

## **SENATE BILL No. 185**

**AM018503 has been incorporated into January 16, 2026 printing.**

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**Synopsis:** Alcohol and tobacco matters.

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**SB 185—LS 6454/DI 137**



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January 16, 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.

## 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 **that does not contain sleeping or living quarters**, where the  
11 tobacco product or electronic cigarette is sold or distributed.  
12 (2) A premises upon which a cigarette vending machine is  
13 located.

14 SECTION 2. IC 7.1-3-18.5-1.5 IS ADDED TO THE INDIANA  
15 CODE AS A **NEW** SECTION TO READ AS FOLLOWS  
16 [EFFECTIVE JULY 1, 2026]: Sec. 1.5. (a) **A person may not sell**  
17 **tobacco products or electronic cigarettes at wholesale or**

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1       **participate in the wholesale distribution of tobacco products or**  
 2       **electronic cigarettes without a valid wholesale tobacco sales**  
 3       **certificate issued by the commission.**

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

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

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

14       (2) Except as provided in section 6(c) of this chapter, a fee of  
 15       two hundred dollars (\$200).

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

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

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

21       (6) If the applicant is applying for a new certificate under section  
 22       3.2 of this chapter, a copy of each of the following:

23       (A) If the new ownership of the business is a business  
 24       entity, the articles of incorporation, articles of organization,  
 25       or any other formation documents of the business entity.

26       (B) If the new ownership of the business is an individual,  
 27       either:

28       (i) the sales or purchase agreement; or

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

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

35       (b) A separate certificate is required for each location where the  
 36       tobacco products or electronic cigarettes are sold or distributed. A retail  
 37       establishment may not hold more than one (1) active tobacco sales  
 38       certificate for a retail location at any time. **The commission shall not**  
 39       **issue a certificate to a retail location where a tobacco sales**  
 40       **certificate was revoked within one (1) year prior to the date of the**  
 41       **application.**

42       (c) A certificate holder shall conspicuously display the holder's

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1 certificate on the holder's premises where the tobacco products or  
2 electronic cigarettes are sold or distributed.

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

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

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

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

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

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

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

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

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

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

28 (B) a Level 1, Level 2, Level 3, Level 4, or Level 5 felony;  
29 or

30 (C) a crime in a state other than Indiana having a penalty  
31 equal to the penalty for an Indiana Level 1, Level 2, Level  
32 3, Level 4, or Level 5 felony.

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

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

37 (A) The person owns the premises to which the certificate  
38 will be applicable.

39 (B) The person has a valid lease on the premises:

40 (i) at the time of the application for a certificate; and

41 (ii) for the duration of the period in which the person



1                   sells or distributes in the manner described in section  
2                   1 of this chapter.

3                   (C) The person has a franchise agreement with a franchisor:  
4                   (i) that owns the premises to which the certificate will  
5                   be applicable; or  
6                   (ii) that has a bona fide lease on the premises for the  
7                   full period for which the certificate is to be issued.

8                   (4) A person whose place of business is conducted by a manager  
9                   or agent, unless the manager or agent possesses the same  
10                  qualifications required for the issuance of a tobacco sales  
11                  certificate to the person.

12                  (5) A minor.

13                  (6) A person non compos mentis.

14                  (7) A person who has held a permit or certificate under this title  
15                  and who has had that permit or certificate revoked **or suspended**  
16                  within one (1) year prior to the date of application for a tobacco  
17                  sales certificate.

18                  (8) A person who has made an application for a permit or  
19                  certificate of any type under this title which has been denied less  
20                  than one (1) year prior to the person's application for a tobacco  
21                  sales certificate unless the first application was denied by reason  
22                  of a procedural or technical defect.

23                  (b) Subsection (a)(5) does not prevent a minor from being a  
24                  stockholder in a corporation.

25                  SECTION 5. IC 7.1-3-18.5-3, AS AMENDED BY P.L.224-2005,  
26                  SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
27                  JULY 1, 2026]: Sec. 3. (a) A certificate issued by the commission  
28                  under this chapter must contain the following information:

29                  (1) The certificate number.  
30                  (2) The certificate holder's name.  
31                  (3) The permanent location of the business or vending machine  
32                  for which the certificate is issued.  
33                  (4) The expiration date of the certificate.

34                  (b) A certificate is:

35                  (1) valid for **three (3) years one (1) year** after the date of  
36                  issuance, unless the commission suspends the certificate; and  
37                  (2) nontransferable.

38                  SECTION 6. IC 7.1-3-18.5-9.2, AS ADDED BY P.L.107-2024,  
39                  SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
40                  JULY 1, 2026]: Sec. 9.2. (a) An employee of a certificate holder must  
41                  hold a valid:



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

9 (1) either:

(A) in the employee's possession; or

(B) on file with the employee's employer; and

12 (2) upon request, readily available to show to an excise officer  
13 or law enforcement;

14 when selling tobacco products.

19 (1) the employee has left the license, identification card, or copy  
20 in another location; or

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

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

38 SECTION 7. IC 7.1-5-10-23, AS AMENDED BY P.L.32-2019,  
39 SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
40 JULY 1, 2026]: Sec. 23. It is a Class C infraction for a permittee,  
41 certificate holder, or an employee or agent of a permittee or

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1       **certificate holder** to recklessly, knowingly, or intentionally sell, barter,  
 2       exchange, provide, or furnish another person who is or reasonably  
 3       appears to be less than forty (40) years of age an alcoholic beverage **or**  
 4       **tobacco product** for consumption off the licensed premises without  
 5       first requiring the person to produce:

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

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

13       SECTION 8. IC 7.1-7-1-0.5 IS ADDED TO THE INDIANA  
 14       CODE AS A **NEW** SECTION TO READ AS FOLLOWS  
 15       [EFFECTIVE JULY 1, 2026]: Sec. 0.5. (a) An **e-liquid product**  
 16       **manufactured, distributed, or sold in Indiana** must adhere to all  
 17       **applicable rules and regulations of the federal Food and Drug**  
 18       **Administration, including those rules and regulations regarding**  
 19       **product safety, labeling, and manufacturing standards.**

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

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

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

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

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

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

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

11 SECTION 11. IC 7.1-7-2-8 IS REPEALED [EFFECTIVE JULY  
12 1, 2026]. Sec. 8. "Distributor" means a person who is licensed under  
13 IC 6-7-2-8 that:

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

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

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

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

30 SECTION 14. IC 7.1-7-2-12.3 IS ADDED TO THE INDIANA  
31 CODE AS A NEW SECTION TO READ AS FOLLOWS  
32 [EFFECTIVE JULY 1, 2026]: Sec. 12.3. **"Foreign adversary"** means  
33 an individual, business entity, or other entity located in or  
34 organized under the laws of a nation governed by a foreign  
35 government listed in 15 CFR 791.4.

36 SECTION 15. IC 7.1-7-2-12.5 IS ADDED TO THE INDIANA  
37 CODE AS A NEW SECTION TO READ AS FOLLOWS  
38 [EFFECTIVE JULY 1, 2026]: Sec. 12.5. **"Foreign adversary**  
39 **product"** means:

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

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

3       SECTION 16. IC 7.1-7-2-15, AS AMENDED BY P.L.206-2017,  
4       SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
5       JULY 1, 2026]: Sec. 15. "Manufacturer" means a person located inside  
6       or outside Indiana that is engaged in manufacturing e-liquid **for closed  
7       and open system vapor devices.**

8       SECTION 17. IC 7.1-7-2-15.5 IS REPEALED [EFFECTIVE  
9       JULY 1, 2026]. See: 15.5. "**Manufacturer of a closed system vapor  
10      product**" means a manufacturer of vapor products whose closed system  
11      vapor products are for sale in Indiana, but that does not produce open  
12      system vapor products that are for sale in Indiana.

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

18      SECTION 19. IC 7.1-7-2-24 IS ADDED TO THE INDIANA  
19      CODE AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE  
20      JULY 1, 2026]: Sec. 24. "**Wholesaler**" means a person  
21      who has obtained or is required to obtain a wholesale tobacco sales  
22      certificate under IC 7.1-3-18.5-1.5 that:

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

27      SECTION 20. IC 7.1-7-3-2, AS AMENDED BY P.L.206-2017,  
28      SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
29      JULY 1, 2026]: Sec. 2. The commission has the following duties and  
30      responsibilities:

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

39      SECTION 21. IC 7.1-7-4-1, AS AMENDED BY P.L.49-2020,  
40      SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
41      JULY 1, 2026]: Sec. 1. **(a) Not later than January 1, 2027, a  
42       manufacturer of an e-liquid product that is manufactured or sold**

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1       **in Indiana must obtain a permit under this section.**

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

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

9       **(c)** A manufacturing permit issued by the commission **before July**  
10      **1, 2026**, is valid for five (5) years. **A manufacturing permit issued by**  
11      **the commission after June 30, 2026, is valid for two (2) years.** A  
12      manufacturing permit issued by the commission under this article  
13      before July 1, 2017, does not expire before July 1, 2020.

14      (d) An initial application for a manufacturing permit must include  
15      the following:

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

17       (2) The name, telephone number, and address of the manufacturing facility.

18       (3) The name, telephone number, title, and address of the person responsible for the manufacturing facility.

19       (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.

20       (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.

21       (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.

22       (7) A nonrefundable initial application fee of ~~one thousand~~  
23       ~~dollars (\$1,000)~~: **three thousand dollars (\$3,000)**.

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

25       **(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.**

26       (e) The fees collected under subsection (d)(7) shall be deposited  
27       in the enforcement and administration fund established under



1       IC 7.1-4-10.

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

6       SECTION 22. IC 7.1-7-4-2, AS AMENDED BY P.L.206-2017,  
 7       SECTION 24, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 8       JULY 1, 2026]: Sec. 2. (a) A manufacturing permit that is renewed by  
 9       the commission **before July 1, 2026**, is valid for five (5) years. **A  
 10      manufacturing permit that is renewed by the commission after  
 11      June 30, 2026, is valid for two (2) years.**

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

14       (1) The name, telephone number, and address of the applicant.  
 15       (2) The name, telephone number, and address of the  
 16       manufacturing facility.  
 17       (3) The name, telephone number, title, and address of the person  
 18       responsible for the manufacturing facility.  
 19       (4) Verification that the facility complies with all tobacco  
 20       products good manufacturing practices:

21       (A) set forth in; and  
 22       (B) promulgated in federal rules under;  
 23       21 U.S.C. 387f through 21 U.S.C. 387u of the federal Food,  
 24       Drug, and Cosmetic Act.  
 25       (5) Written consent allowing the state police department to  
 26       conduct a state or national criminal history background check on  
 27       any person listed on the application.  
 28       (6) A nonrefundable renewal application fee of **five hundred  
 29       dollars (\$500): one thousand dollars (\$1,000)**.

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

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

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

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

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1 (1) "adulterated" means a product that:  
2 (A) consists in whole or in part of any filthy, putrid, or  
3 decomposed substance; **or**  
4 (B) is contaminated by any added poisonous or added  
5 deleterious substance that may render the product injurious  
6 to health; **and or**  
7 (C) is a foreign adversary product (as defined in  
8 IC 7.1-7-2-12.5); and

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

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

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

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

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

26 (4) The manufacturer, **wholesaler**, or retailer may not add an  
27 adulterated product to any e-liquid produced for sale in Indiana.  
28 (5) The manufacturer must submit to random site visits by the  
29 commission.

30 (6) The manufacturer may:  
31 (A) own and control both the e-liquid manufacturing  
32 process and the bottling process; or  
33 (B) subcontract with another manufacturer for the  
34 performance of the e-liquid manufacturing service, the  
35 bottling services, or both services.

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

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(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 24. 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.**



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

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

7                   SECTION 25. IC 7.1-7-5-1.1, AS AMENDED BY P.L.220-2023,  
8 SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
9 JULY 1, 2026]: Sec. 1.1. (a) A retailer must have a valid sales  
10 certificate issued by the commission in accordance with  
11 IC 7.1-3-18.5-1 that contains a separate box to check for identifying a  
12 retailer that sells e-liquids.

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

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

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

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

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

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

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

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

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

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

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

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

39                   (j) A manufacturer, ~~distributor~~, **wholesaler**, or retailer may not  
40 market e-liquid as a modified risk tobacco product, as defined by  
41 IC 7.1-7-2-17.5, that has not been designated as a modified risk



1 tobacco product by the federal Food and Drug Administration.

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

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

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

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

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

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

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

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

21 (m) A manufacturer is not required to submit a report described in  
 22 subsection (k) if the manufacturer submits to the commission a  
 23 certification, by October 1 of each year, that each of the manufacturer's  
 24 vapor ~~products~~ devices sold in Indiana has been filed with the federal  
 25 Food and Drug Administration.

26 SECTION 26. IC 7.1-7-5-2, AS ADDED BY P.L.176-2015,  
 27 SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 28 JULY 1, 2026]: Sec. 2. (a) A manufacturer of e-liquid may file a  
 29 request with the **Indiana department of health** for approval of an  
 30 ingredient to be allowed in the composition of e-liquid.

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

35 SECTION 27. IC 7.1-7-6-1, AS AMENDED BY P.L.206-2017,  
 36 SECTION 31, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 37 JULY 1, 2026]: Sec. 1. (a) If a manufacturer, ~~distributor~~, **wholesaler**,  
 38 or retailer violates **any provision of** this article, the manufacturer,  
 39 ~~distributor~~, **wholesaler**, or retailer may be reprimanded, assessed a  
 40 civil penalty, or have the manufacturer's permit, ~~distributor's license~~,  
 41 **wholesaler's tobacco sales certificate**, or retailer's tobacco sales



1 certificate suspended **by the commission.**

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

16 (c) The commission may assess a civil penalty against a  
 17 manufacturer, ~~distributor~~, **wholesaler**, or retailer for a violation of this  
 18 article in an amount that does not exceed ten thousand dollars  
 19 (\$10,000). A civil penalty may be assessed in addition to other  
 20 penalties allowed under this article.

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

24 SECTION 28. IC 24-3-2-2, AS AMENDED BY P.L.217-2017,  
 25 SECTION 154, IS AMENDED TO READ AS FOLLOWS  
 26 [EFFECTIVE JULY 1, 2026]: Sec. 2. Unless the context in this chapter  
 27 requires otherwise, the term:

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

34 (b) "Person" or the term "company", used in this chapter  
 35 interchangeably, means and includes any individual, assignee, receiver,  
 36 commissioner, fiduciary, trustee, executor, administrator, institution,  
 37 bank, consignee, firm, partnership, limited liability company, joint  
 38 vendor, pool, syndicate, bureau, association, cooperative association,  
 39 society, club, fraternity, sorority, lodge, corporation, municipal  
 40 corporation, or other political subdivision of the state engaged in  
 41 private or proprietary activities or business, estate, trust, or any other



1 group or combination acting as a unit, and the plural as well as the  
2 singular number, unless the intention to give a more limited meaning  
3 is disclosed by the context.

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

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

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

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

23 (g) "Basic cost of cigarettes" shall mean the invoice cost of  
24 cigarettes to the retailer or distributor, as the case may be, or the  
25 replacement cost of cigarettes to the retailer or distributor, as the case  
26 may be, within thirty (30) days prior to the date of sale, in the quantity  
27 last purchased, whichever is the lower, less all trade discounts and  
28 customary discounts for cash, plus the cost at full face value of any  
29 stamps which may be required by IC 6-7-1, if not included by the  
30 manufacturer in his selling price to the distributor.

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

33 (i) "Cost to the retailer" shall mean the basic cost of cigarettes to  
34 the retailer, plus the cost of doing business by the retailer as evidenced  
35 by the standards and methods of accounting regularly employed by him  
36 in his allocation of overhead costs and expenses paid or incurred and  
37 must include without limitation labor (including salaries of executives  
38 and officers), rent, depreciation, selling costs, maintenance of  
39 equipment, delivery costs, all types of licenses, taxes, insurance, and  
40 advertising; however, any retailer who, in connection with the retailer's  
41 purchase, receives not only the discounts ordinarily allowed upon



1       purchases by a retailer, but also, in whole or in part, discounts  
2       ordinarily allowed on purchases by a distributor shall, in determining  
3       costs to the retailer pursuant to this section, add the cost to the  
4       distributor, as defined in paragraph (j), to the basic cost of cigarettes to  
5       said retailer as well as the cost of doing business by the retailer. In the  
6       absence of proof of a lesser or higher cost of doing business:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

2 (j) "Cost to the distributor" shall mean the basic cost of cigarettes  
3 to the distributor, plus the cost of doing business by the distributor as  
4 evidenced by the standards and methods of accounting regularly  
5 employed by him in his allocation of overhead costs and expenses, paid  
6 or incurred, and must include without limitation labor costs (including  
7 salaries of executives and officers), rent, depreciation, selling costs,  
8 maintenance of equipment, delivery costs, all types of licenses, taxes,  
9 insurance, and advertising. In the absence of proof of a lesser or higher  
10 cost of doing business by the distributor making the sale, the cost of  
11 doing business by the wholesaler shall be presumed to be four percent  
12 (4%) of the basic cost of cigarettes to the distributor, plus cartage to the  
13 retail outlet, if performed or paid for by the distributor, which cartage  
14 cost, in the absence of proof of a lesser or higher cost, shall be deemed  
15 to be one-half of one percent (0.5%) of the basic cost of cigarettes to  
16 the distributor.

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

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

24                   **(1) the distributor pass the resulting price reduction on to the**  
25                   **retailer; or**  
26                   **(2) the retailer pass the resulting price reduction on to the**  
27                   **consumer.**

28 SECTION 29. IC 24-3-2-9 IS AMENDED TO READ AS  
29 FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 9. (a) In determining  
30 cost to the retailer and cost to the distributor, the court or the  
31 department, as the case may be, shall receive and consider as bearing  
32 on the bona fides of such cost evidence tending to show that any person  
33 complained against under any of the provisions of this chapter  
34 purchased cigarettes with respect to the sale of which complaint is  
35 made at a fictitious price, or upon terms, or in such manner, or under  
36 such invoices, as to conceal the true cost, discounts, or terms of  
37 purchase, and shall also receive and consider as bearing on the bona  
38 fides of such cost evidence of the normal, customary, and prevailing  
39 terms and discounts in connection with other sales of a similar nature  
40 in the trade area or state.

41 (b) Merchandise given gratis or payment made to a retailer or  
42 distributor for display, or advertising, or promotion purposes, or

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1       otherwise shall not be considered in determining the cost of cigarettes  
 2       to the retailer or distributor.

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

7       SECTION 30. IC 35-45-6-1, AS AMENDED BY P.L.186-2025,  
 8       SECTION 240, IS AMENDED TO READ AS FOLLOWS  
 9       [EFFECTIVE JULY 1, 2026]: Sec. 1. (a) The definitions in this section  
 10      apply throughout this chapter.

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

15      (c) "Enterprise" means:

16       (1) a sole proprietorship, corporation, limited liability company,  
 17       partnership, business trust, or governmental entity; or  
 18       (2) a union, an association, or a group, whether a legal entity or  
 19       merely associated in fact.

20      (d) "Pattern of racketeering activity" means engaging in at least  
 21      two (2) incidents of racketeering activity that have the same or similar  
 22      intent, result, accomplice, victim, or method of commission, or that are  
 23      otherwise interrelated by distinguishing characteristics that are not  
 24      isolated incidents. However, the incidents are a pattern of racketeering  
 25      activity only if at least one (1) of the incidents occurred after August  
 26      31, 1980, and if the last of the incidents occurred within five (5) years  
 27      after a prior incident of racketeering activity.

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

31       (1) A provision of IC 23-19, or of a rule or order issued under  
 32       IC 23-19.  
 33       (2) A violation of IC 35-45-9.  
 34       (3) A violation of IC 35-47.  
 35       (4) A violation of IC 35-49-3.  
 36       (5) Murder (IC 35-42-1-1).  
 37       (6) Battery as a Class C felony before July 1, 2014, or a Level 5  
 38       felony after June 30, 2014 (IC 35-42-2-1).  
 39       (7) Kidnapping (IC 35-42-3-2).  
 40       (8) Human and sexual trafficking crimes (IC 35-42-3.5).  
 41       (9) Child exploitation (IC 35-42-4-4).  
 42       (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

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1 or sale of a synthetic drug (as defined in IC 35-31.5-2-321), a  
2 synthetic drug lookalike substance (as defined in  
3 IC 35-31.5-2-321.5 (before its repeal on July 1, 2019)) under  
4 IC 35-48-4-10.5 (before its repeal on July 1, 2019), a controlled  
5 substance analog (as defined in IC 35-48-1.1-8), or a substance  
6 represented to be a controlled substance (as described in  
7 IC 35-48-4-4.6).

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

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

11 **(42) Sale of alcohol without a permit (IC 7.1-5-10-5).**

12 SECTION 31. IC 35-46-1-10.2, AS AMENDED BY  
13 P.L.163-2025, SECTION 63, IS AMENDED TO READ AS  
14 FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 10.2. (a) A person may  
15 not be charged with a violation under this section and a violation under  
16 IC 7.1-7-6-5.

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

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

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

27 (2) If the retail establishment at that specific business location  
28 has had one (1) citation or summons issued for a violation of this  
29 section in the previous one (1) year, a civil penalty of up to eight  
30 hundred dollars (\$800).

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

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

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



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

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

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

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

- 21 (1) Agriculture.
- 22 (2) Processing.
- 23 (3) Transporting
- 24 (4) Wholesaling
- 25 (5) Retailing.

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

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

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



1           SECTION 32. IC 35-46-1-11.7, AS AMENDED BY  
 2 P.L.163-2025, SECTION 66, IS AMENDED TO READ AS  
 3 FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 11.7. (a) A retail  
 4 establishment in which tobacco products account for at least eighty-five  
 5 percent (85%) of the retail establishment's gross sales may not allow an  
 6 individual who is less than twenty-one (21) years of age to enter the  
 7 retail establishment.

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

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

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

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

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

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

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

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

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

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

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

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

41           SECTION 33. IC 35-46-6-3, AS AMENDED BY P.L.163-2025,

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

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

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

16 (1) a retail or wholesale restaurant supply company that sells or  
17 distributes flavored nitrous oxide to a person for use in food and  
18 beverage preparation or other culinary purposes; **or**  
19 (2) a person that uses flavored nitrous oxide in food and  
20 beverage recipes or for other legitimate culinary purposes; **or**  
21 (3) a **law enforcement agency that is disposing of flavored**  
22 **nitrous oxide by donation to a nonprofit organization.**

