholesale sales" shall mean and include any transfer of title to cigarettes for a valuable consideration made in the ordinary course of trade or usual conduct of a distributor's business.

(g) "Basic cost of cigarettes" shall mean the invoice cost of cigarettes to the retailer or distributor, as the case may be, or the replacement cost of cigarettes to the retailer or distributor, as the case may be, within thirty (30) days prior to the date of sale, in the quantity last purchased, whichever is the lower, less all trade discounts and



customary discounts for cash, plus the cost at full face value of any stamps which may be required by IC 6-7-1, if not included by the manufacturer in his selling price to the distributor.

(h) "Department" shall mean the alcohol and tobacco commission or its duly authorized assistants and employees.

(i) "Cost to the retailer" shall mean the basic cost of cigarettes to the retailer, plus the cost of doing business by the retailer as evidenced by the standards and methods of accounting regularly employed by him in his allocation of overhead costs and expenses paid or incurred and must include without limitation labor (including salaries of executives and officers), rent, depreciation, selling costs, maintenance of equipment, delivery costs, all types of licenses, taxes, insurance, and advertising; however, any retailer who, in connection with the retailer's purchase, receives not only the discounts ordinarily allowed upon purchases by a retailer, but also, in whole or in part, discounts ordinarily allowed on purchases by a distributor shall, in determining costs to the retailer pursuant to this section, add the cost to the distributor, as defined in paragraph (j), to the basic cost of cigarettes to said retailer as well as the cost of doing business by the retailer. In the absence of proof of a lesser or higher cost of doing business:

(1) by the retailer making the sale, the cost of doing business by the retailer shall be presumed to be the following percent of the basic cost of cigarettes to the retailer:

(A) Until January 1, 2018, twelve percent (12%).

(B) During 2018, twelve and twenty-five hundredths percent (12.25%).

(C) During 2019, twelve and five tenths percent (12.5%).

(D) During 2020, twelve and seventy-five hundredths percent (12.75%).

(E) During 2021, thirteen percent (13%).

(F) During 2022, thirteen and twenty-five hundredths percent (13.25%).

(G) During 2023, thirteen and five tenths percent (13.5%).

(H) During 2024, thirteen and seventy-five hundredths percent (13.75%).

(I) After 2024, fourteen percent (14%).

(2) by the retailer, who in connection with the retailer's purchase receives not only the discounts ordinarily allowed upon purchases by a retailer, but also, in whole or in part, the discounts ordinarily allowed upon purchases by a distributor, shall be presumed to be the following percent of the sum of the basic cost of cigarettes plus the cost of doing business by the distributor:



- (A) Until January 1, 2018, twelve percent (12%).
- (B) During 2018, twelve and twenty-five hundredths percent (12.25%).
- (C) During 2019, twelve and five tenths percent (12.5%).
- (D) During 2020, twelve and seventy-five hundredths percent (12.75%).
- (E) During 2021, thirteen percent (13%).
- (F) During 2022, thirteen and twenty-five hundredths percent (13.25%).
- (G) During 2023, thirteen and five tenths percent (13.5%).
- (H) During 2024, thirteen and seventy-five hundredths percent (13.75%).
- (I) After 2024, fourteen percent (14%).

(j) "Cost to the distributor" shall mean the basic cost of cigarettes to the distributor, plus the cost of doing business by the distributor as evidenced by the standards and methods of accounting regularly employed by him in his allocation of overhead costs and expenses, paid or incurred, and must include without limitation labor costs (including salaries of executives and officers), rent, depreciation, selling costs, maintenance of equipment, delivery costs, all types of licenses, taxes, insurance, and advertising. In the absence of proof of a lesser or higher cost of doing business by the distributor making the sale, the cost of doing business by the wholesaler shall be presumed to be four percent (4%) of the basic cost of cigarettes to the distributor, plus cartage to the retail outlet, if performed or paid for by the distributor, which cartage cost, in the absence of proof of a lesser or higher cost, shall be deemed to be one-half of one percent (0.5%) of the basic cost of cigarettes to the distributor.

(k) "Registration certificate" refers to the registration certificate issued to cigarette distributors by the department of state revenue under IC 6-7-1-16.

(l) "Buydown" means any payment or compensation given by a cigarette manufacturer to a cigarette distributor or retailer to promote the sale of cigarettes and for which the manufacturer requires that either:

- (1) the distributor pass the resulting price reduction on to the retailer; or**
- (2) the retailer pass the resulting price reduction on to the consumer.**

SECTION 28. IC 24-3-2-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 9. (a) In determining cost to the retailer and cost to the distributor, the court or the



department, as the case may be, shall receive and consider as bearing on the bona fides of such cost evidence tending to show that any person complained against under any of the provisions of this chapter purchased cigarettes with respect to the sale of which complaint is made at a fictitious price, or upon terms, or in such manner, or under such invoices, as to conceal the true cost, discounts, or terms of purchase, and shall also receive and consider as bearing on the bona fides of such cost evidence of the normal, customary, and prevailing terms and discounts in connection with other sales of a similar nature in the trade area or state.

(b) Merchandise given gratis or payment made to a retailer or distributor for display, or advertising, or promotion purposes, or otherwise shall not be considered in determining the cost of cigarettes to the retailer or distributor.

(c) A buydown must be considered in determining the cost to the retailer or the cost to the distributor, as applicable, provided that the sum of any buydown and consideration paid by the purchaser is not below the cost to the retailer or distributor."

Page 6, delete lines 1 through 2.

Page 11, after line 11, begin a new paragraph and insert:

"SECTION 13. **An emergency is declared for this act.**"

Re-number all SECTIONS consecutively.

and when so amended that said bill do pass and be reassigned to the Senate Committee on Appropriations.

(Reference is to SB 185 as introduced.)

ALTING, Chairperson

Committee Vote: Yeas 9, Nays 0.

COMMITTEE REPORT

Mr. President: The Senate Committee on Appropriations, to which was referred Senate Bill No. 185, 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:

Page 1, delete lines 1 through 17.

Page 2, delete lines 1 through 41.

Page 25, delete line 11.

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Renumber all SECTIONS consecutively.
and when so amended that said bill do pass.

(Reference is to SB 185 as printed January 16, 2026.)

GARTEN, Chairperson

Committee Vote: Yeas 12, Nays 1.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Public Policy, to which was referred Senate Bill 185, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 2, delete lines 8 through 42, begin a new paragraph and insert:

"SECTION 3. IC 7.1-3-18.5-2, AS AMENDED BY P.L.107-2024, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 2. (a) A person who desires a certificate must provide the following to the commission:

- (1) The applicant's name and mailing address and the address of the premises for which the certificate is being issued.
- (2) Except as provided in section 6(c) of this chapter, a fee of:
 - (A) two hundred dollars (\$200) **for a retail tobacco sales certificate; or**
 - (B) **one hundred dollars (\$100) for a wholesale tobacco sales certificate.**
- (3) The name under which the applicant transacts or intends to transact business.
- (4) The address of the applicant's principal place of business or headquarters, if any.
- (5) The statement required under section 2.6 of this chapter.
- (6) If the applicant is applying for a new certificate under section 3.2 of this chapter, a copy of each of the following:
 - (A) If the new ownership of the business is a business entity, the articles of incorporation, articles of organization, or any other formation documents of the business entity.
 - (B) If the new ownership of the business is an individual, either:
 - (i) the sales or purchase agreement; or
 - (ii) an affidavit signed by the applicant concerning the sale

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or purchase, on a form prescribed by the commission, that includes the name and address of the seller and purchaser.

(C) The certificate held by the previous ownership of the business.

(7) A photocopy of the owner's driver's license, identification card issued under IC 9-24-16-1, a similar card issued under the laws of another state or the federal government, or another government issued document that bears the owner's photograph and birth date. If the applicant is a business with multiple owners, the applicant must designate at least one (1) managing owner for whom a photocopy of the managing owner's identification must be provided under this subdivision.

(b) A separate certificate is required for each location where the tobacco products or electronic cigarettes are sold or distributed. ~~A retail~~ **An establishment may not hold more than one (1) active tobacco sales certificate for a retail location at any time. Except when the real estate for a retail location is transferred to an independent third party, the commission shall not issue a certificate to a retail location where a tobacco sales certificate was revoked within one (1) year prior to the date of the application.**

(c) A certificate holder shall conspicuously display the holder's certificate on the holder's premises where the tobacco products or electronic cigarettes are sold or distributed.

(d) Any intentional misstatement or suppression of a material fact in an application filed under this section constitutes grounds for denial **or revocation** of the certificate.

(e) A certificate may be issued only to a person who meets the following requirements:

- (1) If the person is an individual, the person must be at least twenty-one (21) years of age.
- (2) The person must be authorized to do business in Indiana.
- (3) The person has not had an interest in a certificate revoked **or suspended** by the commission for that business location within the preceding one (1) year.

(f) The fees collected under this section shall be deposited in the enforcement and administration fund under IC 7.1-4-10."

Page 3, delete lines 1 through 14.

Page 4, delete lines 21 through 42, begin a new paragraph and insert:

"SECTION 6. IC 7.1-3-18.5-9.2, AS ADDED BY P.L.107-2024, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE



JULY 1, 2026]: Sec. 9.2. (a) An employee of a certificate holder must hold a valid:

- (1) driver's license issued by the state of Indiana or another state; or
- (2) identification card issued by the state of Indiana, another state, or the United States;

to sell tobacco products.

(b) An employee must have the employee's driver's license or identification card or a copy of the employee's driver's license or identification card:

- (1) either:
 - (A) in the employee's possession; or
 - (B) on file with the employee's employer; and
- (2) upon request, readily available to show to an excise officer or law enforcement;

when selling tobacco products.

(c) If an employee holds a valid license or identification card as described in subsection (a) but is unable to show the license, identification card, or a copy to an excise officer under subsection (b) because:

- (1) the employee has left the license, identification card, or copy in another location; or
- (2) the license, identification card, or copy has otherwise been lost or mislaid;

the employee may, within five (5) days of the employee's inability to show the license, identification card, or copy to the excise officer, produce to the excise officer or to the office of the commission satisfactory evidence of a license or identification card issued to the individual that was valid at the time the individual was unable to show the license, identification card, or copy.

(d) If an employee who is unable to show a license, identification card, or copy to an excise officer fails to produce satisfactory evidence within five (5) days in the manner described in subsection (c), the commission may impose a civil penalty on the certificate holder under IC 7.1-3-23-3.

(e) The commission shall take the following actions with respect to a certificate holder's certificate if the certificate holder's employees violate this section:

- (1) For three (3) violations in a one (1) year period, suspend the certificate for a period of five (5) days.**
- (2) For four (4) violations in a one (1) year period, suspend the certificate for a period of an additional five (5) days.**



(3) For five (5) violations in a one (1) year period, suspend the certificate for a period of an additional five (5) days.

(4) For six (6) or more violations in a one (1) year period, revoke the certificate."

Page 5, delete lines 1 through 32.

Page 6, delete lines 21 through 32, begin a new paragraph and insert:

"SECTION 9. IC 7.1-7-1-1, AS AMENDED BY P.L.206-2017, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 1. (a) Except as provided in subsection (b); This article applies to the following:

(1) The commercial manufacturing, bottling, selling, bartering, or importing of e-liquid in Indiana.

(2) The sale, possession, and use of e-liquid products in Indiana, **including through a cigarette vending machine.**

(b) This article does not apply to a manufacturer of a closed system vapor product, except as specifically provided in this article:"

Page 7, between lines 17 and 18, begin a new paragraph and insert:

"SECTION 13. IC 7.1-7-2-10.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: **Sec. 10.5. "E-liquid product" means a vapor device that contains e-liquid, with or without nicotine.**"

Page 7, line 28, delete "governed by a foreign".

Page 7, line 29, delete "government listed" and insert "**listed as a foreign adversary**".

Page 7, line 37, delete "governed by a foreign government listed" and insert "**listed as a foreign adversary**".

Page 8, line 16, after "e-liquid" insert "**or e-liquid products**".

Page 8, line 18, after "e-liquid" insert "**or e-liquid products**".

Page 8, line 35, after "of" insert "**e-liquid or**".

Page 9, line 27, after "e-liquids" delete "." and insert "**and e-liquid products.**".

Page 9, line 30, delete "that originate in" and insert "**from**".

Page 9, line 31, delete "governed by a foreign government listed" and insert "**listed as a foreign adversary**".

Page 9, line 37, after "e-liquids" delete "," and insert "**and e-liquid products,**".

Page 10, line 22, after "e-liquids" delete "." and insert "**and e-liquid products.**".

Page 10, line 25, delete "that originate in" and insert "**from**".

Page 10, line 26, delete "governed by a foreign government listed" and insert "**listed as a foreign adversary**".



Page 11, line 30, after "in an" insert "**e-liquid or**".

Page 11, line 31, delete "governed by a foreign government listed" and insert "**listed as a foreign adversary**".

Page 12, delete lines 15 through 35, begin new paragraph and insert: "SECTION 25. IC 7.1-7-4-8 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION TO READ AS FOLLOWS** [EFFECTIVE JULY 1, 2026]: **Sec. 8. (a) This section does not apply to:**

(1) a vapor device (as defined in IC 7.1-7-2-23), including a part to be utilized in an open or closed system to convert e-liquid to a vapor for inhalation;

(2) an e-liquid product manufactured by or sourced from a foreign adversary; and

(3) an e-liquid product that is manufactured by or sourced from a foreign adversary, if the e-liquid product has been specifically approved for distribution and sale in the United States by the federal Food and Drug Administration.

(b) A manufacturer that is permitted or required to be permitted under this chapter may not manufacture or source a foreign adversary product.

(c) A retailer that holds or is required to hold a tobacco sales certificate under IC 7.1-3-18.5-1 may not possess, sell, or otherwise distribute a foreign adversary product.

(d) A wholesaler that holds or is required to hold a wholesale tobacco sales certificate under IC 7.1-3-18.5-1.5 may not possess, sell, or otherwise distribute a foreign adversary product."

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to SB 185 as printed January 23, 2026.)

MANNING

Committee Vote: yeas 10, nays 0.

HOUSE MOTION

Mr. Speaker: I move that Engrossed Senate Bill 185 be amended to read as follows:

Page 1, line 9, after "structure" delete ",".

Page 1, line 10, delete "that does not contain sleeping or living quarters,".

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Page 1, between lines 13 and 14, begin a new paragraph and insert:
"(c) For purposes of subsection (b)(1), a permitted premises may not include sleeping or living quarters."

Page 2, line 5, after "operates" insert **"a wholesale tobacco business"**.

Page 3, line 23, delete "or".

Page 3, line 24, delete "suspended".

Page 3, delete lines 28 through 42.

Page 4, delete lines 1 through 33.

Page 6, line 16, after "An" insert **"e-liquid or"**.

Page 6, delete lines 28 through 37, begin a new paragraph and insert:

"SECTION 8. IC 7.1-7-1-1, AS AMENDED BY P.L.206-2017, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 1. (a) ~~Except as provided in subsection (b)~~; This article applies to the following:

(1) ~~The commercial manufacturing, bottling, selling, sale, bartering, or importing, possession, and use of e-liquid and e-liquid products in Indiana, including through a cigarette vending machine.~~

(2) ~~The sale, possession, and use of e-liquid products in Indiana.~~

(b) ~~This article does not apply to a manufacturer of a closed system vapor product, except as specifically provided in this article."~~

Page 6, line 42, after "e-liquid" insert **"and e-liquid products"**.

Page 7, line 2, after "e-liquid" insert **"and e-liquid products"**.

Page 7, line 3, strike "conforms" and insert **"conform"**.

Page 7, line 5, after "e-liquid" insert **"and e-liquid products"**.

Page 7, line 5, strike "is" and insert **"are"**.

Page 7, between lines 9 and 10, begin a new paragraph and insert:

"SECTION 9. IC 7.1-7-2-6.3, AS AMENDED BY P.L.49-2020, SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 6.3. "Delivery sale" means a sale of an e-liquid, **an e-liquid product, or a vapor device** to a purchaser in Indiana in which the purchaser submits the order for the sale:

(1) by telephone;

(2) over the Internet; or

(3) through the mail or another delivery system;

and the e-liquid, **e-liquid product, or vapor device** is shipped through a delivery service. "Delivery sale" does not include a sale of an e-liquid, **an e-liquid product, or a vapor device** not for personal consumption to a person who is a retailer."

Page 7, line 32, strike "vapor".



Page 7, line 32, delete "devices." and insert **"e-liquid or e-liquid products."**

Page 7, delete lines 39 through 42, begin a new paragraph and insert:

"SECTION 16. IC 7.1-7-2-12.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: **Sec. 12.5. (a) "Foreign adversary product" means an:**

- (1) e-liquid;**
- (2) e-liquid containing an ingredient; or**
- (3) e-liquid product;**

that is manufactured by, sourced from, or otherwise imported from a nation listed as a foreign adversary in 15 CFR 791.4.

(b) The term does not include the following:

- (1) A vapor device, including a part to be utilized in an open or closed system to convert e-liquid to a vapor for inhalation.**
- (2) E-liquid or an e-liquid product that is manufactured by, sourced from, or otherwise imported from a nation listed as a foreign adversary in 15 CFR 791.4, if the e-liquid or e-liquid product:**

(A) has been approved or authorized by the federal Food and Drug Administration; or

(B) is pending review by the federal Food and Drug Administration under 21 U.S.C. 387j.

SECTION 17. IC 7.1-7-2-15, AS AMENDED BY P.L.206-2017, SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: **Sec. 15. "Manufacturer" means a person located inside or outside Indiana that is engaged in manufacturing:**

- (1) e-liquid for closed and open system vapor devices; or**
- (2) e-liquid products."**

Page 8, delete lines 1 through 9.

Page 8, between lines 14 and 15, begin a new paragraph and insert:

"SECTION 18. IC 7.1-7-2-16, AS AMENDED BY P.L.206-2017, SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: **Sec. 16. "Manufacturing" means the process by which an:**

- (1) e-liquid is mixed, bottled, and packaged; and**
- (2) e-liquid product is produced and packaged.**

SECTION 19. IC 7.1-7-2-18, AS ADDED BY P.L.176-2015, SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: **Sec. 18. "Permit" means a written authorization issued by the commission entitling the holder to manufacture, sell, or**



otherwise deal in e-liquid **or e-liquid products**, as provided in this article.

SECTION 20. IC 7.1-7-2-21, AS ADDED BY P.L.176-2015, SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 21. "Retailer" means a person, other than a manufacturer, who in the ordinary course of the person's regular trade or business:

- (1) acquires any form of e-liquid **or e-liquid product** for the purpose of resale; and
- (2) transfers the e-liquid **or e-liquid product** to another person for money or other consideration."

Page 9, line 41, after "not" insert "**, to the best of the manufacturer's knowledge,**".

Page 10, between lines 1 and 2, begin a new line block indented and insert:

"(10) Evidence of the federal Food and Drug Administration approval, authorization, or application status of each e-liquid or e-liquid product the manufacturer seeks to sell, source, import, or manufacture in the manner described under IC 7.1-7-2-12.5(b)(2)."

Page 10, between lines 8 and 9, begin a new paragraph and insert:

"(g) If the federal Food and Drug Administration denies a manufacturer's application for approval or authorization of an e-liquid or e-liquid product during the term of a permit issued under this section, the manufacturer must notify the commission of the denial and submit a supplemental application for a manufacturing permit on a form prescribed by the commission."

Page 10, line 37, after "not" insert "**, to the best of the manufacturer's knowledge,**".

Page 10, between lines 39 and 40, begin a new line block indented and insert:

"(9) Evidence of the federal Food and Drug Administration approval, authorization, or application status of each e-liquid or e-liquid product the manufacturer seeks to sell, source, import, or manufacture in the manner described under IC 7.1-7-2-12.5(b)(2)."

Page 10, between lines 41 and 42, begin a new paragraph and insert:

"(d) If the federal Food and Drug Administration denies a manufacturer's application for approval or authorization of an e-liquid or e-liquid product during the term of a permit issued under this section, the manufacturer must notify the commission of the denial and submit a supplemental renewal application for a



manufacturing permit on a form prescribed by the commission."

Page 10, delete line 42, begin a new paragraph and insert:

"SECTION 23. IC 7.1-7-4-6, AS AMENDED BY P.L.17-2019, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 6. (a) As used in this section:

(1) "adulterated" means a product that:

(A) consists in whole or in part of any filthy, putrid, or decomposed substance; ~~or~~

(B) is contaminated by any added poisonous or added deleterious substance that may render the product injurious to health; ~~and or~~

(C) is a foreign adversary product; and

(2) "tamper evident package" means a package having at least one

(1) indicator or barrier to entry that, if breached or missing, can reasonably be expected to provide visible evidence to consumers that tampering has occurred.

(b) A manufacturing facility shall comply with the following requirements:

(1) An e-liquid container must use a child proof cap that has the child resistant effectiveness set forth in the federal poison prevention packaging standards, 16 CFR 1700.15(b)(1).

(2) An e-liquid container **or e-liquid product** must use a tamper evident package. The tamper evident package feature must be designed to and remain intact when handled in a reasonable manner during the manufacture, distribution, and retail display of the e-liquid container **or e-liquid product**.

(3) The label on an e-liquid container **or e-liquid product** must meet the nicotine addictiveness warning statement requirements set forth in 21 CFR 1143.3.

(4) The manufacturer, **wholesaler**, or retailer may not add an adulterated product to any e-liquid **or e-liquid product** produced for sale in Indiana.

(5) The manufacturer must submit to random site visits by the commission.

(6) The manufacturer may:

(A) own and control both the e-liquid **or e-liquid product** manufacturing process and the bottling process; or

(B) subcontract with another manufacturer for the performance of the e-liquid **or e-liquid product** manufacturing service, the bottling services, or both services.

However, both the manufacturer performing a service under clause (B) and the manufacturer for which the service is



performed must meet the requirements of this article, **including obtaining a permit.**

(7) A manufacturer may use a flavoring, as defined by IC 7.1-7-2-12, as an ingredient in an e-liquid **or e-liquid product.**

(8) The manufacturer or any person listed on the permit application may not have been convicted within ten (10) years before the date of application of:

(A) a federal crime having a sentence of at least one (1) year;
 (B) an Indiana Class A, Class B, or Class C felony (for a crime committed before July 1, 2014) or a Level 1, Level 2, Level 3, Level 4, or Level 5 felony (for a crime committed after June 30, 2014);

(C) a crime in a state other than Indiana having a penalty equal to the penalty for an Indiana Class A, Class B, or Class C felony (for a crime committed before July 1, 2014) or a Level 1, Level 2, Level 3, Level 4, or Level 5 felony (for a crime committed after June 30, 2014);

(D) an Indiana Class D felony involving a controlled substance under IC 35-48-4 (for a crime committed before July 1, 2014) or a Level 6 felony involving a controlled substance under IC 35-48-4 (for a crime committed after June 30, 2014); or

(E) a crime in a state other than Indiana similar to a Class D felony involving a controlled substance under IC 35-48-4 (for a crime committed before July 1, 2014) or a Level 6 felony involving a controlled substance under IC 35-48-4 (for a crime committed after June 30, 2014).".

Delete page 11.

Page 12, delete lines 1 through 26.

Page 12, line 29, delete "(a) This section does not apply to:".

Page 12, delete lines 30 through 38.

Page 12, line 39, delete "(b)" and insert "**(a)**".

Page 12, run in lines 29 through 39.

Page 12, line 40, delete "manufacture or source" and insert "**manufacture, source, possess, sell, or otherwise distribute**".

Page 12, line 42, delete "(c)" and insert "**(b)**".

Page 13, line 3, delete "(d)" and insert "**(c)**".

Page 13, delete lines 6 through 42, begin a new paragraph and insert:

"SECTION 27. IC 7.1-7-5.5-1, AS AMENDED BY P.L.49-2020, SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 1. A retailer may not make a delivery sale of e-liquid, **an e-liquid product, or a vapor device** to an individual who



does not meet the minimum age requirement as set forth in IC 7.1-7-6-5.

SECTION 28. IC 7.1-7-5-1.1, AS AMENDED BY P.L.220-2023, SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 1.1. (a) A retailer must have a valid sales certificate issued by the commission in accordance with IC 7.1-3-18.5-1 that contains a separate box to check for identifying a retailer that sells e-liquids **or e-liquid products**.

(b) A retailer may purchase e-liquid **or an e-liquid product** only from an Indiana ~~e-liquid~~ manufacturing permit holder or an Indiana ~~distributor wholesaler~~ permit holder.

(c) A retailer shall retain all invoices for e-liquid **and e-liquid products** that the retailer purchases for two (2) years.

(d) A retailer shall not allow the self-service sale for individuals purchasing an e-liquid **or e-liquid product**.

(e) A retailer may not sell an e-liquid **or e-liquid product** that contains more than seventy-five (75) milligrams per milliliter of nicotine.

(f) A manufacturer must have ~~an e-liquid~~ a manufacturing permit issued under IC 7.1-7-4.

(g) A ~~distributor wholesaler~~ that does not have a valid ~~e-liquid~~ manufacturing permit issued under IC 7.1-7-4 must have a valid ~~distributor's license~~ **wholesale tobacco sales certificate** issued under ~~IC 6-7-2-8~~ **IC 7.1-3-18.5-1.5**.

(h) A ~~distributor wholesaler~~ shall purchase and distribute e-liquid **or e-liquid products** from an:

(1) Indiana ~~e-liquid~~ manufacturer that has a valid ~~e-liquid~~ manufacturing permit under IC 7.1-7-4; or

(2) Indiana ~~e-liquid distributor wholesaler~~ that has a valid:

(A) ~~e-liquid~~ manufacturing permit issued under IC 7.1-7-4; or

(B) ~~distributor's license~~ **wholesale tobacco sales certificate** under ~~IC 6-7-2-8~~ **IC 7.1-3-18.5-1.5**.

(i) A ~~distributor wholesaler~~ shall retain all invoices to a retailer or from a manufacturer for at least two (2) years.

(j) A manufacturer, ~~distributor, wholesaler,~~ or retailer may not market e-liquid **or an e-liquid product** as a modified risk tobacco product, as defined by IC 7.1-7-2-17.5, that has not been designated as a modified risk tobacco product by the federal Food and Drug Administration.

(k) Except as provided in subsection (m), a manufacturer ~~including a manufacturer of a closed system vapor product, permitted or required to be permitted under IC 7.1-7-4~~ shall annually submit a



report to the commission setting forth:

- (1) each new product that the manufacturer is producing and is sold in Indiana with a list of the contents and ingredients by volume; and
- (2) whether the manufacturer has stopped producing products previously produced and sold in Indiana.

A report under this subsection is confidential, and the commission may not disclose it to another person.

(l) A manufacturer **permitted or required to be permitted under IC 7.1-7-4** shall annually submit a report to the commission setting forth:

- (1) the milligrams per milliliter of nicotine in each product the manufacturer produces; and
- (2) the milliliters of each product sold that current year.

A report under this subsection is confidential, and the ~~ATC~~ **commission** may not disclose it to another person.

(m) A manufacturer is not required to submit a report described in subsection (k) if the manufacturer submits to the commission a certification, by October 1 of each year, that each of the manufacturer's ~~vapor products~~ **e-liquid or e-liquid products** sold in Indiana ~~has have~~ been filed with the federal Food and Drug Administration.".

Page 14, delete lines 1 through 22.

Page 14, between lines 30 and 31, begin a new paragraph and insert:

"SECTION 30. IC 7.1-7-5.5-2, AS AMENDED BY P.L.49-2020, SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 2. A retailer may not ship an e-liquid, **an e-liquid product, or a vapor device** without first making a good faith effort to verify the age of the purchaser of the e-liquid, **e-liquid product, or vapor device** as set forth in IC 7.1-7-6-6.

SECTION 31. IC 7.1-7-5.5-3, AS AMENDED BY P.L.49-2020, SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 3. (a) Before an e-liquid **or e-liquid product** is shipped in a delivery sale, a retailer must be fully paid for the purchase and shall accept payment from the purchaser:

- (1) by a check drawn on an account in the purchaser's name;
- (2) by a credit card issued in the purchaser's name; or
- (3) by a debit card issued in the purchaser's name.

(b) A retailer may ship an e-liquid **or e-liquid product** only to a purchaser.

SECTION 33. IC 7.1-7-5.5-5, AS AMENDED BY P.L.49-2020, SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 5. A retailer who ships an e-liquid, **an e-liquid**



product, or a vapor device from a delivery sale order shall include as part of the shipping documents a document with the following statement: "E-LIQUIDS: Indiana law prohibits the sale of this product to a person who is less than 21 years of age.".

Page 14, line 42, reset in roman "sole".

Page 14, line 42, delete "dual".

Page 15, line 1, after "Administration" insert ".".

Page 15, line 1, delete "and the commission and may".

Page 15, delete line 2.

Page 15, line 3, delete "Administration and the commission.".

Page 15, line 7, after "article" insert ". **The commission shall revoke the permit, tobacco sales certificate, or wholesaler tobacco sales certificate of a manufacturer, wholesaler, or retailer that violates the federal Food, Drug, and Cosmetic Act or a federal rule promulgated under the federal Food, Drug, and Cosmetic Act.**".

Page 15, delete lines 8 through 10.

Page 15, delete lines 16 through 18, begin a new paragraph and insert:

"SECTION 35. IC 7.1-7-6-2.1, AS ADDED BY P.L.49-2020, SECTION 19, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 2.1. A person who sells or distributes an e-liquid, **an e-liquid product, or a vapor device** to a person less than twenty-one (21) years of age may be in violation of IC 35-46-1.

SECTION 36. IC 7.1-7-6-5, AS AMENDED BY P.L.49-2020, SECTION 20, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 5. A person who knowingly or intentionally makes a delivery sale of an e-liquid, **e-liquid product, or a vapor device** to an individual who is less than twenty-one (21) years of age commits a Class C infraction.

SECTION 37. IC 7.1-7-6-6, AS AMENDED BY P.L.49-2020, SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 6. (a) As used in this section, "good faith effort to verify the age of the purchaser of the e-liquid, **e-liquid product, or vapor device**" means:

(1) verifying the age of the purchaser in a commercially available database; or

(2) obtaining a photocopy of a government issued identification; that indicates the birth date or age of the purchaser.

(b) A person who knowingly or intentionally ships an e-liquid, **an e-liquid product, or a vapor device** without first making a good faith effort to verify the age of the purchaser of the e-liquid, **e-liquid product, or vapor device** commits a Class C infraction."



Renumber all SECTIONS consecutively.

(Reference is to ESB 185 as printed February 12, 2026.)

MANNING

