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# SENATE BILL No. 185

Proposed Changes to January 23, 2026 printing by AM018509

## DIGEST OF PROPOSED AMENDMENT

Alcohol and tobacco matters. Replaces SECTIONS concerning: (1) an application for a tobacco sales certificate; and (2) the suspension of a tobacco sales certificate; with versions of the same SECTIONS from HB 1052 as the bill passed the House. Deletes a SECTION from the bill that would have changed the time a tobacco sales certificate is valid from the date of issuance from three years to one year. Repeals a provision stating that certain statutes concerning vapor pens and e-liquid do not apply to a manufacturer of a closed system vapor product. Defines "e-liquid product" and includes the term in various provisions in the bill. Modifies multiple references to a nation listed as a foreign adversary.

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

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1 CODE AS A NEW SECTION TO READ AS FOLLOWS  
 2 [EFFECTIVE JULY 1, 2026]: **Sec. 1.5. (a) A person may not sell**  
 3 **tobacco products or electronic cigarettes at wholesale or**  
 4 **participate in the wholesale distribution of tobacco products or**  
 5 **electronic cigarettes without a valid wholesale tobacco sales**  
 6 **certificate issued by the commission.**

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

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

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

17 (2) Except as provided in section 6(c) of this chapter, a fee of[  
 18 (A) ]two hundred dollars (\$200)[ for a retail tobacco  
 19 sales certificate; or  
 20 (B) one hundred dollars (\$100) for a wholesale tobacco  
 21 sales certificate].]

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

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

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

27 (6) If the applicant is applying for a new certificate under section  
 28 3.2 of this chapter, a copy of each of the following:

29 (A) If the new ownership of the business is a business  
 30 entity, the articles of incorporation, articles of organization,  
 31 or any other formation documents of the business entity.

32 (B) If the new ownership of the business is an individual,  
 33 either:

34 (i) the sales or purchase agreement; or

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

39 (C) The certificate held by the previous ownership of the  
 40 business.

41 [ (7) A photocopy of the owner's driver's license, identification  
 42 card issued under IC 9-24-16-1, a similar card issued under

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1 the laws of another state or the federal government, or  
 2 another government issued document that bears the owner's  
 3 photograph and birth date. If the applicant is a business with  
 4 multiple owners, the applicant must designate at least one (1)  
 5 managing owner for whom a photocopy of the managing  
 6 owner's identification must be provided under this  
 7 subdivision.

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

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

20 (d) Any intentional misstatement or suppression of a material fact  
 21 in an application filed under this section constitutes grounds for denial  
 22 [or revocation] of the certificate.

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

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

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

28 (3) The person has not had an interest in a certificate revoked **or**  
 29 **suspended** [ ] by the commission for that business location within  
 30 the preceding one (1) year.

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

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

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

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

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- 1 (A) a federal crime having a sentence of at least one (1)  
 2 year;  
 3 (B) a Level 1, Level 2, Level 3, Level 4, or Level 5 felony;  
 4 or  
 5 (C) a crime in a state other than Indiana having a penalty  
 6 equal to the penalty for an Indiana Level 1, Level 2, Level  
 7 3, Level 4, or Level 5 felony.
- 8 However, this subdivision does not apply to a conviction that has  
 9 been expunged under IC 35-38-9.
- 10 (3) A person who does not meet at least one (1) of the following  
 11 descriptions:
- 12 (A) The person owns the premises to which the certificate  
 13 will be applicable.  
 14 (B) The person has a valid lease on the premises:  
 15 (i) at the time of the application for a certificate; and  
 16 (ii) for the duration of the period in which the person  
 17 sells or distributes in the manner described in section  
 18 1 of this chapter.  
 19 (C) The person has a franchise agreement with a franchisor:  
 20 (i) that owns the premises to which the certificate will  
 21 be applicable; or  
 22 (ii) that has a bona fide lease on the premises for the  
 23 full period for which the certificate is to be issued.
- 24 (4) A person whose place of business is conducted by a manager  
 25 or agent, unless the manager or agent possesses the same  
 26 qualifications required for the issuance of a tobacco sales  
 27 certificate to the person.
- 28 (5) A minor.
- 29 (6) A person non compos mentis.
- 30 (7) A person who has held a permit or certificate under this title  
 31 and who has had that permit or certificate revoked **or**  
 32 **suspended** within one (1) year prior to the date of application  
 33 for a tobacco sales certificate.
- 34 (8) A person who has made an application for a permit or  
 35 certificate of any type under this title which has been denied less  
 36 than one (1) year prior to the person's application for a tobacco  
 37 sales certificate unless the first application was denied by reason  
 38 of a procedural or technical defect.
- 39 (b) Subsection (a)(5) does not prevent a minor from being a  
 40 stockholder in a corporation.
- 41 ~~← SECTION 5. IC 7.1-3-18.5-3, AS AMENDED BY P.L.224-2005,~~  
 42 ~~SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE~~

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~~JULY 1, 2026]: Sec. 3. (a) A certificate 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~~[5]. 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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1 the license, identification card, or copy.

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

7 (e) ~~⇨~~ [The commission shall take the following actions with  
8 respect to a certificate holder's certificate if ~~⇨~~[the] certificate  
9 holder's employees violate this section]:

10 (1) For] three (3) ~~⇨~~or more times>[violations] in a one (1)  
11 year period, ~~⇨~~the commission shall>suspend the<certificate  
12 holder's> certificate for a period of five (5) days.[

13 (2) For four (4) violations in a one (1) year period, suspend  
14 the certificate for a period of an additional five (5) days.

15 (3) For five (5) violations in a one (1) year period, suspend  
16 the certificate for a period of an additional five (5) days.

17 (4) For six (6) or more violations in a one (1) year period,  
18 revoke the certificate.]

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

28 (1) a driver's license;

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

32 (3) a government issued document;

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

35 SECTION ~~⇨~~[7]. IC 7.1-7-1-0.5 IS ADDED TO THE INDIANA  
36 CODE AS A **NEW SECTION** TO READ AS FOLLOWS  
37 [EFFECTIVE JULY 1, 2026]: **Sec. 0.5. (a) An e-liquid product**  
38 **manufactured, distributed, or sold in Indiana must adhere to all**  
39 **applicable rules and regulations of the federal Food and Drug**  
40 **Administration, including those rules and regulations regarding**  
41 **product safety, labeling, and manufacturing standards.**

42 (b) Except as otherwise provided in this article, this article

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1 does not require a product subject to this article to be specifically  
2 approved by the federal Food and Drug Administration if the  
3 product satisfies all applicable rules and regulations.

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

7 SECTION ~~8~~[8]. IC 7.1-7-1-1, AS AMENDED BY  
8 P.L.206-2017, SECTION 2, IS AMENDED TO READ AS FOLLOWS  
9 [EFFECTIVE JULY 1, 2026]: Sec. 1. ~~(a)~~ ~~Except~~ ~~as~~  
10 ~~provided~~ ~~in~~ ~~subsection~~ ~~(b)~~, ~~and~~ ~~this~~ article applies to the  
11 following:

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

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

16 ~~(b)~~ ~~This~~ ~~article~~ does not apply ~~and~~ ~~applies~~ ~~to~~ a  
17 manufacturer ~~manufacturers~~ ~~of~~ a ~~both~~ closed ~~and open~~ ~~vapor~~  
18 ~~system~~ ~~vapor~~ product, except as specifically provided in this  
19 article. ~~devices manufactured or sold in Indiana.~~

20 SECTION ~~9~~[9]. IC 7.1-7-1-2, AS AMENDED BY  
21 P.L.206-2017, SECTION 3, IS AMENDED TO READ AS FOLLOWS  
22 [EFFECTIVE JULY 1, 2026]: Sec. 2. The purpose of this article is to  
23 protect public health and safety by:

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

26 (2) ensuring that e-liquid manufactured or sold in Indiana  
27 conforms to appropriate standards of identity, strength, quality,  
28 and purity; ~~and~~

29 (3) ensuring that e-liquid is not contaminated or adulterated by  
30 the inclusion of ingredients or other substances that might pose  
31 unreasonable threats to public health and safety; ~~and~~

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

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

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

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

41 SECTION 1 ~~11~~[11]. IC 7.1-7-2-10, AS AMENDED BY  
42 P.L.206-2017, SECTION 9, IS AMENDED TO READ AS FOLLOWS

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1 [EFFECTIVE JULY 1, 2026]: Sec. 10. "E-liquid" means a substance  
2 that:

- 3 (1) may or may not contain nicotine; and  
4 (2) is intended to be vaporized and inhaled using a vapor  
5 ~~product.~~ **device.**

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

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

16 SECTION 14. IC 7.1-7-2-12.3 IS ADDED TO THE INDIANA  
17 CODE AS A NEW SECTION TO READ AS FOLLOWS  
18 [EFFECTIVE JULY 1, 2026]: Sec. 12.3. "Foreign adversary" means  
19 an individual, business entity, or other entity located in or  
20 organized under the laws of a nation ~~<governed by>~~ [listed as] a  
21 foreign ~~<government listed>~~ [adversary] in 15 CFR 791.4.

22 SECTION 15. IC 7.1-7-2-12.5 IS ADDED TO THE INDIANA  
23 CODE AS A NEW SECTION TO READ AS FOLLOWS  
24 [EFFECTIVE JULY 1, 2026]: Sec. 12.5. "Foreign adversary  
25 product" means:

- 26 (1) an e-liquid; or  
27 (2) an e-liquid containing an ingredient;

28 that is manufactured, sourced, or otherwise imported from a  
29 nation ~~<governed by>~~ [listed as] a foreign ~~<government~~  
30 ~~listed>~~ [adversary] in 15 CFR 791.4.

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

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

41 SECTION 18. IC 7.1-7-2-23, AS AMENDED BY P.L.206-2017,  
42 SECTION 20, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

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1 JULY 1, 2026]: Sec. 23. "Vapor ~~product~~ **device**" means a powered  
2 vaporizer that converts e-liquid to a vapor intended for inhalation. **The**  
3 **term includes both open and closed system vapor devices.**

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

9 (1) distributes, sells, barter, or exchanges e-liquid for  
10 e-liquid products in Indiana to retail dealers for the purpose  
11 of resale; or

12 (2) purchases e-liquid for e-liquid products directly from a  
13 manufacturer for the purpose of resale to resellers.

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

18 (1) To require the submission of information necessary to  
19 implement this article.

20 (2) To issue permits.

21 (3) To charge fees as set forth in this article. ~~The fees charged~~  
22 ~~under this subdivision may not exceed the actual costs incurred~~  
23 ~~by the commission.~~

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

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

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

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

39 (c) A manufacturing permit issued by the commission **before July**  
40 **1, 2026, is valid for five (5) years. A manufacturing permit issued by**  
41 **the commission after June 30, 2026, is valid for two (2) years. A**  
42 **manufacturing permit issued by the commission under this article**

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1 before July 1, 2017; does not expire before July 1, 2020.

2 (d) An initial application for a manufacturing permit must include  
3 the following:

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

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

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

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

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

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

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

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

24 **(9) An affirmation, made under the penalties for perjury,**  
25 **that the manufacturer will not use any ingredients or**  
26 **e-liquids in the manufacturer's manufacturing process** ~~that~~  
27 ~~originate in~~ from a nation ~~governed by~~ listed as a  
28 foreign ~~government listed~~ adversary in 15 CFR 791.4.

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

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

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

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- 1 (b) A renewal application for a manufacturing permit must include
- 2 the following:
- 3 (1) The name, telephone number, and address of the applicant.
- 4 (2) The name, telephone number, and address of the
- 5 manufacturing facility.
- 6 (3) The name, telephone number, title, and address of the person
- 7 responsible for the manufacturing facility.
- 8 (4) Verification that the facility complies with all tobacco
- 9 products good manufacturing practices:
- 10 (A) set forth in; and
- 11 (B) promulgated in federal rules under;
- 12 21 U.S.C. 387f through 21 U.S.C. 387u of the federal Food,
- 13 Drug, and Cosmetic Act.
- 14 (5) Written consent allowing the state police department to
- 15 conduct a state or national criminal history background check on
- 16 any person listed on the application.
- 17 (6) A nonrefundable renewal application fee of ~~five hundred~~
- 18 ~~dollars (\$500):~~ **one thousand dollars (\$1,000).**
- 19 **(7) Verification that the manufacturer will comply with all**
- 20 **other state and federal laws related to e-liquids [\[and e-liquid](#)**
- 21 **[products\]](#).**
- 22 **(8) An affirmation, made under the penalties for perjury,**
- 23 **that the manufacturer will not use any ingredients or**
- 24 **e-liquids in the manufacturer's manufacturing process ~~<that~~**
- 25 **~~originate in>~~ [\[from\]](#) a nation ~~<governed by>~~ [\[listed as\]](#) a**
- 26 **foreign ~~<government listed>~~ [\[adversary\]](#) in 15 CFR 791.4.**
- 27 (c) The fees collected under subsection (b)(6) shall be deposited
- 28 in the enforcement and administration fund established under
- 29 IC 7.1-4-10.
- 30 SECTION 23. IC 7.1-7-4-6, AS AMENDED BY P.L.17-2019,
- 31 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 32 JULY 1, 2026]: Sec. 6. (a) As used in this section:
- 33 (1) "adulterated" means a product that:
- 34 (A) consists in whole or in part of any filthy, putrid, or
- 35 decomposed substance; ~~or~~
- 36 (B) is contaminated by any added poisonous or added
- 37 deleterious substance that may render the product injurious
- 38 to health; ~~and or~~
- 39 **(C) is a foreign adversary product (as defined in**
- 40 **IC 7.1-7-2-12.5); and**
- 41 (2) "tamper evident package" means a package having at least
- 42 one (1) indicator or barrier to entry that, if breached or missing,

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- 1 can reasonably be expected to provide visible evidence to  
 2 consumers that tampering has occurred.
- 3 (b) A manufacturing facility shall comply with the following  
 4 requirements:
- 5 (1) An e-liquid container must use a child proof cap that has the  
 6 child resistant effectiveness set forth in the federal poison  
 7 prevention packaging standards, 16 CFR 1700.15(b)(1).
- 8 (2) An e-liquid container must use a tamper evident package.  
 9 The tamper evident package feature must be designed to and  
 10 remain intact when handled in a reasonable manner during the  
 11 manufacture, distribution, and retail display of the e-liquid  
 12 container.
- 13 (3) The label on an e-liquid container must meet the nicotine  
 14 addictiveness warning statement requirements set forth in 21  
 15 CFR 1143.3.
- 16 (4) The manufacturer, **wholesaler**, or retailer may not add an  
 17 adulterated product to any e-liquid produced for sale in Indiana.
- 18 (5) The manufacturer must submit to random site visits by the  
 19 commission.
- 20 (6) The manufacturer may:
- 21 (A) own and control both the e-liquid manufacturing  
 22 process and the bottling process; or
- 23 (B) subcontract with another manufacturer for the  
 24 performance of the e-liquid manufacturing service, the  
 25 bottling services, or both services.
- 26 However, both the manufacturer performing a service under  
 27 clause (B) and the manufacturer for which the service is  
 28 performed must meet the requirements of this article, **including**  
 29 **obtaining a permit. A manufacturer may not be located in or**  
 30 **source any ingredient or substance used in an e-liquid for**  
 31 **e-liquid product from a nation ~~<governed by>~~ [listed as] a**  
 32 **foreign ~~<government listed>~~ [adversary] in 15 CFR 791.4.**
- 33 (7) A manufacturer may use a flavoring, as defined by  
 34 IC 7.1-7-2-12, as an ingredient in an e-liquid.
- 35 (8) The manufacturer or any person listed on the permit  
 36 application may not have been convicted within ten (10) years  
 37 before the date of application of:
- 38 (A) a federal crime having a sentence of at least one (1)  
 39 year;
- 40 (B) an Indiana Class A, Class B, or Class C felony (for a  
 41 crime committed before July 1, 2014) or a Level 1, Level 2,  
 42 Level 3, Level 4, or Level 5 felony (for a crime committed

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- 1 after June 30, 2014);
- 2 (C) a crime in a state other than Indiana having a penalty
- 3 equal to the penalty for an Indiana Class A, Class B, or
- 4 Class C felony (for a crime committed before July 1, 2014)
- 5 or a Level 1, Level 2, Level 3, Level 4, or Level 5 felony
- 6 (for a crime committed after June 30, 2014);
- 7 (D) an Indiana Class D felony involving a controlled
- 8 substance under IC 35-48-4 (for a crime committed before
- 9 July 1, 2014) or a Level 6 felony involving a controlled
- 10 substance under IC 35-48-4 (for a crime committed after
- 11 June 30, 2014); or
- 12 (E) a crime in a state other than Indiana similar to a Class D
- 13 felony involving a controlled substance under IC 35-48-4
- 14 (for a crime committed before July 1, 2014) or a Level 6
- 15 felony involving a controlled substance under IC 35-48-4
- 16 (for a crime committed after June 30, 2014).

17 SECTION 24. IC 7.1-7-4-8 IS ADDED TO THE INDIANA CODE  
 18 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
 19 1, 2026]: Sec. 8. (a) This section does not apply to:

- 20 (1) a vapor device (as defined in IC 7.1-7-2-23), including<=>
- 21 ~~(A)~~ a part to be utilized in an open or closed system to
- 22 convert e-liquid to a vapor for inhalation;<or>
- 23 <=><del(B)> [2] an e-liquid product <that includes a vapor
- 24 device sourced from or> manufactured by [or sourced
- 25 from] a foreign adversary; and
- 26 <=> [3] an e-liquid product that is manufactured by or
- 27 sourced from a foreign adversary, if the e-liquid product has
- 28 been specifically approved for distribution and sale in the
- 29 United States by the federal Food and Drug Administration.
- 30 (b) A manufacturer <of e-liquid> that is permitted or required
- 31 to be permitted under this chapter may not manufacture or source
- 32 a foreign adversary product.
- 33 (c) A retailer that holds or is required to hold a tobacco sales
- 34 certificate under IC 7.1-3-18.5-1 may not possess, sell, or otherwise
- 35 distribute a foreign adversary product.
- 36 (d) A wholesaler that holds or is required to hold a wholesale
- 37 tobacco sales certificate under IC 7.1-3-18.5-1.5 may not possess,
- 38 sell, or otherwise distribute a foreign adversary product.

39 SECTION 25. IC 7.1-7-5-1.1, AS AMENDED BY P.L.220-2023,  
 40 SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 41 JULY 1, 2026]: Sec. 1.1. (a) A retailer must have a valid sales  
 42 certificate issued by the commission in accordance with

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1 IC 7.1-3-18.5-1 that contains a separate box to check for identifying a  
2 retailer that sells e-liquids.

3 (b) A retailer may purchase e-liquid only from an Indiana e-liquid  
4 manufacturing permit holder or an Indiana ~~distributor wholesaler~~  
5 ]permit holder.

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

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

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

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

14 (g) A ~~distributor wholesaler~~ that does not have a valid e-liquid  
15 manufacturing permit issued under IC 7.1-7-4 must have a valid  
16 ]~~distributor's license wholesale tobacco sales certificate~~ issued under  
17 ~~IC 6-7-2-8; IC 7.1-3-18.5-1.5.~~

18 (h) A ~~distributor wholesaler~~ shall purchase and distribute e-liquid  
19 from an:

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

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

23 (A) e-liquid manufacturing permit issued under IC 7.1-7-4;

24 or

25 (B) ~~distributor's license wholesale tobacco sales~~  
26 ~~certificate~~] under ~~IC 6-7-2-8; IC 7.1-3-18.5-1.5.~~

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

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

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

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

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

42 A report under this subsection is confidential, and the commission may

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1 not disclose it to another person.  
2 (l) A manufacturer **permitted or required to be permitted under**  
3 **IC 7.1-7-4** shall annually submit a report to the commission setting  
4 forth:

- 5 (1) the milligrams per milliliter of nicotine in each product the  
6 manufacturer produces; and
- 7 (2) the milliliters of each product sold that current year.

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

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

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

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

24 SECTION 27. IC 7.1-7-6-1, AS AMENDED BY P.L.206-2017,  
25 SECTION 31, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
26 JULY 1, 2026]: Sec. 1. (a) If a manufacturer, ~~distributor, wholesaler,~~  
27 ~~]~~ or retailer violates **any provision of** this article, the manufacturer,  
28 ~~distributor, wholesaler,~~ or retailer may be reprimanded, assessed a  
29 civil penalty, or have the manufacturer's permit, ~~distributor's license,~~  
30 **wholesaler's tobacco sales certificate,** or retailer's tobacco sales  
31 certificate suspended **by the commission.**

32 (b) Any provision in this article that requires a manufacturer,  
33 **wholesaler, or retailer** to comply with the federal Food, Drug, and  
34 Cosmetic Act or a federal rule promulgated under the federal Food,  
35 Drug, and Cosmetic Act is under the ~~sole~~ **dual** jurisdiction of the  
36 federal Food and Drug Administration **and the commission and may**  
37 **be enforced through action by the federal Food and Drug**  
38 **Administration and the commission.** If the federal Food and Drug  
39 Administration seeks court enforcement of any section of the federal  
40 Food, Drug, and Cosmetic Act cited in this article and a civil monetary  
41 penalty is assessed against the manufacturer, the act or omission for  
42 which the penalty was assessed constitutes a violation of this article

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1 **and may result in a reprimand or civil penalty or a revocation by**  
2 **the commission of the license or sales certificate of the**  
3 **manufacturer, wholesaler, or retailer.**

4 (c) The commission may assess a civil penalty against a  
5 manufacturer, ~~distributor~~, **wholesaler**, or retailer for a violation of this  
6 article in an amount that does not exceed ten thousand dollars  
7 (\$10,000). A civil penalty may be assessed in addition to other  
8 penalties allowed under this article.

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

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

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

22 (b) "Person" or the term "company", used in this chapter  
23 interchangeably, means and includes any individual, assignee, receiver,  
24 commissioner, fiduciary, trustee, executor, administrator, institution,  
25 bank, consignee, firm, partnership, limited liability company, joint  
26 vendor, pool, syndicate, bureau, association, cooperative association,  
27 society, club, fraternity, sorority, lodge, corporation, municipal  
28 corporation, or other political subdivision of the state engaged in  
29 private or proprietary activities or business, estate, trust, or any other  
30 group or combination acting as a unit, and the plural as well as the  
31 singular number, unless the intention to give a more limited meaning  
32 is disclosed by the context.

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

40 (d) "Retailer" shall mean every person, other than a distributor,  
41 who purchases, sells, offers for sale, or distributes cigarettes to  
42 consumers or to any person for any purpose other than resale,

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- 1       irrespective of quantity or amount or the number of sales.
- 2       (e) "Sell at retail", "sale at retail", and "retail sales" shall mean and
- 3       include any transfer of title to cigarettes for a valuable consideration
- 4       made in the ordinary course of trade or usual conduct of the seller's
- 5       business to the purchaser for consummation or use.
- 6       (f) "Sell at wholesale", "sale at wholesale", and "wholesale sales"
- 7       shall mean and include any transfer of title to cigarettes for a valuable
- 8       consideration made in the ordinary course of trade or usual conduct of
- 9       a distributor's business.
- 10      (g) "Basic cost of cigarettes" shall mean the invoice cost of
- 11      cigarettes to the retailer or distributor, as the case may be, or the
- 12      replacement cost of cigarettes to the retailer or distributor, as the case
- 13      may be, within thirty (30) days prior to the date of sale, in the quantity
- 14      last purchased, whichever is the lower, less all trade discounts and
- 15      customary discounts for cash, plus the cost at full face value of any
- 16      stamps which may be required by IC 6-7-1, if not included by the
- 17      manufacturer in his selling price to the distributor.
- 18      (h) "Department" shall mean the alcohol and tobacco commission
- 19      or its duly authorized assistants and employees.
- 20      (i) "Cost to the retailer" shall mean the basic cost of cigarettes to
- 21      the retailer, plus the cost of doing business by the retailer as evidenced
- 22      by the standards and methods of accounting regularly employed by him
- 23      in his allocation of overhead costs and expenses paid or incurred and
- 24      must include without limitation labor (including salaries of executives
- 25      and officers), rent, depreciation, selling costs, maintenance of
- 26      equipment, delivery costs, all types of licenses, taxes, insurance, and
- 27      advertising; however, any retailer who, in connection with the retailer's
- 28      purchase, receives not only the discounts ordinarily allowed upon
- 29      purchases by a retailer, but also, in whole or in part, discounts
- 30      ordinarily allowed on purchases by a distributor shall, in determining
- 31      costs to the retailer pursuant to this section, add the cost to the
- 32      distributor, as defined in paragraph (j), to the basic cost of cigarettes to
- 33      said retailer as well as the cost of doing business by the retailer. In the
- 34      absence of proof of a lesser or higher cost of doing business:
- 35      (1) by the retailer making the sale, the cost of doing business by
- 36      the retailer shall be presumed to be the following percent of the
- 37      basic cost of cigarettes to the retailer:
- 38      (A) Until January 1, 2018, twelve percent (12%).
- 39      (B) During 2018, twelve and twenty-five hundredths
- 40      percent (12.25%).
- 41      (C) During 2019, twelve and five tenths percent (12.5%).
- 42      (D) During 2020, twelve and seventy-five hundredths

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- 1 percent (12.75%).  
 2 (E) During 2021, thirteen percent (13%).  
 3 (F) During 2022, thirteen and twenty-five hundredths  
 4 percent (13.25%).  
 5 (G) During 2023, thirteen and five tenths percent (13.5%).  
 6 (H) During 2024, thirteen and seventy-five hundredths  
 7 percent (13.75%).  
 8 (I) After 2024, fourteen percent (14%).  
 9 (2) by the retailer, who in connection with the retailer's purchase  
 10 receives not only the discounts ordinarily allowed upon  
 11 purchases by a retailer, but also, in whole or in part, the  
 12 discounts ordinarily allowed upon purchases by a distributor,  
 13 shall be presumed to be the following percent of the sum of the  
 14 basic cost of cigarettes plus the cost of doing business by the  
 15 distributor:  
 16 (A) Until January 1, 2018, twelve percent (12%).  
 17 (B) During 2018, twelve and twenty-five hundredths  
 18 percent (12.25%).  
 19 (C) During 2019, twelve and five tenths percent (12.5%).  
 20 (D) During 2020, twelve and seventy-five hundredths  
 21 percent (12.75%).  
 22 (E) During 2021, thirteen percent (13%).  
 23 (F) During 2022, thirteen and twenty-five hundredths  
 24 percent (13.25%).  
 25 (G) During 2023, thirteen and five tenths percent (13.5%).  
 26 (H) During 2024, thirteen and seventy-five hundredths  
 27 percent (13.75%).  
 28 (I) After 2024, fourteen percent (14%).  
 29 (j) "Cost to the distributor" shall mean the basic cost of cigarettes  
 30 to the distributor, plus the cost of doing business by the distributor as  
 31 evidenced by the standards and methods of accounting regularly  
 32 employed by him in his allocation of overhead costs and expenses, paid  
 33 or incurred, and must include without limitation labor costs (including  
 34 salaries of executives and officers), rent, depreciation, selling costs,  
 35 maintenance of equipment, delivery costs, all types of licenses, taxes,  
 36 insurance, and advertising. In the absence of proof of a lesser or higher  
 37 cost of doing business by the distributor making the sale, the cost of  
 38 doing business by the wholesaler shall be presumed to be four percent  
 39 (4%) of the basic cost of cigarettes to the distributor, plus cartage to the  
 40 retail outlet, if performed or paid for by the distributor, which cartage  
 41 cost, in the absence of proof of a lesser or higher cost, shall be deemed  
 42 to be one-half of one percent (0.5%) of the basic cost of cigarettes to

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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 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 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 30. 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:

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- 1 (1) a sole proprietorship, corporation, limited liability company,  
2 partnership, business trust, or governmental entity; or  
3 (2) a union, an association, or a group, whether a legal entity or  
4 merely associated in fact.
- 5 (d) "Pattern of racketeering activity" means engaging in at least  
6 two (2) incidents of racketeering activity that have the same or similar  
7 intent, result, accomplice, victim, or method of commission, or that are  
8 otherwise interrelated by distinguishing characteristics that are not  
9 isolated incidents. However, the incidents are a pattern of racketeering  
10 activity only if at least one (1) of the incidents occurred after August  
11 31, 1980, and if the last of the incidents occurred within five (5) years  
12 after a prior incident of racketeering activity.
- 13 (e) "Racketeering activity" means to commit, to attempt to commit,  
14 to conspire to commit a violation of, or aiding and abetting in a  
15 violation of any of the following:
- 16 (1) A provision of IC 23-19, or of a rule or order issued under  
17 IC 23-19.
  - 18 (2) A violation of IC 35-45-9.
  - 19 (3) A violation of IC 35-47.
  - 20 (4) A violation of IC 35-49-3.
  - 21 (5) Murder (IC 35-42-1-1).
  - 22 (6) Battery as a Class C felony before July 1, 2014, or a Level 5  
23 felony after June 30, 2014 (IC 35-42-2-1).
  - 24 (7) Kidnapping (IC 35-42-3-2).
  - 25 (8) Human and sexual trafficking crimes (IC 35-42-3.5).
  - 26 (9) Child exploitation (IC 35-42-4-4).
  - 27 (10) Robbery (IC 35-42-5-1).
  - 28 (11) Carjacking (IC 35-42-5-2) (before its repeal).
  - 29 (12) Arson (IC 35-43-1-1).
  - 30 (13) Burglary (IC 35-43-2-1).
  - 31 (14) Theft (IC 35-43-4-2).
  - 32 (15) Receiving stolen property (IC 35-43-4-2) (before its  
33 amendment on July 1, 2018).
  - 34 (16) Forgery (IC 35-43-5-2).
  - 35 (17) An offense under IC 35-43-5.
  - 36 (18) Bribery (IC 35-44.1-1-2).
  - 37 (19) Official misconduct (IC 35-44.1-1-1).
  - 38 (20) Conflict of interest (IC 35-44.1-1-4).
  - 39 (21) Perjury (IC 35-44.1-2-1).
  - 40 (22) Obstruction of justice (IC 35-44.1-2-2).
  - 41 (23) Intimidation (IC 35-45-2-1).
  - 42 (24) Promoting prostitution (IC 35-45-4-4).

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- 1 (25) Professional gambling (IC 35-45-5-3).  
 2 (26) Maintaining a professional gambling site  
 3 (IC 35-45-5-3.5(b)).  
 4 (27) Promoting professional gambling (IC 35-45-5-4).  
 5 (28) Dealing in or manufacturing cocaine or a narcotic drug  
 6 (IC 35-48-4-1).  
 7 (29) Dealing in methamphetamine (IC 35-48-4-1.1).  
 8 (30) Manufacturing methamphetamine (IC 35-48-4-1.2).  
 9 (31) Dealing in a schedule I, II, or III controlled substance  
 10 (IC 35-48-4-2).  
 11 (32) Dealing in a schedule IV controlled substance  
 12 (IC 35-48-4-3).  
 13 (33) Dealing in a schedule V controlled substance  
 14 (IC 35-48-4-4).  
 15 (34) Dealing in marijuana, hash oil, hashish, or salvia  
 16 (IC 35-48-4-10).  
 17 (35) Money laundering (IC 35-45-15-5).  
 18 (36) A violation of IC 35-47.5-5.  
 19 (37) A violation of any of the following:  
 20 (A) IC 23-14-48-9.  
 21 (B) IC 30-2-9-7(b).  
 22 (C) IC 30-2-10-9(b).  
 23 (D) IC 30-2-13-38(f).  
 24 (38) Practice of law by a person who is not an attorney  
 25 (IC 33-43-2-1).  
 26 (39) An offense listed in IC 35-48-4 involving the manufacture  
 27 or sale of a synthetic drug (as defined in IC 35-31.5-2-321), a  
 28 synthetic drug lookalike substance (as defined in  
 29 IC 35-31.5-2-321.5 (before its repeal on July 1, 2019)) under  
 30 IC 35-48-4-10.5 (before its repeal on July 1, 2019), a controlled  
 31 substance analog (as defined in IC 35-48-1.1-8), or a substance  
 32 represented to be a controlled substance (as described in  
 33 IC 35-48-4-4.6).  
 34 (40) Dealing in a controlled substance resulting in death  
 35 (IC 35-42-1-1.5).  
 36 (41) Organized retail theft (IC 35-43-4-2.2).  
 37 **(42) Sale of alcohol without a permit (IC 7.1-5-10-5).**  
 38 SECTION 31. IC 35-46-1-10.2, AS AMENDED BY  
 39 P.L.163-2025, SECTION 63, IS AMENDED TO READ AS  
 40 FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 10.2. (a) A person may  
 41 not be charged with a violation under this section and a violation under  
 42 IC 7.1-7-6-5.

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

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

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

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

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

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

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

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

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

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

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

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

42 (f) It is a defense that the accused retail establishment sold or

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1 delivered the tobacco product to a person who acted in the ordinary  
 2 course of employment or a business concerning tobacco products for  
 3 the following activities:

- 4 (1) Agriculture.
- 5 (2) Processing.
- 6 (3) Transporting.
- 7 (4) Wholesaling.
- 8 (5) Retailing.

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

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

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

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

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

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

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

- 37 (1) A sign in boldface type that states "NOTICE: It is unlawful  
 38 for a person less than 21 years old to enter this store."
- 39 (2) A sign printed in letters and numbers at least one-half (1/2)  
 40 inch high that displays a toll free phone number for assistance to  
 41 callers in quitting smoking, as determined by the Indiana  
 42 department of health.

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

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

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

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

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

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

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

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

23 SECTION 33. IC 35-46-6-3, AS AMENDED BY P.L.163-2025,  
24 SECTION 68, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
25 JULY 1, 2026]: Sec. 3. (a) A person who knowingly or intentionally  
26 uses or distributes nitrous oxide with intent to cause a condition of  
27 intoxication, euphoria, excitement, exhilaration, stupefaction, or  
28 dulling of the senses of another person, unless the nitrous oxide is to be  
29 used for medical purposes, commits a Class B misdemeanor. However,  
30 the offense is a Class A misdemeanor if the person has a prior  
31 unrelated conviction under this section.

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

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

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

42 (2) a person that uses flavored nitrous oxide in food and

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- 1 beverage recipes or for other legitimate culinary purposes; or
- 2 **(3) a law enforcement agency that is disposing of flavored**
- 3 **nitrous oxide by donation to a nonprofit organization.**

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