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SENATE BILL No. 185

Proposed Changes to January 16, 2026 printing by AM018503

DIGEST OF PROPOSED AMENDMENT

Beer wholesaler's permit. Removes SECTION 1 of the current bill that would have allowed 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~~

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~~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 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.~~

> SECTION ~~<>~~ [\[1\]](#). IC 7.1-3-18.5-1, AS AMENDED BY

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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 ~~11~~ **[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.**

SECTION ~~12~~ **[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,

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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 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 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.

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

- (1) A person who does not have lawful status (as defined in IC 9-13-2-92.3).
- (2) A person who has been convicted within five (5) years before the date of application of:
 - (A) a federal crime having a sentence of at least one (1)

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year;

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

or

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

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

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

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

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

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

(ii) for the duration of the period in which the person sells or distributes in the manner described in section 1 of this chapter.

(C) The person has a franchise agreement with a franchisor:

(i) that owns the premises to which the certificate will be applicable; or

(ii) that has a bona fide lease on the premises for the full period for which the certificate is to be issued.

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

(5) A minor.

(6) A person non compos mentis.

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

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

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

SECTION ~~6~~⁵. IC 7.1-3-18.5-3, AS AMENDED BY P.L.224-2005, SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 3. (a) A certificate



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issued by the commission under this chapter must contain the following information:

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

(b) A certificate is:

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

SECTION ~~6~~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

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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 ~~7~~⁷. IC 7.1-5-10-23, AS AMENDED BY P.L.32-2019, SECTION 16, IS AMENDED TO READ AS FOLLOWS [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 7.1-7-1-0.5 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~~⁹. IC 7.1-7-1-1, AS AMENDED BY P.L.206-2017, SECTION 2, IS AMENDED TO READ AS FOLLOWS

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[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 1 ~~↔~~ [0]. 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 1 ~~↔~~ [1]. 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 1 ~~↔~~ [2]. 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 1 ~~↔~~ [3]. 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

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add flavor and that is not prohibited by the federal Food and Drug Administration as an additive in vapor ~~products~~ **devices**.

SECTION 1 ~~5~~ 4. 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 1 ~~6~~ 5. 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 1 ~~7~~ 6. 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 1 ~~8~~ 7. 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 1 ~~9~~ 8. 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 ~~20~~ 19. 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 2 ~~10~~ 10. IC 7.1-7-3-2, AS AMENDED BY

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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 2 ~~and~~ [\[1\]](#). 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) 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) 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.

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(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 2 ~~↔~~ [2]. 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~~

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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 2~~<4>~~^[3]. 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

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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 2 ~~5~~ ⁴. IC 7.1-7-4-8 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS

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[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 2 ~~6~~ 5. 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** per 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.

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(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 2 ~~➔~~ [6]. 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



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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 2-~~8~~[7]. 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 2-~~9~~[8]. 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

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1 irrespective of tobacco being flavored, adulterated, or mixed with any
 2 other ingredient, where such roll has a wrapper or cover made of paper
 3 or any other material; provided the definition in this paragraph shall not
 4 be construed to include cigars.

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

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

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

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

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

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

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(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

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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 ~~30~~ 29. 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

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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.

SECTION 3-10. 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.

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

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

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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.

(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

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1 chapter.

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

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

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

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

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

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

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

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

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

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

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

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

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

42 (e) Notwithstanding IC 34-28-5-5(c), civil penalties collected

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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 3 ~~<<>~~ **[3]**. 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 35. An emergency is declared for this act.~~

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