



CONFERENCE COMMITTEE REPORT DIGEST FOR ESB 185

Citations Affected: IC 4.1-3; 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with one exception, that the commission shall not issue a certificate to a retail location where a certificate was revoked within one year prior to the application.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. Specifies that certain provisions concerning vapor pens and e-liquid do not authorize the manufacturing, sale, possession, or use of a controlled substance or any product containing a controlled substance. 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. **(This conference committee report: (1) deletes SECTION 6 of the bill and adds language specifying that certain provisions concerning vapor pens and e-liquid do not authorize the manufacturing, sale, possession, or use of a controlled substance or any product containing a controlled substance; and (2) makes a technical correction.)**



Effective: July 1, 2026.



CONFERENCE COMMITTEE REPORT

MR. PRESIDENT:

Your Conference Committee appointed to confer with a like committee from the House upon Engrossed House Amendments to Engrossed Senate Bill No. 185 respectfully reports that said two committees have conferred and agreed as follows to wit:

that the Senate recede from its dissent from all House amendments and that the Senate now concur in all House amendments to the bill and that the bill be further amended as follows:

- 1 Page 5, line 13, delete "(a) An e-liquid or e-liquid product
- 2 manufactured," and insert "**Notwithstanding any other law, this**
- 3 **article does not authorize the manufacturing, sale, possession, or**
- 4 **use of a controlled substance (as defined in IC 35-48-1.1-7) or any**
- 5 **product containing a controlled substance."**
- 6 Page 5, delete lines 14 through 24.
- 7 Page 7, line 24, delete "be" and insert "**by**".
(Reference is to SB 185 as reprinted February 18, 2026.)

Conference Committee Report
on
Engrossed Senate Bill 185

Signed by:

Senator Alting
Chairperson

Representative VanNatter

Senator Spencer

Representative Moed

Senate Conferees

House Conferees