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SENATE BILL No. 185

Proposed Changes to introduced printing by AM018501

DIGEST OF PROPOSED AMENDMENT

Beer wholesaler's permit. Allows the holder of a beer wholesaler's permit to possess, transport, sell, and deliver beer to 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.

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 7.1-3-3-5, AS AMENDED BY P.L.163-2025,
2 SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 UPON PASSAGE]: Sec. 5. (a) The holder of a beer wholesaler's permit
4 may purchase and import from the primary source of supply, possess,
5 and sell at wholesale, beer and flavored malt beverages manufactured
6 within or without this state.
7 (b) A beer wholesaler permittee may possess, transport, sell, and
8 deliver beer to:
9 (1) another beer wholesaler authorized by the brewer to sell the
10 brand purchased;
11 (2) an employee; and
12 (3) a holder of a beer retailer's permit, beer dealer's permit,
13 temporary beer permit, dining car permit, boat permit, airplane
14 permit, or supplemental caterer's permit; and
15 (4) a food manufacturer that is registered with the federal
16 Food and Drug Administration, for the purpose of adding or
17 integrating the beer into a product or recipe;
18 located within this state. The sale, transportation, and delivery of beer
19 shall be made only from inventory that has been located on the

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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 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.

1 SECTION ~~18.5-1~~ [2]. IC 7.1-3-18.5-1, AS AMENDED BY P.L.32-2019, SECTION 11, IS AMENDED TO READ AS FOLLOWS



[EFFECTIVE JULY 1, 2026]: Sec. 1. (a) A person may not sell or otherwise distribute in exchange for consideration a tobacco product or electronic cigarette at retail **or wholesale** without a valid tobacco sales certificate issued by the commission.

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

(1) A premises consisting of a permanent building or structure, **that does not contain sleeping or living quarters**, where the tobacco product or electronic cigarette is sold or distributed.

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

SECTION ~~1~~^[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 two hundred dollars (\$200).

(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 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.

(b) A separate certificate is required for each location where the tobacco products or electronic cigarettes are sold or distributed. A retail establishment may not hold more than one (1) active tobacco sales certificate for a retail location at any time. **The commission shall not**



1 **issue a certificate to a retail location where a tobacco sales**
 2 **certificate was revoked within one (1) year prior to the date of the**
 3 **application.**

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

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

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

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

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

15 (3) The person has not had an interest in a certificate revoked **or**
 16 **suspended** by the commission for that business location within
 17 the preceding one (1) year.

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

20 SECTION ~~↔~~ [4]. IC 7.1-3-18.5-2.4, AS ADDED BY
 21 P.L.107-2024, SECTION 2, IS AMENDED TO READ AS FOLLOWS
 22 [EFFECTIVE JULY 1, 2026]: Sec. 2.4. (a) Subject to available
 23 resources, the commission shall not issue a tobacco sales certificate,
 24 except as otherwise authorized in this title and subject to the other
 25 restrictions contained in this title, to the following persons:

26 (1) A person who does not have lawful status (as defined in
 27 IC 9-13-2-92.3).

28 (2) A person who has been convicted within five (5) years before
 29 the date of application of:

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

32 (B) a Level 1, Level 2, Level 3, Level 4, or Level 5 felony;
 33 or

34 (C) a crime in a state other than Indiana having a penalty
 35 equal to the penalty for an Indiana Level 1, Level 2, Level
 36 3, Level 4, or Level 5 felony.

37 However, this subdivision does not apply to a conviction that has
 38 been expunged under IC 35-38-9.

39 (3) A person who does not meet at least one (1) of the following
 40 descriptions:

41 (A) The person owns the premises to which the certificate
 42 will be applicable.



- 1 (B) The person has a valid lease on the premises:
 2 (i) at the time of the application for a certificate; and
 3 (ii) for the duration of the period in which the person
 4 sells or distributes in the manner described in section
 5 1 of this chapter.
 6 (C) The person has a franchise agreement with a franchisor:
 7 (i) that owns the premises to which the certificate will
 8 be applicable; or
 9 (ii) that has a bona fide lease on the premises for the
 10 full period for which the certificate is to be issued.
 11 (4) A person whose place of business is conducted by a manager
 12 or agent, unless the manager or agent possesses the same
 13 qualifications required for the issuance of a tobacco sales
 14 certificate to the person.
 15 (5) A minor.
 16 (6) A person non compos mentis.
 17 (7) A person who has held a permit or certificate under this title
 18 and who has had that permit or certificate revoked **or**
 19 **suspended** within one (1) year prior to the date of application
 20 for a tobacco sales certificate.
 21 (8) A person who has made an application for a permit or
 22 certificate of any type under this title which has been denied less
 23 than one (1) year prior to the person's application for a tobacco
 24 sales certificate unless the first application was denied by reason
 25 of a procedural or technical defect.
 26 (b) Subsection (a)(5) does not prevent a minor from being a
 27 stockholder in a corporation.
 28 SECTION ~~4~~ 5. IC 7.1-3-18.5-3, AS AMENDED BY
 29 P.L.224-2005, SECTION 11, IS AMENDED TO READ AS
 30 FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 3. (a) A certificate
 31 issued by the commission under this chapter must contain the following
 32 information:
 33 (1) The certificate number.
 34 (2) The certificate holder's name.
 35 (3) The permanent location of the business or vending machine
 36 for which the certificate is issued.
 37 (4) The expiration date of the certificate.
 38 (b) A certificate is:
 39 (1) valid for ~~three (3) years~~ **one (1) year** after the date of
 40 issuance, unless the commission suspends the certificate; and
 41 (2) nontransferable.
 42 SECTION ~~5~~ 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) If a certificate holder's employees violate this section three (3) or more times in a one (1) year period, the commission shall suspend the certificate holder's certificate for a period of five (5) days.

SECTION ~~6~~⁷. IC 7.1-5-10-23, AS AMENDED BY P.L.32-2019, SECTION 16, IS AMENDED TO READ AS FOLLOWS

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[EFFECTIVE JULY 1, 2026]: Sec. 23. It is a Class C infraction for a permittee, **certificate holder**, or an employee or agent of a permittee **or certificate holder** to recklessly, knowingly, or intentionally sell, barter, exchange, provide, or furnish another person who is or reasonably appears to be less than forty (40) years of age an alcoholic beverage **or tobacco product** for consumption off the licensed premises without first requiring the person to produce:

(1) a driver's license;

(2) an identification card issued under IC 9-24-16-1 or a similar card issued under the laws of another state or the federal government; or

(3) a government issued document;

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

SECTION ~~8~~ [8]. IC 7.1-7-5-7 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: **Sec. 7. (a) As used in this section, "foreign adversary" means a foreign government listed in 15 CFR 791.4.**

(b) A retailer may not sell and a distributor may not distribute an e-liquid that is manufactured in or imported from a foreign adversary.

SECTION ~~8~~ [9]. IC 35-45-6-1, AS AMENDED BY P.L.186-2025, SECTION 240, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 1. (a) The definitions in this section apply throughout this chapter.

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

(c) "Enterprise" means:

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

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

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



after a prior incident of racketeering activity.

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

- (1) A provision of IC 23-19, or of a rule or order issued under IC 23-19.
- (2) A violation of IC 35-45-9.
- (3) A violation of IC 35-47.
- (4) A violation of IC 35-49-3.
- (5) Murder (IC [] 35-42-1-1).
- (6) Battery as a Class C felony before July 1, 2014, or a Level 5 felony after June 30, 2014 (IC [] 35-42-2-1).
- (7) Kidnapping (IC [] 35-42-3-2).
- (8) Human and sexual trafficking crimes (IC [] 35-42-3.5).
- (9) Child exploitation (IC [] 35-42-4-4).
- (10) Robbery (IC [] 35-42-5-1).
- (11) Carjacking (IC [] 35-42-5-2) (before its repeal).
- (12) Arson (IC [] 35-43-1-1).
- (13) Burglary (IC [] 35-43-2-1).
- (14) Theft (IC [] 35-43-4-2).
- (15) Receiving stolen property (IC [] 35-43-4-2) (before its amendment on July 1, 2018).
- (16) Forgery (IC [] 35-43-5-2).
- (17) An offense under IC 35-43-5.
- (18) Bribery (IC [] 35-44.1-1-2).
- (19) Official misconduct (IC [] 35-44.1-1-1).
- (20) Conflict of interest (IC [] 35-44.1-1-4).
- (21) Perjury (IC [] 35-44.1-2-1).
- (22) Obstruction of justice (IC [] 35-44.1-2-2).
- (23) Intimidation (IC [] 35-45-2-1).
- (24) Promoting prostitution (IC [] 35-45-4-4).
- (25) Professional gambling (IC [] 35-45-5-3).
- (26) Maintaining a professional gambling site (IC [] 35-45-5-3.5(b)).
- (27) Promoting professional gambling (IC [] 35-45-5-4).
- (28) Dealing in or manufacturing cocaine or a narcotic drug (IC [] 35-48-4-1).
- (29) Dealing in methamphetamine (IC [] 35-48-4-1.1).
- (30) Manufacturing methamphetamine (IC [] 35-48-4-1.2).
- (31) Dealing in a schedule I, II, or III controlled substance (IC [] 35-48-4-2).
- (32) Dealing in a schedule IV controlled substance



(IC[35-48-4-3]).

(33) Dealing in a schedule V controlled substance (IC[35-48-4-4]).

(34) Dealing in marijuana, hash oil, hashish, or salvia (IC[35-48-4-10]).

(35) Money laundering (IC[35-45-15-5]).

(36) A violation of IC 35-47.5-5.

(37) A violation of any of the following:

(A) IC 23-14-48-9.

(B) IC 30-2-9-7(b).

(C) IC 30-2-10-9(b).

(D) IC 30-2-13-38(f).

(38) Practice of law by a person who is not an attorney (IC[33-43-2-1]).

(39) An offense listed in IC 35-48-4 involving the manufacture or sale of a synthetic drug (as defined in IC 35-31.5-2-321), a synthetic drug lookalike substance (as defined in IC 35-31.5-2-321.5 (before its repeal on July 1, 2019)) under IC 35-48-4-10.5 (before its repeal on July 1, 2019), a controlled substance analog (as defined in IC 35-48-1.1-8), or a substance represented to be a controlled substance (as described in IC 35-48-4-4.6).

(40) Dealing in a controlled substance resulting in death (IC[35-42-1-1.5]).

(41) Organized retail theft (IC[35-43-4-2.2]).

(42) Sale of alcohol without a permit (IC[7.1-5-10-5]).

SECTION ~~9~~[10]. IC 35-46-1-10.2, AS AMENDED BY P.L.163-2025, SECTION 63, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 10.2. (a) A person may not be charged with a violation under this section and a violation under IC 7.1-7-6-5.

(b) A retail establishment that sells or distributes a tobacco product to a person less than twenty-one (21) years of age commits a Class C infraction. For a sale to take place under this section, the buyer must pay the retail establishment for the tobacco product.

(c) Notwithstanding IC 34-28-5-4(c), a civil judgment for an infraction committed under this section must be imposed as follows:

(1) If the retail establishment at that specific business location has not been issued a citation or summons for a violation of this section in the previous one (1) year, a civil penalty of up to four hundred dollars (\$400).

(2) If the retail establishment at that specific business location



has had one (1) citation or summons issued for a violation of this section in the previous one (1) year, a civil penalty of up to eight hundred dollars (\$800).

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

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

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

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

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

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

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

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

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

(1) Agriculture.

(2) Processing.

(3) Transporting.

(4) Wholesaling.

(5) Retailing.

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



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(h) Unless a person buys or receives a tobacco product under the direction of a law enforcement officer as part of an enforcement action, a retail establishment that sells or distributes a tobacco product is not liable for a violation of this section unless the person less than twenty-one (21) years of age who bought or received the tobacco product is issued a citation or summons under section 10.5 of this chapter.

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

SECTION 1 ~~↔~~ **[2]**. IC 35-46-6-3, AS AMENDED BY P.L.163-2025, SECTION 68, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 3. (a) A person who knowingly or intentionally uses or distributes nitrous oxide with intent to cause a condition of intoxication, euphoria, excitement, exhilaration, stupefaction, or dulling of the senses of another person, unless the nitrous oxide is to be used for medical purposes, commits a Class B misdemeanor. However, the offense is a Class A misdemeanor if the person has a prior unrelated conviction under this section.

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

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

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

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

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

SECTION 13. An emergency is declared for this act.

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