
SENATE BILL No. 185

AM018509 has been incorporated into January 23, 2026 printing.

Synopsis: Alcohol and tobacco matters.

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January 23, 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.

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

17 (B) one hundred dollars (\$100) for a wholesale tobacco
 18 sales certificate.

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

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

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

24 (6) If the applicant is applying for a new certificate under section
 25 3.2 of this chapter, a copy of each of the following:

26 (A) If the new ownership of the business is a business
 27 entity, the articles of incorporation, articles of organization,
 28 or any other formation documents of the business entity.

29 (B) If the new ownership of the business is an individual,
 30 either:

31 (i) the sales or purchase agreement; or

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

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

38 (7) A photocopy of the owner's driver's license, identification
 39 card issued under IC 9-24-16-1, a similar card issued under
 40 the laws of another state or the federal government, or
 41 another government issued document that bears the owner's
 42 photograph and birth date. If the applicant is a business with

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1 multiple owners, the applicant must designate at least one (1)
2 managing owner for whom a photocopy of the managing
3 owner's identification must be provided under this
4 subdivision.

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

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

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

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

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

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

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

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

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

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

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

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

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

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1 (C) a crime in a state other than Indiana having a penalty
 2 equal to the penalty for an Indiana Level 1, Level 2, Level
 3 3, Level 4, or Level 5 felony.
 4 However, this subdivision does not apply to a conviction that has
 5 been expunged under IC 35-38-9.
 6 (3) A person who does not meet at least one (1) of the following
 7 descriptions:
 8 (A) The person owns the premises to which the certificate
 9 will be applicable.
 10 (B) The person has a valid lease on the premises:
 11 (i) at the time of the application for a certificate; and
 12 (ii) for the duration of the period in which the person
 13 sells or distributes in the manner described in section
 14 1 of this chapter.
 15 (C) The person has a franchise agreement with a franchisor:
 16 (i) that owns the premises to which the certificate will
 17 be applicable; or
 18 (ii) that has a bona fide lease on the premises for the
 19 full period for which the certificate is to be issued.
 20 (4) A person whose place of business is conducted by a manager
 21 or agent, unless the manager or agent possesses the same
 22 qualifications required for the issuance of a tobacco sales
 23 certificate to the person.
 24 (5) A minor.
 25 (6) A person non compos mentis.
 26 (7) A person who has held a permit or certificate under this title
 27 and who has had that permit or certificate revoked **or suspended**
 28 within one (1) year prior to the date of application for a tobacco
 29 sales certificate.
 30 (8) A person who has made an application for a permit or
 31 certificate of any type under this title which has been denied less
 32 than one (1) year prior to the person's application for a tobacco
 33 sales certificate unless the first application was denied by reason
 34 of a procedural or technical defect.
 35 (b) Subsection (a)(5) does not prevent a minor from being a
 36 stockholder in a corporation.
 37 SECTION 5. IC 7.1-3-18.5-9.2, AS ADDED BY P.L.107-2024,
 38 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 39 JULY 1, 2026]: Sec. 9.2. (a) An employee of a certificate holder must
 40 hold a valid:
 41 (1) driver's license issued by the state of Indiana or another state;
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- 1 (2) identification card issued by the state of Indiana, another
 2 state, or the United States;
 3 to sell tobacco products.
- 4 (b) An employee must have the employee's driver's license or
 5 identification card or a copy of the employee's driver's license or
 6 identification card:
 7 (1) either:
 8 (A) in the employee's possession; or
 9 (B) on file with the employee's employer; and
 10 (2) upon request, readily available to show to an excise officer
 11 or law enforcement;
 12 when selling tobacco products.
- 13 (c) If an employee holds a valid license or identification card as
 14 described in subsection (a) but is unable to show the license,
 15 identification card, or a copy to an excise officer under subsection (b)
 16 because:
 17 (1) the employee has left the license, identification card, or copy
 18 in another location; or
 19 (2) the license, identification card, or copy has otherwise been
 20 lost or mislaid;
 21 the employee may, within five (5) days of the employee's inability to
 22 show the license, identification card, or copy to the excise officer,
 23 produce to the excise officer or to the office of the commission
 24 satisfactory evidence of a license or identification card issued to the
 25 individual that was valid at the time the individual was unable to show
 26 the license, identification card, or copy.
- 27 (d) If an employee who is unable to show a license, identification
 28 card, or copy to an excise officer fails to produce satisfactory evidence
 29 within five (5) days in the manner described in subsection (c), the
 30 commission may impose a civil penalty on the certificate holder under
 31 IC 7.1-3-23-3.
- 32 **(e) The commission shall take the following actions with**
 33 **respect to a certificate holder's certificate if the certificate holder's**
 34 **employees violate this section:**
 35 **(1) For three (3) violations in a one (1) year period, suspend**
 36 **the certificate for a period of five (5) days.**
 37 **(2) For four (4) violations in a one (1) year period, suspend**
 38 **the certificate for a period of an additional five (5) days.**
 39 **(3) For five (5) violations in a one (1) year period, suspend**
 40 **the certificate for a period of an additional five (5) days.**
 41 **(4) For six (6) or more violations in a one (1) year period,**
 42 **revoke the certificate.**

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1 SECTION 6. IC 7.1-5-10-23, AS AMENDED BY P.L.32-2019,
 2 SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 3 JULY 1, 2026]: Sec. 23. It is a Class C infraction for a permittee,
 4 **certificate holder**, or an employee or agent of a permittee **or**
 5 **certificate holder** to recklessly, knowingly, or intentionally sell, barter,
 6 exchange, provide, or furnish another person who is or reasonably
 7 appears to be less than forty (40) years of age an alcoholic beverage **or**
 8 **tobacco product** for consumption off the licensed premises without
 9 first requiring the person to produce:

10 (1) a driver's license;

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

14 (3) a government issued document;

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

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

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

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

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

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

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

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

41 SECTION 9. IC 7.1-7-1-2, AS AMENDED BY P.L.206-2017,
 42 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

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1 JULY 1, 2026]: Sec. 2. The purpose of this article is to protect public
2 health and safety by:

3 (1) ensuring the safety and security of e-liquid manufactured for
4 sale in Indiana;

5 (2) ensuring that e-liquid manufactured or sold in Indiana
6 conforms to appropriate standards of identity, strength, quality,
7 and purity; **and**

8 (3) ensuring that e-liquid is not contaminated or adulterated by
9 the inclusion of ingredients or other substances that might pose
10 unreasonable threats to public health and safety; **and**

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

13 SECTION 10. IC 7.1-7-2-8 IS REPEALED [EFFECTIVE JULY
14 1, 2026]. Sec. 8. "Distributor" means a person who is licensed under
15 IC 6-7-2-8 that:

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

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

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

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

24 (2) is intended to be vaporized and inhaled using a vapor
25 **product device.**

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

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

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

42 SECTION 15. IC 7.1-7-2-12.5 IS ADDED TO THE INDIANA

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1 CODE AS A NEW SECTION TO READ AS FOLLOWS
 2 [EFFECTIVE JULY 1, 2026]: **Sec. 12.5. "Foreign adversary**
 3 **product" means:**

4 (1) **an e-liquid; or**

5 (2) **an e-liquid containing an ingredient;**

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

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

13 SECTION 17. IC 7.1-7-2-15.5 IS REPEALED [EFFECTIVE
 14 JULY 1, 2026]. ~~Sec. 15.5. "Manufacturer of a closed system vapor~~
 15 ~~product" means a manufacturer of vapor products whose closed system~~
 16 ~~vapor products are for sale in Indiana; but that does not produce open~~
 17 ~~system vapor products that are for sale in Indiana.~~

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

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

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

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

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

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

39 (2) **To issue permits.**

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

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

3 SECTION 21. IC 7.1-7-4-1, AS AMENDED BY P.L.49-2020,
4 SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
5 JULY 1, 2026]: Sec. 1. **(a) Not later than January 1, 2027, a
6 manufacturer of e-liquid or an e-liquid product that is
7 manufactured or sold in Indiana must obtain a permit under this
8 section.**

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

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

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

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

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

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

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

28 (4) Verification that the facility will comply with applicable
29 tobacco products good manufacturing practices promulgated
30 under 21 U.S.C. 387f(e) of the federal Food, Drug, and Cosmetic
31 Act.

32 (5) Verification that the manufacturer will comply with the
33 applicable ingredient listing required by 21 U.S.C. 387d(a)(1) of
34 the federal Food, Drug, and Cosmetic Act.

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

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

40 **(8) Verification that the manufacturer will comply with all**
41 **other state and federal laws related to e-liquids and e-liquid**
42 **products.**

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

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

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

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

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

21 (1) The name, telephone number, and address of the applicant.
22 (2) The name, telephone number, and address of the
23 manufacturing facility.

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

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

28 (A) set forth in; and
29 (B) promulgated in federal rules under;

30 21 U.S.C. 387f through 21 U.S.C. 387u of the federal Food,
31 Drug, and Cosmetic Act.

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

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

37 **(7) Verification that the manufacturer will comply with all**
38 **other state and federal laws related to e-liquids and e-liquid**
39 **products.**

40 **(8) An affirmation, made under the penalties for perjury,**
41 **that the manufacturer will not use any ingredients or**
42 **e-liquids in the manufacturer's manufacturing process from**

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1 **a nation listed as a foreign adversary in 15 CFR 791.4.**
2 (c) The fees collected under subsection (b)(6) shall be deposited
3 in the enforcement and administration fund established under
4 IC 7.1-4-10.

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

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

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

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

- 22 (1) An e-liquid container must use a child proof cap that has the
- 23 child resistant effectiveness set forth in the federal poison
- 24 prevention packaging standards, 16 CFR 1700.15(b)(1).
- 25 (2) An e-liquid container must use a tamper evident package.
- 26 The tamper evident package feature must be designed to and
- 27 remain intact when handled in a reasonable manner during the
- 28 manufacture, distribution, and retail display of the e-liquid
- 29 container.
- 30 (3) The label on an e-liquid container must meet the nicotine
- 31 addictiveness warning statement requirements set forth in 21
- 32 CFR 1143.3.
- 33 (4) The manufacturer, **wholesaler**, or retailer may not add an
- 34 adulterated product to any e-liquid produced for sale in Indiana.
- 35 (5) The manufacturer must submit to random site visits by the
- 36 commission.
- 37 (6) The manufacturer may:
 - 38 (A) own and control both the e-liquid manufacturing
 - 39 process and the bottling process; or
 - 40 (B) subcontract with another manufacturer for the
 - 41 performance of the e-liquid manufacturing service, the
 - 42 bottling services, or both services.

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

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

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

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

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

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

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

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

34 SECTION 24. IC 7.1-7-4-8 IS ADDED TO THE INDIANA CODE
35 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
36 1, 2026]: **Sec. 8. (a) This section does not apply to:**

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

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

42 **(3) an e-liquid product that is manufactured by or sourced**

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1 from a foreign adversary, if the e-liquid product has been
2 specifically approved for distribution and sale in the United
3 States by the federal Food and Drug Administration.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

40 SECTION 27. IC 7.1-7-6-1, AS AMENDED BY P.L.206-2017,
41 SECTION 31, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
42 JULY 1, 2026]: Sec. 1. (a) If a manufacturer, ~~distributor~~, **wholesaler**,

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1 or retailer violates **any provision of** this article, the manufacturer,
2 ~~distributor, wholesaler,~~ or retailer may be reprimanded, assessed a
3 civil penalty, or have the manufacturer's permit, ~~distributor's license,~~
4 **wholesaler's tobacco sales certificate,** or retailer's tobacco sales
5 certificate suspended **by the commission.**

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

20 (c) The commission may assess a civil penalty against a
21 manufacturer, ~~distributor, wholesaler,~~ or retailer for a violation of this
22 article in an amount that does not exceed ten thousand dollars
23 (\$10,000). A civil penalty may be assessed in addition to other
24 penalties allowed under this article.

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

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

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

38 (b) "Person" or the term "company", used in this chapter
39 interchangeably, means and includes any individual, assignee, receiver,
40 commissioner, fiduciary, trustee, executor, administrator, institution,
41 bank, consignee, firm, partnership, limited liability company, joint
42 vendor, pool, syndicate, bureau, association, cooperative association,

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1 society, club, fraternity, sorority, lodge, corporation, municipal
 2 corporation, or other political subdivision of the state engaged in
 3 private or proprietary activities or business, estate, trust, or any other
 4 group or combination acting as a unit, and the plural as well as the
 5 singular number, unless the intention to give a more limited meaning
 6 is disclosed by the context.

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

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

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

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

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

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

36 (i) "Cost to the retailer" shall mean the basic cost of cigarettes to
 37 the retailer, plus the cost of doing business by the retailer as evidenced
 38 by the standards and methods of accounting regularly employed by him
 39 in his allocation of overhead costs and expenses paid or incurred and
 40 must include without limitation labor (including salaries of executives
 41 and officers), rent, depreciation, selling costs, maintenance of
 42 equipment, delivery costs, all types of licenses, taxes, insurance, and

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1 advertising; however, any retailer who, in connection with the retailer's
 2 purchase, receives not only the discounts ordinarily allowed upon
 3 purchases by a retailer, but also, in whole or in part, discounts
 4 ordinarily allowed on purchases by a distributor shall, in determining
 5 costs to the retailer pursuant to this section, add the cost to the
 6 distributor, as defined in paragraph (j), to the basic cost of cigarettes to
 7 said retailer as well as the cost of doing business by the retailer. In the
 8 absence of proof of a lesser or higher cost of doing business:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

42 (H) During 2024, thirteen and seventy-five hundredths

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1 percent (13.75%).
 2 (I) After 2024, fourteen percent (14%).
 3 (j) "Cost to the distributor" shall mean the basic cost of cigarettes
 4 to the distributor, plus the cost of doing business by the distributor as
 5 evidenced by the standards and methods of accounting regularly
 6 employed by him in his allocation of overhead costs and expenses, paid
 7 or incurred, and must include without limitation labor costs (including
 8 salaries of executives and officers), rent, depreciation, selling costs,
 9 maintenance of equipment, delivery costs, all types of licenses, taxes,
 10 insurance, and advertising. In the absence of proof of a lesser or higher
 11 cost of doing business by the distributor making the sale, the cost of
 12 doing business by the wholesaler shall be presumed to be four percent
 13 (4%) of the basic cost of cigarettes to the distributor, plus cartage to the
 14 retail outlet, if performed or paid for by the distributor, which cartage
 15 cost, in the absence of proof of a lesser or higher cost, shall be deemed
 16 to be one-half of one percent (0.5%) of the basic cost of cigarettes to
 17 the distributor.
 18 (k) "Registration certificate" refers to the registration certificate
 19 issued to cigarette distributors by the department of state revenue under
 20 IC 6-7-1-16.
 21 **(l) "Buydown" means any payment or compensation given by**
 22 **a cigarette manufacturer to a cigarette distributor or retailer to**
 23 **promote the sale of cigarettes and for which the manufacturer**
 24 **requires that either:**
 25 **(1) the distributor pass the resulting price reduction on to the**
 26 **retailer; or**
 27 **(2) the retailer pass the resulting price reduction on to the**
 28 **consumer.**
 29 SECTION 29. IC 24-3-2-9 IS AMENDED TO READ AS
 30 FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 9. (a) In determining
 31 cost to the retailer and cost to the distributor, the court or the
 32 department, as the case may be, shall receive and consider as bearing
 33 on the bona fides of such cost evidence tending to show that any person
 34 complained against under any of the provisions of this chapter
 35 purchased cigarettes with respect to the sale of which complaint is
 36 made at a fictitious price, or upon terms, or in such manner, or under
 37 such invoices, as to conceal the true cost, discounts, or terms of
 38 purchase, and shall also receive and consider as bearing on the bona
 39 fides of such cost evidence of the normal, customary, and prevailing
 40 terms and discounts in connection with other sales of a similar nature
 41 in the trade area or state.
 42 (b) Merchandise given gratis or payment made to a retailer or

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1 distributor for display, or advertising, or promotion purposes, or
2 otherwise shall not be considered in determining the cost of cigarettes
3 to the retailer or distributor.

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

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

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

16 (c) "Enterprise" means:

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

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

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

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

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- 1 (10) Robbery (IC 35-42-5-1).
- 2 (11) Carjacking (IC 35-42-5-2) (before its repeal).
- 3 (12) Arson (IC 35-43-1-1).
- 4 (13) Burglary (IC 35-43-2-1).
- 5 (14) Theft (IC 35-43-4-2).
- 6 (15) Receiving stolen property (IC 35-43-4-2) (before its
- 7 amendment on July 1, 2018).
- 8 (16) Forgery (IC 35-43-5-2).
- 9 (17) An offense under IC 35-43-5.
- 10 (18) Bribery (IC 35-44.1-1-2).
- 11 (19) Official misconduct (IC 35-44.1-1-1).
- 12 (20) Conflict of interest (IC 35-44.1-1-4).
- 13 (21) Perjury (IC 35-44.1-2-1).
- 14 (22) Obstruction of justice (IC 35-44.1-2-2).
- 15 (23) Intimidation (IC 35-45-2-1).
- 16 (24) Promoting prostitution (IC 35-45-4-4).
- 17 (25) Professional gambling (IC 35-45-5-3).
- 18 (26) Maintaining a professional gambling site
- 19 (IC 35-45-5-3.5(b)).
- 20 (27) Promoting professional gambling (IC 35-45-5-4).
- 21 (28) Dealing in or manufacturing cocaine or a narcotic drug
- 22 (IC 35-48-4-1).
- 23 (29) Dealing in methamphetamine (IC 35-48-4-1.1).
- 24 (30) Manufacturing methamphetamine (IC 35-48-4-1.2).
- 25 (31) Dealing in a schedule I, II, or III controlled substance
- 26 (IC 35-48-4-2).
- 27 (32) Dealing in a schedule IV controlled substance
- 28 (IC 35-48-4-3).
- 29 (33) Dealing in a schedule V controlled substance
- 30 (IC 35-48-4-4).
- 31 (34) Dealing in marijuana, hash oil, hashish, or salvia
- 32 (IC 35-48-4-10).
- 33 (35) Money laundering (IC 35-45-15-5).
- 34 (36) A violation of IC 35-47.5-5.
- 35 (37) A violation of any of the following:
- 36 (A) IC 23-14-48-9.
- 37 (B) IC 30-2-9-7(b).
- 38 (C) IC 30-2-10-9(b).
- 39 (D) IC 30-2-13-38(f).
- 40 (38) Practice of law by a person who is not an attorney
- 41 (IC 33-43-2-1).
- 42 (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.

42 (d) It is not a defense that the person to whom the tobacco product

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1 was sold or distributed did not smoke, chew, inhale, or otherwise
2 consume the tobacco product.

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

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

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

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

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

20 (1) Agriculture.

21 (2) Processing.

22 (3) Transporting.

23 (4) Wholesaling.

24 (5) Retailing.

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

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

35 (i) 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 (IC 7.1-6-2-6).

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

41 SECTION 32. IC 35-46-1-11.7, AS AMENDED BY
42 P.L.163-2025, SECTION 66, IS AMENDED TO READ AS

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1 FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 11.7. (a) A retail
2 establishment in which tobacco products account for at least eighty-five
3 percent (85%) of the retail establishment's gross sales may not allow an
4 individual who is less than twenty-one (21) years of age to enter the
5 retail establishment.

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

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

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

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

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

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

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

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

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

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

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

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

39 SECTION 33. IC 35-46-6-3, AS AMENDED BY P.L.163-2025,
40 SECTION 68, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
41 JULY 1, 2026]: Sec. 3. (a) A person who knowingly or intentionally
42 uses or distributes nitrous oxide with intent to cause a condition of

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1 intoxication, euphoria, excitement, exhilaration, stupefaction, or
2 dulling of the senses of another person, unless the nitrous oxide is to be
3 used for medical purposes, commits a Class B misdemeanor. However,
4 the offense is a Class A misdemeanor if the person has a prior
5 unrelated conviction under this section.

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

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

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

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