



Reprinted
February 27, 2024

ENGROSSED HOUSE BILL No. 1197

DIGEST OF HB 1197 (Updated February 26, 2024 2:50 pm - DI 137)

Citations Affected: IC 7.1-2; IC 7.1-3; IC 7.1-5.

Synopsis: Alcohol and tobacco commission. Allows the alcohol and tobacco commission (commission) to provide notices electronically. Allows the commission to issue 10 new three-way permits to the city of Noblesville, allowing the issuance of: (1) three new three-way permits in 2024; (2) three new three-way permits in 2025; and (3) four new three-way permits in 2026; with any permits not issued in a year allowed to be issued in a subsequent year. Allows the commission to
(Continued next page)

Effective: July 1, 2024.

Manning, Mayfield, Summers

(SENATE SPONSORS — ALTING, WALKER K, BALDWIN, MESSMER,
NIEZGODSKI)

January 9, 2024, read first time and referred to Committee on Public Policy.
January 23, 2024, amended, reported — Do Pass.
January 25, 2024, read second time, ordered engrossed. Engrossed.
January 29, 2024, read third time, passed. Yeas 93, nays 4.

SENATE ACTION

February 5, 2024, read first time and referred to Committee on Public Policy.
February 15, 2024, amended, reported favorably — Do Pass.
February 26, 2024, read second time, amended, ordered engrossed.

EH 1197—LS 6558/DI 137



Digest Continued

issue two new three-way permits to the city of Delphi. Amends certain provisions regarding the sale of alcoholic beverages from a bar of a restaurant for on-premises consumption. Allows a designated smoking area on the outside patio or terrace of a hotel if: (1) the designated smoking area is delineated from the rest of the outside patio or terrace by a barrier that is at least 18 inches in height; (2) the designated smoking area is located at least 20 feet from any entrance to the hotel; and (3) individuals less than 21 years of age are not allowed in the designated smoking area. Repeals provisions related to beer gardens and patio alcohol service for certain premises. Exempts a food hall that: (1) contains not less than 10 distinct nonaffiliated food and beverage vendors; and (2) is located within a mixed use development or redevelopment project with a total investment of at least \$100,000,000; from certain requirements that apply to the issuance of a food hall master permit. Repeals a provision concerning residency requirements for beer wholesalers. Removes the requirement that a property tax clearance form provided to the alcohol and tobacco commission include an embossed seal from the county treasurer. Includes a craft manufacturer in the definition of a host permittee for purposes of a temporary craft manufacturer hospitality permit. Modifies the definition of "designated permittee" in relation to a designated refreshment area. Replaces references to the federal bureau of alcohol, tobacco, and explosives with the federal Alcohol and Tobacco Tax and Trade Bureau or its successor agency.

EH 1197—LS 6558/DI 137



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February 27, 2024

Second Regular Session of the 123rd General Assembly (2024)

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 2023 Regular Session of the General Assembly.

ENGROSSED HOUSE BILL No. 1197

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 7.1-2-4-10 IS AMENDED TO READ AS
2 FOLLOWS [EFFECTIVE JULY 1, 2024]: Sec. 10. The county
3 executive and fiscal body and the city or town executive, as the case
4 may be, shall make their appointments to the local board within fifteen
5 (15) days after being notified by the commission by registered mail **or**
6 **electronic communication** to do so. The commission may extend this
7 time limit by an additional fifteen (15) days.

8 SECTION 2. IC 7.1-3-1-4 IS AMENDED TO READ AS
9 FOLLOWS [EFFECTIVE JULY 1, 2024]: Sec. 4. The commission
10 shall issue a permit authorized by this title only upon proper
11 application. The application shall be in ~~writing, and verified, upon~~
12 ~~forms~~ **the form and manner** prescribed ~~and furnished~~ by the
13 commission. The application shall contain the terms and information
14 required by this title or by the rules and regulations of the commission.
15 The appropriate surety bond, if one is required, also shall be submitted
16 with the application.

17 SECTION 3. IC 7.1-3-1-5.3 IS AMENDED TO READ AS

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1 FOLLOWS [EFFECTIVE JULY 1, 2024]: Sec. 5.3. (a) This section
 2 applies to an application for a new permit, renewal of a permit, or
 3 transfer of a permit authorized by this article for a location in a:

4 (1) second or third class city; or

5 (2) county other than a county containing a consolidated city.

6 (b) As used in this section, "plan commission" has the meaning set
 7 forth in IC 36-7-1-14.

8 (c) A director of a plan commission may request the commission to
 9 notify the plan commission that the commission has received an
 10 application for a permit for a location within the territory where the
 11 plan commission has jurisdiction.

12 (d) If the commission receives a request under subsection (c), the
 13 commission shall provide to the appropriate plan commission a copy
 14 of the notice that the commission submits for publication to meet the
 15 requirements of section 5 of this chapter. The commission shall **send**
 16 **by mail or electronically** the copy to the plan commission no later than
 17 the day that the commission submits the notice for publication.

18 SECTION 4. IC 7.1-3-1-25, AS AMENDED BY P.L.285-2019,
 19 SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 20 JULY 1, 2024]: Sec. 25. (a) A county, city, town, or township that by
 21 itself or in combination with any other body of a county, city, town, or
 22 township acquires by ownership or by lease any stadium, exhibition
 23 hall, auditorium, theater, convention center, **or** civic center, **or park or**
 24 **public recreation area with a permanent event or entertainment**
 25 **space** may permit the retail sale of alcoholic beverages upon the
 26 premises if the governing board of the facility first applies for and
 27 secures the necessary permits as required by this title.

28 (b) A county or township may be issued a permit for the retail sale
 29 of alcoholic beverages on the premises of any community center,
 30 including a clubhouse, pavilion, or social center that is located within
 31 a public park or operated by the township.

32 (c) A county, city, town, or township that owns a golf course may
 33 permit the retail sale of alcoholic beverages upon the premises of the
 34 golf course if the governing board of the golf course first applies for
 35 and secures the necessary permits required by this title.

36 (d) A county, city, town, or township that owns a marina may be
 37 issued a permit for the retail sale of alcoholic beverages on the
 38 premises of the marina. The permit may include the carryout sale of
 39 alcoholic beverages in accordance with IC 7.1-3-4-6(c),
 40 IC 7.1-3-9-9(c), IC 7.1-3-14-4(c), and 905 IAC 1-29 but may not
 41 include at-home delivery of alcoholic beverages. However, the county,
 42 city, town, or township must apply for and secure the necessary permits



1 that this title requires.

2 (e) Notwithstanding subsection (a), the commission may issue a
3 civic center permit to a person that:

4 (1) by the person's self or in combination with another person is
5 the proprietor, as owner or lessee, of an entertainment complex;
6 or

7 (2) has an agreement with a person described in subdivision (1)
8 to act as a concessionaire for the entertainment complex for the
9 full period for which the permit is to be issued.

10 SECTION 5. IC 7.1-3-3-7 IS AMENDED TO READ AS
11 FOLLOWS [EFFECTIVE JULY 1, 2024]: Sec. 7. Action of
12 Commission on Renewals. The commission shall notify the applicant
13 in writing of its determination to grant or deny the renewal of a beer
14 wholesaler's permit not more than ten (10) days after the filing of the
15 application. The notice may be given by personal service upon the
16 applicant, ~~or~~ by registered mail, addressed to applicant at the address
17 shown in the application for renewal, **or by electronic**
18 **communication**. The registration and deposit of the notice, properly
19 addressed, in the post office within the ten (10) day period shall be
20 sufficient when the notice is given by registered mail.

21 SECTION 6. IC 7.1-3-3-11 IS AMENDED TO READ AS
22 FOLLOWS [EFFECTIVE JULY 1, 2024]: Sec. 11. Findings and
23 Conclusions: Action of Commission. The person who conducted the
24 hearing shall make a report of the recommended findings of fact and
25 conclusions to the commission following the hearing. The commission,
26 upon receipt of the report, by a majority vote of its membership, shall
27 make findings of fact and state its conclusions affirming or reversing
28 the proposed denial of renewal. The commission shall enter its order
29 accordingly and that order shall be final and conclusive except as
30 otherwise provided in this title. The commission shall serve the
31 applicant, personally, ~~or~~ by registered mail, **or electronically** with a
32 copy of the findings of fact, conclusions, and order.

33 SECTION 7. IC 7.1-3-9.5-2, AS AMENDED BY P.L.196-2015,
34 SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
35 JULY 1, 2024]: Sec. 2. (a) The holder of a supplemental caterer's
36 permit shall notify the commission in writing not later than forty-eight
37 (48) hours in advance of each function that the permittee intends to
38 cater with alcoholic beverages. The commission may waive the
39 forty-eight (48) hour notice period required under this subsection, if
40 authorized by the chairman or the chairman's designee, but may not
41 waive the requirement for filing notice.

42 (b) The notice shall include the following:



1 (1) The date, time, and location of the function to be catered.

2 (2) If the function is open to the public, located in a county having
3 a population of less than one hundred fifty thousand (150,000),
4 and located in a different county from the county where the
5 permittee holds the three-way permit required under section 1 of
6 this chapter, the signature of the following official on a document
7 stating the official's approval of the catering of alcoholic
8 beverages at the proposed date, time, and location:

9 (A) The president of the town council, if the location is in a
10 town.

11 (B) The mayor, if the location is in a city.

12 (C) The president of the board of county commissioners, if the
13 location is in unincorporated territory.

14 (c) If a permittee complies with all notice requirements of
15 subsection (b), the commission in its absolute discretion has the
16 authority, any other provision of this title to the contrary
17 notwithstanding, to approve the proposed date and location of the
18 function to be catered.

19 (d) The commission need not notify the permittee if the commission
20 approved the proposed date and location, and the permittee may
21 proceed as stated in the permittee's notice to the commission. The
22 commission shall notify the permittee by certified United States mail
23 **or electronic mail**, in advance of the function, if the commission does
24 not approve the proposed date or location.

25 (e) A permittee whose proposed date or location has been
26 disapproved by the commission still may cater the function on that date
27 and at that location, but the permittee may not cater alcoholic
28 beverages at that function on that date and at that location.

29 SECTION 8. IC 7.1-3-18-9.5, AS ADDED BY P.L.196-2015,
30 SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
31 JULY 1, 2024]: Sec. 9.5. (a) This section applies only to an employee
32 who:

33 (1) holds an employee's permit issued under section 9 of this
34 chapter;

35 (2) is convicted of operating while intoxicated;

36 (3) does not have a prior conviction for operating while
37 intoxicated; and

38 (4) was at least twenty-one (21) years of age at the time the
39 employee committed the offense of operating while intoxicated
40 for which the employee was convicted.

41 (b) The commission shall send to the most recent mailing address
42 that the commission has on file, **or by electronic communication**, a



1 ~~written~~ notice to an employee that the employee's permit will be
 2 revoked six (6) months after the date of sentencing for the conviction
 3 of operating while intoxicated unless the employee submits to the
 4 commission, on a form prescribed by the commission, information
 5 verifying that the employee has completed an appropriate substance
 6 abuse treatment or education program that was provided by a provider
 7 certified by the division of mental health and addiction.

8 (c) If an employee fails to submit the information as required under
 9 subsection (b) within six (6) months from the date of the sentencing,
 10 the commission shall revoke the employee's permit.

11 SECTION 9. IC 7.1-3-20-16.8, AS AMENDED BY P.L.220-2023,
 12 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 13 JULY 1, 2024]: Sec. 16.8. (a) A permit that is authorized by this
 14 section may be issued without regard to the quota provisions of
 15 IC 7.1-3-22.

16 (b) Except as provided in section 16.3 of this chapter, the
 17 commission may issue not more than four (4) new three-way permits
 18 to sell alcoholic beverages for on-premises consumption to applicants
 19 in each of the following municipalities:

20 (1) Whitestown.

21 (2) Lebanon.

22 (3) Zionsville.

23 (4) Westfield.

24 (5) Carmel.

25 (6) Fishers.

26 **(7) Noblesville.**

27 (c) The following apply to permits issued under subsection (b):

28 (1) An applicant for a permit under subsection (b) must be a
 29 proprietor, as owner or lessee, or both, of a restaurant located
 30 within an economic development area, an area needing
 31 redevelopment, or a redevelopment district as established under
 32 IC 36-7-14 in a municipality's:

33 (A) downtown redevelopment district; or

34 (B) downtown economic revitalization area.

35 (2) The cost of an initial permit is forty thousand dollars
 36 (\$40,000).

37 (3) The total number of active permits issued under subsection (b)
 38 may not exceed twenty-four (24) permits at any time. If any of the
 39 permits issued under subsection (b) are revoked or not renewed,
 40 the commission may issue only enough new permits to bring the
 41 total number of permits to twenty-four (24) active permits, with
 42 not more than four (4) in each municipality listed in subsection



- 1 (b)(1) through (b)(6).
 2 (4) The municipality may adopt an ordinance under
 3 IC 7.1-3-19-17 requiring a permit holder to enter into a formal
 4 written commitment as a condition of eligibility for a permit. As
 5 set forth in IC 7.1-3-19-17(b), a formal written commitment is
 6 binding on the permit holder and on any lessee or proprietor of
 7 the permit premises.
 8 (5) Notwithstanding IC 7.1-3-1-3.5 and IC 7.1-3-1.1, if business
 9 operations cease at the permit premises for more than six (6)
 10 months, the permit shall revert to the commission and the permit
 11 holder is not entitled to any refund or other compensation.
 12 (6) Except as provided in subdivision (8), the ownership of a
 13 permit may not be transferred.
 14 (7) A permit may not be transferred from the premises for which
 15 the permit was issued.
 16 (8) If the area in which the permit premises is located is no longer
 17 designated an economic development area, an area needing
 18 redevelopment, or a redevelopment district, a permit issued under
 19 this section may be renewed, and the ownership of the permit may
 20 be transferred, but the permit may not be transferred from the
 21 permit premises.
 22 (d) Except as provided in section 16.3 of this chapter, in addition to
 23 the permits issued to the town of Whitestown under subsection (c), the
 24 commission may issue to the town of Whitestown not more than:
 25 (1) three (3) new three-way permits; and
 26 (2) three (3) new two-way permits;
 27 under this subsection.
 28 (e) The following apply to permits issued under subsection (d):
 29 (1) An applicant for a permit under subsection (d)(1) or (d)(2)
 30 must be a proprietor, an owner or lessee, or both, of a restaurant
 31 located within an economic development area, an area needing
 32 redevelopment, or a redevelopment district as established under
 33 IC 36-7-14 in a municipality's:
 34 (A) downtown redevelopment district; or
 35 (B) downtown economic revitalization area.
 36 (2) The cost of an initial permit is forty thousand dollars
 37 (\$40,000).
 38 (3) The total number of active permits issued under subsection (d)
 39 may not exceed the six (6) permits allocated by permit type, as set
 40 forth in that subsection.
 41 (4) The municipality may adopt an ordinance under
 42 IC 7.1-3-19-17 requiring a permit holder to enter into a formal



- 1 written commitment as a condition of eligibility for a permit. As
 2 set forth in IC 7.1-3-19-17(b), a formal written commitment is
 3 binding on the permit holder and on any lessee or proprietor of
 4 the permit premises.
- 5 (5) Notwithstanding IC 7.1-3-1.1, if business operations cease at
 6 the permit premises for more than six (6) months, the permit shall
 7 revert to the commission and the permit holder is not entitled to
 8 any refund or other compensation.
- 9 (6) Except as provided in subdivision (8), the ownership of a
 10 permit may not be transferred.
- 11 (7) A permit may not be transferred from the premises for which
 12 the permit was issued.
- 13 (8) If the area in which the permit issued to a premises under
 14 subsection (d)(1) or (d)(2) is located is no longer designated an
 15 economic development area, an area needing redevelopment, or
 16 a redevelopment district, a permit issued under this section may
 17 be renewed, and the ownership of the permit may be transferred,
 18 but the permit may not be transferred from the permit premises.
- 19 **(f) Except as provided in section 16.3 of this chapter, in addition**
 20 **to the permits issued to the city of Noblesville under subsection (c),**
 21 **the commission may issue to the city of Noblesville not more than**
 22 **ten (10) new three-way permits under this subsection. The new**
 23 **three-way permits may be issued as follows:**
- 24 (1) Three (3) new three-way permits in 2024.
 25 (2) Three (3) new three-way permits in 2025.
 26 (3) Four (4) new three-way permits in 2026.
- 27 **If the commission does not issue the amount of three-way permits**
 28 **allowed in subdivisions (1) through (3) in that year, any unissued**
 29 **permits will roll over and may be issued in a subsequent year.**
- 30 **(g) The following apply to permits issued under subsection (f):**
- 31 (1) **An applicant for a permit under subsection (f) must be a**
 32 **proprietor, an owner or lessee, or both, of a restaurant**
 33 **located within an economic development area, an area**
 34 **needing redevelopment, or a redevelopment district as**
 35 **established under IC 36-7-14 in a municipality's:**
- 36 (A) **downtown redevelopment district; or**
 37 (B) **downtown economic revitalization area.**
- 38 (2) **The cost of an initial permit is forty thousand dollars**
 39 **(\$40,000).**
- 40 (3) **The total number of active permits issued under**
 41 **subsection (f) may not exceed the ten (10) new three-way**
 42 **permits, as set forth in that subsection.**



- 1 **(4) The municipality may adopt an ordinance under**
 2 **IC 7.1-3-19-17 requiring a permit holder to enter into a**
 3 **formal written commitment as a condition of eligibility for a**
 4 **permit. As set forth in IC 7.1-3-19-17(b), a formal written**
 5 **commitment is binding on the permit holder and on any lessee**
 6 **or proprietor of the permit premises.**
- 7 **(5) Notwithstanding IC 7.1-3-1.1, if business operations cease**
 8 **at the permit premises for more than six (6) months, the**
 9 **permit shall revert to the commission and the permit holder**
 10 **is not entitled to any refund or other compensation.**
- 11 **(6) Except as provided in subdivision (8), the ownership of a**
 12 **permit may not be transferred.**
- 13 **(7) A permit may not be transferred from the premises for**
 14 **which the permit was issued.**
- 15 **(8) If the area in which the permit issued to a premises under**
 16 **subsection (f) is located is no longer designated an economic**
 17 **development area, an area needing redevelopment, or a**
 18 **redevelopment district, a permit issued under this section may**
 19 **be renewed, and the ownership of the permit may be**
 20 **transferred, but the permit may not be transferred from the**
 21 **permit premises.**
- 22 **(h) Except as provided in section 16.3 of this chapter, the**
 23 **commission may issue to the city of Delphi not more than two (2)**
 24 **new three-way permits under this subsection.**
- 25 **(i) The following apply to permits issued under subsection (h):**
- 26 **(1) An applicant for a permit under subsection (h) must be a**
 27 **proprietor, an owner or lessee, or both, of a restaurant**
 28 **located within an economic development area, an area**
 29 **needing redevelopment, or a redevelopment district as**
 30 **established under IC 36-7-14 in a municipality's:**
- 31 **(A) downtown redevelopment district; or**
 32 **(B) downtown economic revitalization area.**
- 33 **(2) The cost of an initial permit is forty thousand dollars**
 34 **(\$40,000).**
- 35 **(3) The total number of active permits issued under**
 36 **subsection (h) may not exceed the two (2) new three-way**
 37 **permits, as set forth in that subsection.**
- 38 **(4) The municipality may adopt an ordinance under**
 39 **IC 7.1-3-19-17 requiring a permit holder to enter into a**
 40 **formal written commitment as a condition of eligibility for a**
 41 **permit. As set forth in IC 7.1-3-19-17(b), a formal written**
 42 **commitment is binding on the permit holder and on any lessee**



- 1 **or proprietor of the permit premises.**
- 2 **(5) Notwithstanding IC 7.1-3-1.1, if business operations cease**
- 3 **at the permit premises for more than six (6) months, the**
- 4 **permit shall revert to the commission and the permit holder**
- 5 **is not entitled to any refund or other compensation.**
- 6 **(6) Except as provided in subdivision (8), the ownership of a**
- 7 **permit may not be transferred.**
- 8 **(7) A permit may not be transferred from the premises for**
- 9 **which the permit was issued.**
- 10 **(8) If the area in which the permit issued to a premises under**
- 11 **subsection (h) is located is no longer designated an economic**
- 12 **development area, an area needing redevelopment, or a**
- 13 **redevelopment district, a permit issued under this section may**
- 14 **be renewed, and the ownership of the permit may be**
- 15 **transferred, but the permit may not be transferred from the**
- 16 **permit premises.**

17 SECTION 10. IC 7.1-3-20-27, AS AMENDED BY P.L.167-2023,
 18 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 19 JULY 1, 2024]: Sec. 27. (a) This section applies to the premises of a
 20 restaurant **or hotel**.

21 (b) Subject to subsection (c), the holder of a retailer's permit that is
 22 issued for the premises of a restaurant **or hotel** may sell or dispense,
 23 for on-premises consumption only, alcoholic beverages, for which the
 24 permittee holds the appropriate permit, from a bar located on the
 25 licensed premises that opens to an outside patio or terrace that is
 26 contiguous to the main building of the licensed premises of the
 27 restaurant **or hotel**.

28 (c) The holder of a retailer's permit that is issued for the premises of
 29 a restaurant **or hotel** may sell or dispense alcoholic beverages as
 30 provided under subsection (b) only if all the following conditions are
 31 met:

- 32 (1) The patio or terrace area described in subsection (b) is:
- 33 (A) part of the licensed premises; and
- 34 (B) clearly delineated and completely enclosed on all sides by
- 35 a barrier that is at least eighteen (18) inches in height.
- 36 (2) Minors are allowed on the licensed premises at an outside
- 37 patio or terrace that contains a bar under subsection (b) only in
- 38 accordance with IC 7.1-5-7-11.

39 SECTION 11. IC 7.1-3-20-28 IS REPEALED [EFFECTIVE JULY
 40 1, 2024]. Sec. 28: A retailer permittee may sell or dispense alcoholic
 41 beverages for on-premises consumption only in an outdoor beer garden
 42 that:



1 (1) has a bar;
 2 (2) is accessible only through the permit premises; and
 3 (3) is a defined area that is enclosed by:
 4 (A) the outside walls of the permit premises; or
 5 (B) a nontransparent wall that is at least seventy-two (72)
 6 inches in height.

7 SECTION 12. IC 7.1-3-20-28.5 IS REPEALED [EFFECTIVE JULY
 8 1, 2024]. Sec. 28.5: (a) This section applies to the premises of a:
 9 (1) civic center permit; or
 10 (2) retailer's permit that operates as a recreational facility offering
 11 bowling; arcade games; and outside volleyball courts or other
 12 outside recreational games on the licensed premises:
 13 (b) In accordance with subsection (c), the holder of a:
 14 (1) civic center permit; or
 15 (2) retailer's permit described in subsection (a)(2) which has a
 16 gross business of at least one million dollars (\$1,000,000) in the
 17 retail sale of food;
 18 may, subject to the approval of the commission, sell or dispense
 19 alcoholic beverages for which the permittee holds the appropriate
 20 permit, for on-premises consumption only, from a bar that is located on
 21 an outside patio, porch, veranda, terrace, or rooftop of a building that
 22 is contiguous to the main building of the licensed premises:
 23 (c) The holder of the civic center or retailer's permit described in
 24 subsection (a)(2) may sell or dispense alcoholic beverages as provided
 25 under subsection (b) only if all the following conditions are met:
 26 (1) The outside area described in subsection (b) is:
 27 (A) part of the licensed premises; and
 28 (B) clearly delineated in some manner by a fence, hedge, rail,
 29 wall, or similar barrier:
 30 (2) Except as provided in IC 7.1-5-7-11, if minors are allowed on
 31 the premises:
 32 (A) the bar area must be separated from the outside dining
 33 area where minors may be served by a structure or barrier that
 34 reasonably deters free access and egress; without requirement
 35 for doors or gates; and
 36 (B) a conspicuous sign must be posted by the barrier described
 37 in clause (A) stating that minors may not cross the barrier to
 38 enter the bar area.

39 SECTION 13. IC 7.1-3-20-29, AS AMENDED BY P.L.121-2022,
 40 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 41 JULY 1, 2024]: Sec. 29. (a) As used in this section, "food hall" means
 42 the premises:



- 1 (1) located within a retail shopping and food service district; and
 2 (2) to which a master permit is issued under this section.
- 3 (b) As used in this section, "master permit" means a food hall master
 4 permit issued under this section.
- 5 (c) Except as provided in subsection (d), the commission may issue
 6 a master permit, which is a three-way retailer's permit for on premises
 7 consumption, to a food hall located in a retail shopping and food
 8 service district that meets the following requirements:
- 9 (1) The district consists of an area that:
- 10 (A) has been redeveloped, renovated, or environmentally
 11 remediated in part with grants from the federal, state, or local
 12 government under IC 36-7-11; and
 13 (B) is entirely located within an incorporated city or town.
- 14 (2) The district consists of land and a building or group of
 15 buildings that are part of a common development.
- 16 (3) The district is located within a locally designated historic
 17 district under IC 36-7-11 established by a city or town ordinance.
- 18 (4) The district contains at least one (1) building that:
- 19 (A) is on the list of the National Register for Historic Places or
 20 qualifies as a historic building worthy of preservation under
 21 IC 36-7-11; and
 22 (B) has been approved for present commercial use by the local
 23 historic preservation commission of the city or town.
- 24 (d) Subsection (c)(3) and (c)(4) does not apply to a food hall that
 25 **meets one (1) of the following descriptions:**
- 26 (1) **The food hall:**
- 27 (A) is located within a certified technology park established
 28 under IC 36-7-32; and
 29 ~~(B)~~ (B) operates within a previously vacant building that was,
 30 or within a complex of buildings that were:
- 31 ~~(A)~~ (i) placed in service at least twenty-five (25) years prior
 32 to the redevelopment of the building or buildings; and
 33 ~~(B)~~ (ii) owned by a unit of local government or a public
 34 charitable trust prior to redevelopment.
- 35 (2) **The food hall:**
- 36 (A) **contains not less than ten (10) distinct nonaffiliated**
 37 **food and beverage vendors; and**
 38 (B) **is located within a mixed use development or**
 39 **redevelopment project with a total investment of at least**
 40 **one hundred million dollars (\$100,000,000).**
- 41 (e) The commission may issue a master permit to the owner or
 42 developer of a food hall. The food hall constitutes a single permit



- 1 premises that:
- 2 (1) contains not less than seven (7) distinct, nonaffiliated retail
- 3 food and beverage vendors, each of which may apply for a food
- 4 hall vendor permit under section 30 of this chapter; and
- 5 (2) has a seating capacity of the type traditionally designed for
- 6 food and drink for at least one hundred (100) people.
- 7 (f) An applicant for a master permit shall post notice and appear in
- 8 front of the local board in which the permit premises is situated. The
- 9 local board shall determine the eligibility of the applicant under this
- 10 section and hear evidence in support of or against the master permit
- 11 location. A master permit may not be transferred to a location outside
- 12 the food hall permit premises. A permit that is inactive for more than
- 13 six (6) months shall revert back to the commission or may be deposited
- 14 with the commission under IC 7.1-3-1.1 with the commission's
- 15 permission.
- 16 (g) A master permit authorized by this section may be issued
- 17 without regard to the proximity provisions of IC 7.1-3-21-11 or the
- 18 quota provisions of IC 7.1-3-22.
- 19 (h) The commission may not require physical separation between a
- 20 bar area and a dining area in a food hall.
- 21 SECTION 14. IC 7.1-3-21-0.1 IS REPEALED [EFFECTIVE JULY
- 22 1, 2024]. ~~Sec. 0.1. Notwithstanding the amendments made to sections~~
- 23 ~~3, 5, 5.2, and 5.4 of this chapter by P.L.72-2004, the residency~~
- 24 ~~requirement of five (5) years for beer wholesalers under sections 3, 5,~~
- 25 ~~5.2, and 5.4 of this chapter (as those provisions existed on June 30,~~
- 26 ~~2004) shall remain in effect for all contracts entered into before July 1,~~
- 27 ~~2004, under which a permit is to be transferred from an Indiana~~
- 28 ~~resident to a person who was not an Indiana resident at the time of~~
- 29 ~~execution of the contract.~~
- 30 SECTION 15. IC 7.1-3-21-15, AS AMENDED BY P.L.79-2022,
- 31 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 32 JULY 1, 2024]: Sec. 15. (a) This section does not apply to an
- 33 employee's permit under IC 7.1-3-18-9.
- 34 (b) The commission shall not renew or transfer a wholesaler,
- 35 retailer, dealer, or other permit of any type if the applicant:
- 36 (1) is seeking a renewal and the applicant has not paid all the
- 37 property taxes under IC 6-1.1 and the innkeeper's tax under IC 6-9
- 38 that are due currently;
- 39 (2) is seeking a transfer and the applicant has not paid all the
- 40 property taxes under IC 6-1.1 and innkeeper's tax under IC 6-9 for
- 41 the assessment periods during which the transferor held the
- 42 permit;



- 1 (3) is seeking a renewal or transfer and is at least thirty (30) days
- 2 delinquent in remitting state gross retail taxes under IC 6-2.5 or
- 3 withholding taxes required to be remitted under IC 6-3-4;
- 4 (4) is on the most recent tax warrant list supplied to the
- 5 commission by the department of state revenue; or
- 6 (5) does not provide the commission with property tax clearance
- 7 Form 1. ~~with an embossed seal from the county treasurer.~~
- 8 (c) The commission shall renew or transfer a permit that the
- 9 commission denied under subsection (b) when the appropriate one (1)
- 10 of the following occurs:
- 11 (1) The person, if seeking a renewal, provides to the commission
- 12 a statement from the county treasurer of the county in which the
- 13 property of the applicant was assessed indicating that all the
- 14 property taxes under IC 6-1.1 and, in a county where the county
- 15 treasurer collects the innkeeper's tax, the innkeeper's tax under
- 16 IC 6-9 that were delinquent have been paid.
- 17 (2) The person, if seeking a transfer of ownership, provides to the
- 18 commission a statement from the county treasurer of the county
- 19 in which the property of the transferor was assessed indicating
- 20 that all the property taxes under IC 6-1.1 and, in a county where
- 21 the county treasurer collects the innkeeper's tax, the innkeeper's
- 22 tax under IC 6-9 have been paid for the assessment periods during
- 23 which the transferor held the permit.
- 24 (3) The person provides to the commission a statement from the
- 25 commissioner of the department of state revenue indicating that
- 26 the person's tax warrant has been satisfied, including any
- 27 delinquency in innkeeper's tax if the state collects the innkeeper's
- 28 tax for the county in which the person seeks the permit.
- 29 (4) The commission receives a notice from the commissioner of
- 30 the department of state revenue under IC 6-8.1-8-2(k).
- 31 (5) The commission receives a notice from the commissioner of
- 32 the department of state revenue stating that the state gross retail
- 33 and withholding taxes described in subsection (b)(3) have been
- 34 remitted to the department.
- 35 (d) The commission shall not issue a new wholesaler, retailer,
- 36 dealer, or other permit of any type if the applicant:
- 37 (1) has not paid all the applicant's property taxes under IC 6-1.1
- 38 and innkeeper's tax under IC 6-9 that are due;
- 39 (2) is at least thirty (30) days delinquent in remitting state gross
- 40 retail taxes under IC 6-2.5 or withholding taxes required to be
- 41 remitted under IC 6-3-4;
- 42 (3) is on the most recent tax warrant list supplied to the



1 commission by the department of state revenue; or
 2 (4) does not provide the commission with property tax clearance
 3 Form 1. ~~with an embossed seal from the county treasurer.~~
 4 (e) The commission shall issue a new permit that the commission
 5 denied under subsection (d) when one (1) of the following occurs:
 6 (1) The applicant provides to the commission a statement from
 7 the commissioner of the department of state revenue indicating
 8 that the applicant's tax warrant has been satisfied, including any
 9 delinquency in innkeeper's tax if the state collects the innkeeper's
 10 tax for the county in which the applicant seeks the permit.
 11 (2) The commission receives a notice of release from the
 12 commissioner of the department of state revenue under
 13 IC 6-8.1-8-2(k).
 14 (3) The commission receives a notice from the commissioner of
 15 the department of state revenue stating that the state gross retail
 16 and withholding taxes described in subsection (d)(2) have been
 17 remitted to the department.
 18 (f) An applicant for issuance of a new permit, renewal, or transfer
 19 may not be considered delinquent in the payment of a listed tax (as
 20 defined by IC 6-8.1-1-1) if the applicant has filed a proper protest
 21 under IC 6-8.1-5-1 contesting the remittance of those taxes. The
 22 applicant shall be considered delinquent in the payment of those taxes
 23 if the applicant does not remit the taxes owed to the state department
 24 of revenue after the later of the following:
 25 (1) The expiration of the period in which the applicant may appeal
 26 the listed tax to the tax court, in the case of an applicant who does
 27 not file a timely appeal of the listed tax.
 28 (2) When a decision of the tax court concerning the applicant's
 29 appeal of the listed tax becomes final, in the case of an applicant
 30 who files a timely appeal of the listed tax.
 31 (g) The commission may require that an applicant for the issuance
 32 of a new permit, renewal, or transfer of a wholesaler's, retailer's, or
 33 dealer's, or other permit of any type furnish proof of the payment of a
 34 listed tax (as defined by IC 6-8.1-1-1), tax warrant, or taxes imposed by
 35 IC 6-1.1 or receipt of property tax clearance Form 1. ~~with an embossed
 36 seal from the county treasurer.~~
 37 (h) The commission may issue to any applicant for renewal of a
 38 permit that is delinquent in the payment of a listed tax (as defined in
 39 IC 6-8.1-1-1) not more than one (1) ninety (90) day extension of the
 40 term of the permit.
 41 SECTION 16. IC 7.1-3-23-34 IS AMENDED TO READ AS
 42 FOLLOWS [EFFECTIVE JULY 1, 2024]: Sec. 34. Final Action of



1 Commission. The commission shall take final action within ten (10)
 2 days after the hearing and enter an appropriate order in the matter and
 3 shall notify the applicant, or permittee, of its action by registered mail
 4 **or electronic communication.**

5 SECTION 17. IC 7.1-3-23-45, AS AMENDED BY P.L.207-2013,
 6 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 7 JULY 1, 2024]: Sec. 45. (a) Upon receiving a court order issued under
 8 IC 31-16-12-13 (or IC 31-14-12-10 before its repeal), the commission
 9 shall:

10 (1) suspend the employee's permit of; or

11 (2) deny an employee's permit or the renewal of an employee's
 12 permit to;

13 the person who is the subject of the order.

14 (b) Upon receiving a court order issued under IC 31-16-12-13 (or
 15 IC 31-14-12-10 before its repeal), the commission shall promptly mail
 16 **a or send electronic** notice to the last known **mailing or electronic**
 17 **mailing** address of the person who is the subject of the order that states
 18 the following:

19 (1) That the:

20 (A) person's employee's permit has been suspended, beginning
 21 five (5) business days after the date the notice is ~~mailed;~~ **sent;**
 22 and

23 (B) suspension will end ten (10) business days after the
 24 commission receives an order from the court that ordered the
 25 suspension authorizing reinstatement of the person's
 26 employee's permit.

27 (2) That the person has the right to petition for reinstatement of
 28 the employee's permit to the court that ordered the suspension.

29 (c) The commission may not reinstate an employee's permit
 30 suspended under this section until the commission receives an order
 31 from the court that ordered the suspension authorizing reinstatement of
 32 the person's employee's permit.

33 SECTION 18. IC 7.1-3-30-1, AS ADDED BY P.L.121-2022,
 34 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 35 JULY 1, 2024]: Sec. 1. The following terms apply throughout this
 36 chapter:

37 (1) "Craft manufacturer" means a person who holds:

38 (A) a small brewery permit under IC 7.1-3-2-7(5);

39 (B) a farm winery permit under IC 7.1-3-12; or

40 (C) an artisan distiller's permit under IC 7.1-3-27.

41 (2) "Holder" means a person who holds a temporary craft
 42 manufacturer hospitality permit.



- 1 (3) "Hospitality permit" means a temporary craft manufacturer
- 2 hospitality permit issued under this chapter.
- 3 (4) "Host permittee" means a:
- 4 (A) person who holds:
- 5 (A) (i) a civic center permit under IC 7.1-3-1-25;
- 6 (B) (ii) a permit under IC 7.1-3-20-18 through
- 7 IC 7.1-3-20-21 (hotel);
- 8 (C) (iii) a permit under IC 7.1-3-21-14 (state fair grounds);
- 9 (D) (iv) a permit under IC 7.1-3-20-16.8 (economic
- 10 development area); or
- 11 (E) (v) a permit under IC 7.1-3-17.8 (state park); or
- 12 (B) **craft manufacturer.**
- 13 (5) "Temporary event" means an event listed in section 4 of this
- 14 chapter for which the commission issues a hospitality permit.
- 15 SECTION 19. IC 7.1-3-31-2, AS ADDED BY P.L.167-2023,
- 16 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 17 JULY 1, 2024]: Sec. 2. As used in this chapter, "designated permittee"
- 18 means a ~~retailer~~ permittee that:
- 19 (1) ~~has licensed premises holds a retailer or craft manufacturer~~
- 20 **permit located** within a refreshment area;
- 21 (2) has submitted a completed application to the municipality to
- 22 participate in the refreshment area as a designated permittee; and
- 23 (3) is designated by the commission under section 9 of this
- 24 chapter.
- 25 SECTION 20. IC 7.1-5-11-1.5, AS AMENDED BY P.L.159-2014,
- 26 SECTION 87, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 27 JULY 1, 2024]: Sec. 1.5. (a) Except as provided in IC 7.1-3-26, it is
- 28 unlawful for a person in the business of selling alcoholic beverages in
- 29 Indiana or outside Indiana to ship or cause to be shipped an alcoholic
- 30 beverage directly to a person in Indiana who does not hold a valid
- 31 wholesaler permit under this title. This includes the ordering and
- 32 selling of alcoholic beverages over a computer network (as defined by
- 33 IC 35-43-2-3(a)).
- 34 (b) An in-state or an out-of-state vintner, distiller, brewer, rectifier,
- 35 or importer that:
- 36 (1) holds a basic permit from the federal ~~Bureau of Alcohol,~~
- 37 ~~Tobacco, Firearms and Explosives; Alcohol and Tobacco Tax~~
- 38 **and Trade Bureau, or its successor agency;** and
- 39 (2) knowingly violates subsection (a);
- 40 commits a Class A misdemeanor.
- 41 (c) A person who is not an in-state or an out-of-state vintner,
- 42 distiller, brewer, rectifier, or importer that holds a basic permit from the



1 federal ~~Bureau of Alcohol, Tobacco, Firearms and Explosives~~ **Alcohol**
 2 **and Tobacco Tax and Trade Bureau, or its successor agency**, who
 3 knowingly violates subsection (a) commits a Level 6 felony.

4 (d) Upon a determination by the commission that a person has
 5 violated subsection (a), a wholesaler may not accept a shipment of
 6 alcoholic beverages from the person for a period of up to one (1) year
 7 as determined by the commission.

8 (e) If the chairman of the alcohol and tobacco commission or the
 9 attorney general determines that a vintner, distiller, brewer, rectifier, or
 10 importer that holds a basic permit from the federal ~~Bureau of Alcohol,~~
 11 ~~Tobacco, Firearms and Explosives~~ **Alcohol and Tobacco Tax and**
 12 **Trade Bureau, or its successor agency**, has made an illegal shipment
 13 of an alcoholic beverage to consumers in Indiana, the chairman shall:

14 (1) notify the federal ~~Bureau of Alcohol, Tobacco, Firearms and~~
 15 ~~Explosives~~ **Alcohol and Tobacco Tax and Trade Bureau, or its**
 16 **successor agency, in writing and by certified mail** of the official
 17 determination that state law has been violated; and

18 (2) request the federal bureau to take appropriate action.

19 (f) The commission shall adopt rules under IC 4-22-2 to implement
 20 this section.

21 SECTION 21. IC 7.1-5-12-5, AS AMENDED BY P.L.49-2020,
 22 SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 23 JULY 1, 2024]: Sec. 5. (a) Except as provided in subsection (c) and
 24 subject to section 13 of this chapter, smoking may be allowed in the
 25 following:

26 (1) A horse racing facility operated under a permit under
 27 IC 4-31-5 and any other permanent structure on land owned or
 28 leased by the owner of the facility that is adjacent to the facility.

29 (2) A riverboat (as defined in IC 4-33-2-17) and any other
 30 permanent structure that is:

31 (A) owned or leased by the owner of the riverboat; and

32 (B) located on land that is adjacent to:

33 (i) the dock to which the riverboat is moored; or

34 (ii) the land on which the riverboat is situated in the case of
 35 a riverboat described in IC 4-33-2-17(2).

36 (3) A facility that operates under a gambling game license under
 37 IC 4-35-5 and any other permanent structure on land owned or
 38 leased by the owner of the facility that is adjacent to the facility.

39 (4) A satellite facility licensed under IC 4-31-5.5.

40 (5) An establishment owned or leased by a business that meets the
 41 following requirements:

42 (A) The business was in business and permitted smoking on



- 1 December 31, 2012.
- 2 (B) The business prohibits entry by an individual who is less
- 3 than twenty-one (21) years of age.
- 4 (C) The owner or operator of the business holds a beer, liquor,
- 5 or wine retailer's permit.
- 6 (D) The business limits smoking in the establishment to
- 7 smoking with a waterpipe or hookah device.
- 8 (E) During the preceding calendar year, at least ten percent
- 9 (10%) of the business's annual gross income was from the sale
- 10 of loose tobacco for use in a waterpipe or hookah device.
- 11 (F) The person in charge of the business posts in the
- 12 establishment conspicuous signs that display the message that
- 13 cigarette smoking is prohibited.
- 14 (6) An establishment owned or leased by a business that meets the
- 15 following requirements:
- 16 (A) The business prohibits entry by an individual who is less
- 17 than twenty-one (21) years of age.
- 18 (B) The owner or operator of the business holds a beer, liquor,
- 19 or wine retailer's permit.
- 20 (C) The business limits smoking in the establishment to cigar
- 21 smoking.
- 22 (D) During the preceding calendar year, at least ten percent
- 23 (10%) of the business's annual gross income was from the sale
- 24 of cigars and the rental of onsite humidors.
- 25 (E) The person in charge of the business posts in the
- 26 establishment conspicuous signs that display the message that
- 27 cigarette smoking is prohibited.
- 28 (7) A premises owned or leased by and regularly used for the
- 29 activities of a business that meets all of the following:
- 30 (A) The business is exempt from federal income taxation
- 31 under 26 U.S.C. 501(c).
- 32 (B) The business:
- 33 (i) meets the requirements to be considered a club under
- 34 IC 7.1-3-20-1; or
- 35 (ii) is a fraternal club (as defined in IC 7.1-3-20-7).
- 36 (C) The business provides food or alcoholic beverages only to
- 37 its bona fide members and their guests.
- 38 (D) The business:
- 39 (i) provides a separate, enclosed, designated smoking room
- 40 or area that is adequately ventilated to prevent migration of
- 41 smoke to nonsmoking areas of the premises;
- 42 (ii) allows smoking only in the room or area described in



- 1 item (i);
 2 (iii) does not allow an individual who is less than twenty-one
 3 (21) years of age to enter into the room or area described in
 4 item (i); and
 5 (iv) allows a guest in the smoking room or area described in
 6 item (i) only when accompanied by a bona fide member of
 7 the business.
- 8 (8) A retail tobacco store used primarily for the sale of tobacco
 9 products and tobacco accessories that meets the following
 10 requirements:
- 11 (A) The owner or operator of the store holds a valid tobacco
 12 sales certificate issued under IC 7.1-3-18.5.
 13 (B) The store prohibits entry by an individual who is less than
 14 twenty-one (21) years of age.
 15 (C) The sale of products other than tobacco products and
 16 tobacco accessories is merely incidental.
 17 (D) The sale of tobacco products accounts for at least
 18 eighty-five percent (85%) of the store's annual gross sales.
 19 (E) Food or beverages are not sold in a manner that requires
 20 consumption on the premises, and there is not an area set aside
 21 for customers to consume food or beverages on the premises.
- 22 (9) A bar or tavern:
- 23 (A) for which a permittee holds:
 24 (i) a beer retailer's permit under IC 7.1-3-4;
 25 (ii) a liquor retailer's permit under IC 7.1-3-9; or
 26 (iii) a wine retailer's permit under IC 7.1-3-14;
 27 (B) that does not employ an individual who is less than
 28 eighteen (18) years of age;
 29 (C) that does not allow an individual who:
 30 (i) is less than twenty-one (21) years of age; and
 31 (ii) is not an employee of the bar or tavern;
 32 to enter any area of the bar or tavern; and
 33 (D) that is not located in a business that would otherwise be
 34 subject to this chapter.
- 35 (10) A cigar manufacturing facility that does not offer retail sales.
 36 (11) A premises of a cigar specialty store to which all of the
 37 following apply:
- 38 (A) The owner or operator of the store holds a valid tobacco
 39 sales certificate issued under IC 7.1-3-18.5.
 40 (B) The sale of tobacco products and tobacco accessories
 41 account for at least fifty percent (50%) of the store's annual
 42 gross sales.



- 1 (C) The store has a separate, enclosed, designated smoking
- 2 room that is adequately ventilated to prevent migration of
- 3 smoke to nonsmoking areas.
- 4 (D) Smoking is allowed only in the room described in clause
- 5 (C).
- 6 (E) Individuals who are less than twenty-one (21) years of age
- 7 are prohibited from entering into the room described in clause
- 8 (C).
- 9 (F) Cigarette smoking is not allowed on the premises of the
- 10 store.
- 11 (G) The owner or operator of the store posts a conspicuous
- 12 sign on the premises of the store that displays the message that
- 13 cigarette smoking is prohibited.
- 14 (H) The store does not prepare any food or beverage that
- 15 would require a certified food protection manager under
- 16 IC 16-42-5.2.
- 17 (12) The premises of a business that is located in the business
- 18 owner's private residence (as defined in IC 3-5-2-42.5) if the only
- 19 employees of the business who work in the residence are the
- 20 owner and other individuals who reside in the residence.
- 21 **(13) That part of a hotel designated as an outside patio or**
- 22 **terrace that contains a bar under IC 7.1-3-20-27, to which all**
- 23 **of the following apply:**
- 24 **(A) The designated smoking area on the outside patio or**
- 25 **terrace is delineated from the rest of the outside patio or**
- 26 **terrace by a barrier that is at least eighteen (18) inches in**
- 27 **height.**
- 28 **(B) The designated smoking area is located at least twenty**
- 29 **(20) feet from any entrance to the hotel.**
- 30 **(C) Individuals less than twenty-one (21) years of age are**
- 31 **not allowed in the designated smoking area.**
- 32 (b) The owner, operator, manager, or official in charge of an
- 33 establishment or premises in which smoking is allowed under this
- 34 section shall post conspicuous signs in the establishment that read
- 35 "WARNING: Smoking Is Allowed In This Establishment" or other
- 36 similar language.
- 37 (c) This section does not allow smoking in the following enclosed
- 38 areas of an establishment or premises described in subsection (a)(1)
- 39 through (a)(11):
- 40 (1) Any hallway, elevator, or other common area where an
- 41 individual who is less than twenty-one (21) years of age is
- 42 permitted.



1 (2) Any room that is intended for use by an individual who is less
2 than twenty-one (21) years of age.

3 (d) The owner, operator, or manager of an establishment or premises
4 that is listed under subsection (a) and that allows smoking shall provide
5 a verified statement to the commission that states that the establishment
6 or premises qualifies for the exemption. The commission may require
7 the owner, operator, or manager of an establishment or premises to
8 provide documentation or additional information concerning the
9 exemption of the establishment or premises.



COMMITTEE REPORT

Mr. Speaker: Your Committee on Public Policy, to which was referred House Bill 1197, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 8, between lines 29 and 30, begin a new paragraph and insert:

"SECTION 11. IC 7.1-3-20-29, AS AMENDED BY P.L.121-2022, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2024]: Sec. 29. (a) As used in this section, "food hall" means the premises:

- (1) located within a retail shopping and food service district; and
- (2) to which a master permit is issued under this section.

(b) As used in this section, "master permit" means a food hall master permit issued under this section.

(c) Except as provided in subsection (d), the commission may issue a master permit, which is a three-way retailer's permit for on premises consumption, to a food hall located in a retail shopping and food service district that meets the following requirements:

- (1) The district consists of an area that:
 - (A) has been redeveloped, renovated, or environmentally remediated in part with grants from the federal, state, or local government under IC 36-7-11; and
 - (B) is entirely located within an incorporated city or town.
- (2) The district consists of land and a building or group of buildings that are part of a common development.
- (3) The district is located within a locally designated historic district under IC 36-7-11 established by a city or town ordinance.
- (4) The district contains at least one (1) building that:
 - (A) is on the list of the National Register for Historic Places or qualifies as a historic building worthy of preservation under IC 36-7-11; and
 - (B) has been approved for present commercial use by the local historic preservation commission of the city or town.

(d) Subsection (c)(3) and (c)(4) does not apply to a food hall that **meets one (1) of the following descriptions:**

- (1) **The food hall:**
 - (A) is located within a certified technology park established under IC 36-7-32; and
 - (2) (B) operates within a previously vacant building that was, or within a complex of buildings that were:
 - (A) (i) placed in service at least twenty-five (25) years prior



to the redevelopment of the building or buildings; and
~~(B)~~ **(ii)** owned by a unit of local government or a public charitable trust prior to redevelopment.

(2) The food hall:

(A) contains not less than ten (10) distinct nonaffiliated food and beverage vendors; and

(B) is located within a mixed use development or redevelopment project with a total investment of at least one hundred million dollars (\$100,000,000).

(e) The commission may issue a master permit to the owner or developer of a food hall. The food hall constitutes a single permit premises that:

(1) contains not less than seven (7) distinct, nonaffiliated retail food and beverage vendors, each of which may apply for a food hall vendor permit under section 30 of this chapter; and

(2) has a seating capacity of the type traditionally designed for food and drink for at least one hundred (100) people.

(f) An applicant for a master permit shall post notice and appear in front of the local board in which the permit premises is situated. The local board shall determine the eligibility of the applicant under this section and hear evidence in support of or against the master permit location. A master permit may not be transferred to a location outside the food hall permit premises. A permit that is inactive for more than six (6) months shall revert back to the commission or may be deposited with the commission under IC 7.1-3-1.1 with the commission's permission.

(g) A master permit authorized by this section may be issued without regard to the proximity provisions of IC 7.1-3-21-11 or the quota provisions of IC 7.1-3-22.

(h) The commission may not require physical separation between a bar area and a dining area in a food hall."

Page 8, between lines 38 and 39, begin a new paragraph and insert:
 "SECTION 13. IC 7.1-3-21-15, AS AMENDED BY P.L.79-2022, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2024]: Sec. 15. (a) This section does not apply to an employee's permit under IC 7.1-3-18-9.

(b) The commission shall not renew or transfer a wholesaler, retailer, dealer, or other permit of any type if the applicant:

(1) is seeking a renewal and the applicant has not paid all the property taxes under IC 6-1.1 and the innkeeper's tax under IC 6-9 that are due currently;

(2) is seeking a transfer and the applicant has not paid all the



property taxes under IC 6-1.1 and innkeeper's tax under IC 6-9 for the assessment periods during which the transferor held the permit;

(3) is seeking a renewal or transfer and is at least thirty (30) days delinquent in remitting state gross retail taxes under IC 6-2.5 or withholding taxes required to be remitted under IC 6-3-4;

(4) is on the most recent tax warrant list supplied to the commission by the department of state revenue; or

(5) does not provide the commission with property tax clearance Form 1. **with an embossed seal from the county treasurer.**

(c) The commission shall renew or transfer a permit that the commission denied under subsection (b) when the appropriate one (1) of the following occurs:

(1) The person, if seeking a renewal, provides to the commission a statement from the county treasurer of the county in which the property of the applicant was assessed indicating that all the property taxes under IC 6-1.1 and, in a county where the county treasurer collects the innkeeper's tax, the innkeeper's tax under IC 6-9 that were delinquent have been paid.

(2) The person, if seeking a transfer of ownership, provides to the commission a statement from the county treasurer of the county in which the property of the transferor was assessed indicating that all the property taxes under IC 6-1.1 and, in a county where the county treasurer collects the innkeeper's tax, the innkeeper's tax under IC 6-9 have been paid for the assessment periods during which the transferor held the permit.

(3) The person provides to the commission a statement from the commissioner of the department of state revenue indicating that the person's tax warrant has been satisfied, including any delinquency in innkeeper's tax if the state collects the innkeeper's tax for the county in which the person seeks the permit.

(4) The commission receives a notice from the commissioner of the department of state revenue under IC 6-8.1-8-2(k).

(5) The commission receives a notice from the commissioner of the department of state revenue stating that the state gross retail and withholding taxes described in subsection (b)(3) have been remitted to the department.

(d) The commission shall not issue a new wholesaler, retailer, dealer, or other permit of any type if the applicant:

(1) has not paid all the applicant's property taxes under IC 6-1.1 and innkeeper's tax under IC 6-9 that are due;

(2) is at least thirty (30) days delinquent in remitting state gross



retail taxes under IC 6-2.5 or withholding taxes required to be remitted under IC 6-3-4;

(3) is on the most recent tax warrant list supplied to the commission by the department of state revenue; or

(4) does not provide the commission with property tax clearance Form 1. ~~with an embossed seal from the county treasurer.~~

(e) The commission shall issue a new permit that the commission denied under subsection (d) when one (1) of the following occurs:

(1) The applicant provides to the commission a statement from the commissioner of the department of state revenue indicating that the applicant's tax warrant has been satisfied, including any delinquency in innkeeper's tax if the state collects the innkeeper's tax for the county in which the applicant seeks the permit.

(2) The commission receives a notice of release from the commissioner of the department of state revenue under IC 6-8.1-8-2(k).

(3) The commission receives a notice from the commissioner of the department of state revenue stating that the state gross retail and withholding taxes described in subsection (d)(2) have been remitted to the department.

(f) An applicant for issuance of a new permit, renewal, or transfer may not be considered delinquent in the payment of a listed tax (as defined by IC 6-8.1-1-1) if the applicant has filed a proper protest under IC 6-8.1-5-1 contesting the remittance of those taxes. The applicant shall be considered delinquent in the payment of those taxes if the applicant does not remit the taxes owed to the state department of revenue after the later of the following:

(1) The expiration of the period in which the applicant may appeal the listed tax to the tax court, in the case of an applicant who does not file a timely appeal of the listed tax.

(2) When a decision of the tax court concerning the applicant's appeal of the listed tax becomes final, in the case of an applicant who files a timely appeal of the listed tax.

(g) The commission may require that an applicant for the issuance of a new permit, renewal, or transfer of a wholesaler's, retailer's, or dealer's, or other permit of any type furnish proof of the payment of a listed tax (as defined by IC 6-8.1-1-1), tax warrant, or taxes imposed by IC 6-1.1 or receipt of property tax clearance Form 1. ~~with an embossed seal from the county treasurer.~~

(h) The commission may issue to any applicant for renewal of a permit that is delinquent in the payment of a listed tax (as defined in IC 6-8.1-1-1) not more than one (1) ninety (90) day extension of the



term of the permit."

Page 9, between lines 30 and 31, begin a new paragraph and insert:

"SECTION 16. IC 7.1-3-30-1, AS ADDED BY P.L.121-2022, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2024]: Sec. 1. The following terms apply throughout this chapter:

- (1) "Craft manufacturer" means a person who holds:
 - (A) a small brewery permit under IC 7.1-3-2-7(5);
 - (B) a farm winery permit under IC 7.1-3-12; or
 - (C) an artisan distiller's permit under IC 7.1-3-27.
- (2) "Holder" means a person who holds a temporary craft manufacturer hospitality permit.
- (3) "Hospitality permit" means a temporary craft manufacturer hospitality permit issued under this chapter.
- (4) "Host permittee" means a:
 - (A) person who holds:
 - ~~(A)~~ (i) a civic center permit under IC 7.1-3-1-25;
 - ~~(B)~~ (ii) a permit under IC 7.1-3-20-18 through IC 7.1-3-20-21 (hotel);
 - ~~(C)~~ (iii) a permit under IC 7.1-3-21-14 (state fair grounds);
 - ~~(D)~~ (iv) a permit under IC 7.1-3-20-16.8 (economic development area); or
 - ~~(E)~~ (v) a permit under IC 7.1-3-17.8 (state park); or
 - (B) **craft manufacturer.**
- (5) "Temporary event" means an event listed in section 4 of this chapter for which the commission issues a hospitality permit."

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1197 as introduced.)

MANNING

Committee Vote: yeas 13, nays 0.

COMMITTEE REPORT

Madam President: The Senate Committee on Public Policy, to which was referred House Bill No. 1197, has had the same under consideration and begs leave to report the same back to the Senate with

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the recommendation that said bill be AMENDED as follows:

Page 7, between lines 29 and 30, begin a new paragraph and insert:

"(h) Except as provided in section 16.3 of this chapter, the commission may issue new three-way permits as follows:

- (1) Two (2) new three-way permits to the city of Delphi.**
- (2) Two (2) new three-way permits to the Hoosier Heartland Corridor Overlay District (as created by Carroll County Ordinance No. 2009-15).**

(i) The following apply to permits issued under subsection (h):

(1) An applicant for a permit under subsection (h) must be a proprietor, an owner or lessee, or both, of a restaurant located within an economic development area, an area needing redevelopment, or a redevelopment district as established under IC 36-7-14 in a municipality's:

- (A) downtown redevelopment district; or**
- (B) downtown economic revitalization area.**

(2) The cost of an initial permit is forty thousand dollars (\$40,000).

(3) The total number of active permits issued under subsection (h) may not exceed the four (4) new three-way permits, as set forth in that subsection.

(4) The municipality may adopt an ordinance under IC 7.1-3-19-17 requiring a permit holder to enter into a formal written commitment as a condition of eligibility for a permit. As set forth in IC 7.1-3-19-17(b), a formal written commitment is binding on the permit holder and on any lessee or proprietor of the permit premises.

(5) Notwithstanding IC 7.1-3-1.1, if business operations cease at the permit premises for more than six (6) months, the permit shall revert to the commission and the permit holder is not entitled to any refund or other compensation.

(6) Except as provided in subdivision (8), the ownership of a permit may not be transferred.

(7) A permit may not be transferred from the premises for which the permit was issued.

(8) If the area in which the permit issued to a premises under subsection (h) is located is no longer designated an economic development area, an area needing redevelopment, or a redevelopment district, a permit issued under this section may be renewed, and the ownership of the permit may be transferred, but the permit may not be transferred from the permit premises.



SECTION 9. IC 7.1-3-20-27, AS AMENDED BY P.L.167-2023, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2024]: Sec. 27. (a) This section applies to the premises of a restaurant **or hotel**.

(b) Subject to subsection (c), the holder of a retailer's permit that is issued for the premises of a restaurant **or hotel** may sell or dispense, for on-premises consumption only, alcoholic beverages, for which the permittee holds the appropriate permit, from **either**:

- (1) a bar located on the licensed premises; **or**
- (2) **a service window with a three (3) foot permanent barrier located within one hundred seventy-five (175) feet of a bar located on the licensed premises;**

that opens to an outside patio or terrace that is contiguous to the main building of the licensed premises of the restaurant **or hotel**.

(c) The holder of a retailer's permit that is issued for the premises of a restaurant **or hotel** may sell or dispense alcoholic beverages as provided under subsection (b) only if all the following conditions are met:

- (1) The patio or terrace area described in subsection (b) is:
 - (A) part of the licensed premises; and
 - (B) clearly delineated and completely enclosed on all sides by a barrier that is at least eighteen (18) inches in height.
- (2) Minors are allowed on the licensed premises at an outside patio or terrace that contains a bar under subsection (b) only in accordance with IC 7.1-5-7-11."

Page 15, after line 11, begin a new paragraph and insert:

"SECTION 20. IC 7.1-5-12-5, AS AMENDED BY P.L.49-2020, SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2024]: Sec. 5. (a) Except as provided in subsection (c) and subject to section 13 of this chapter, smoking may be allowed in the following:

- (1) A horse racing facility operated under a permit under IC 4-31-5 and any other permanent structure on land owned or leased by the owner of the facility that is adjacent to the facility.
- (2) A riverboat (as defined in IC 4-33-2-17) and any other permanent structure that is:
 - (A) owned or leased by the owner of the riverboat; and
 - (B) located on land that is adjacent to:
 - (i) the dock to which the riverboat is moored; or
 - (ii) the land on which the riverboat is situated in the case of a riverboat described in IC 4-33-2-17(2).
- (3) A facility that operates under a gambling game license under



IC 4-35-5 and any other permanent structure on land owned or leased by the owner of the facility that is adjacent to the facility.

(4) A satellite facility licensed under IC 4-31-5.5.

(5) An establishment owned or leased by a business that meets the following requirements:

(A) The business was in business and permitted smoking on December 31, 2012.

(B) The business prohibits entry by an individual who is less than twenty-one (21) years of age.

(C) The owner or operator of the business holds a beer, liquor, or wine retailer's permit.

(D) The business limits smoking in the establishment to smoking with a waterpipe or hookah device.

(E) During the preceding calendar year, at least ten percent (10%) of the business's annual gross income was from the sale of loose tobacco for use in a waterpipe or hookah device.

(F) The person in charge of the business posts in the establishment conspicuous signs that display the message that cigarette smoking is prohibited.

(6) An establishment owned or leased by a business that meets the following requirements:

(A) The business prohibits entry by an individual who is less than twenty-one (21) years of age.

(B) The owner or operator of the business holds a beer, liquor, or wine retailer's permit.

(C) The business limits smoking in the establishment to cigar smoking.

(D) During the preceding calendar year, at least ten percent (10%) of the business's annual gross income was from the sale of cigars and the rental of onsite humidors.

(E) The person in charge of the business posts in the establishment conspicuous signs that display the message that cigarette smoking is prohibited.

(7) A premises owned or leased by and regularly used for the activities of a business that meets all of the following:

(A) The business is exempt from federal income taxation under 26 U.S.C. 501(c).

(B) The business:

(i) meets the requirements to be considered a club under IC 7.1-3-20-1; or

(ii) is a fraternal club (as defined in IC 7.1-3-20-7).

(C) The business provides food or alcoholic beverages only to



its bona fide members and their guests.

(D) The business:

- (i) provides a separate, enclosed, designated smoking room or area that is adequately ventilated to prevent migration of smoke to nonsmoking areas of the premises;
- (ii) allows smoking only in the room or area described in item (i);
- (iii) does not allow an individual who is less than twenty-one (21) years of age to enter into the room or area described in item (i); and
- (iv) allows a guest in the smoking room or area described in item (i) only when accompanied by a bona fide member of the business.

(8) A retail tobacco store used primarily for the sale of tobacco products and tobacco accessories that meets the following requirements:

- (A) The owner or operator of the store holds a valid tobacco sales certificate issued under IC 7.1-3-18.5.
- (B) The store prohibits entry by an individual who is less than twenty-one (21) years of age.
- (C) The sale of products other than tobacco products and tobacco accessories is merely incidental.
- (D) The sale of tobacco products accounts for at least eighty-five percent (85%) of the store's annual gross sales.
- (E) Food or beverages are not sold in a manner that requires consumption on the premises, and there is not an area set aside for customers to consume food or beverages on the premises.

(9) A bar or tavern:

- (A) for which a permittee holds:
 - (i) a beer retailer's permit under IC 7.1-3-4;
 - (ii) a liquor retailer's permit under IC 7.1-3-9; or
 - (iii) a wine retailer's permit under IC 7.1-3-14;
- (B) that does not employ an individual who is less than eighteen (18) years of age;
- (C) that does not allow an individual who:
 - (i) is less than twenty-one (21) years of age; and
 - (ii) is not an employee of the bar or tavern;
 to enter any area of the bar or tavern; and
- (D) that is not located in a business that would otherwise be subject to this chapter.

(10) A cigar manufacturing facility that does not offer retail sales.

(11) A premises of a cigar specialty store to which all of the



following apply:

- (A) The owner or operator of the store holds a valid tobacco sales certificate issued under IC 7.1-3-18.5.
- (B) The sale of tobacco products and tobacco accessories account for at least fifty percent (50%) of the store's annual gross sales.
- (C) The store has a separate, enclosed, designated smoking room that is adequately ventilated to prevent migration of smoke to nonsmoking areas.
- (D) Smoking is allowed only in the room described in clause (C).
- (E) Individuals who are less than twenty-one (21) years of age are prohibited from entering into the room described in clause (C).
- (F) Cigarette smoking is not allowed on the premises of the store.
- (G) The owner or operator of the store posts a conspicuous sign on the premises of the store that displays the message that cigarette smoking is prohibited.
- (H) The store does not prepare any food or beverage that would require a certified food protection manager under IC 16-42-5.2.

(12) The premises of a business that is located in the business owner's private residence (as defined in IC 3-5-2-42.5) if the only employees of the business who work in the residence are the owner and other individuals who reside in the residence.

(13) That part of a hotel designated as an outside patio or terrace that contains a bar under IC 7.1-3-20-27, to which all of the following apply:

- (A) The designated smoking area on the outside patio or terrace is delineated from the rest of the outside patio or terrace by a barrier that is at least eighteen (18) inches in height.**
- (B) The designated smoking area is located at least twenty (20) feet from any entrance to the hotel.**
- (C) Individuals less than twenty-one (21) years of age are not allowed in the designated smoking area.**

(b) The owner, operator, manager, or official in charge of an establishment or premises in which smoking is allowed under this section shall post conspicuous signs in the establishment that read "WARNING: Smoking Is Allowed In This Establishment" or other similar language.



(c) This section does not allow smoking in the following enclosed areas of an establishment or premises described in subsection (a)(1) through (a)(11):

(1) Any hallway, elevator, or other common area where an individual who is less than twenty-one (21) years of age is permitted.

(2) Any room that is intended for use by an individual who is less than twenty-one (21) years of age.

(d) The owner, operator, or manager of an establishment or premises that is listed under subsection (a) and that allows smoking shall provide a verified statement to the commission that states that the establishment or premises qualifies for the exemption. The commission may require the owner, operator, or manager of an establishment or premises to provide documentation or additional information concerning the exemption of the establishment or premises."

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1197 as printed January 23, 2024.)

ALTING, Chairperson

Committee Vote: Yeas 9, Nays 0.

SENATE MOTION

Madam President: I move that Engrossed House Bill 1197 be amended to read as follows:

Page 2, between lines 17 and 18, begin a new paragraph and insert:

"SECTION 4. IC 7.1-3-1-25, AS AMENDED BY P.L.285-2019, SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2024]: Sec. 25. (a) A county, city, town, or township that by itself or in combination with any other body of a county, city, town, or township acquires by ownership or by lease any stadium, exhibition hall, auditorium, theater, convention center, ~~or~~ civic center, **or park or public recreation area with a permanent event or entertainment space** may permit the retail sale of alcoholic beverages upon the premises if the governing board of the facility first applies for and secures the necessary permits as required by this title.

(b) A county or township may be issued a permit for the retail sale of alcoholic beverages on the premises of any community center,

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including a clubhouse, pavilion, or social center that is located within a public park or operated by the township.

(c) A county, city, town, or township that owns a golf course may permit the retail sale of alcoholic beverages upon the premises of the golf course if the governing board of the golf course first applies for and secures the necessary permits required by this title.

(d) A county, city, town, or township that owns a marina may be issued a permit for the retail sale of alcoholic beverages on the premises of the marina. The permit may include the carryout sale of alcoholic beverages in accordance with IC 7.1-3-4-6(c), IC 7.1-3-9-9(c), IC 7.1-3-14-4(c), and 905 IAC 1-29 but may not include at-home delivery of alcoholic beverages. However, the county, city, town, or township must apply for and secure the necessary permits that this title requires.

(e) Notwithstanding subsection (a), the commission may issue a civic center permit to a person that:

(1) by the person's self or in combination with another person is the proprietor, as owner or lessee, of an entertainment complex; or

(2) has an agreement with a person described in subdivision (1) to act as a concessionaire for the entertainment complex for the full period for which the permit is to be issued."

Page 2, line 24, delete "applicant or" and insert "applicant, or".

Page 7, delete lines 30 through 35, begin a new paragraph and insert:

"(h) Except as provided in section 16.3 of this chapter, the commission may issue to the city of Delphi not more than two (2) new three-way permits under this subsection."

Page 8, line 5, delete "four (4)" and insert "**two (2)**".

Page 8, line 35, delete "either:".

Page 8, line 36, delete "(1)".

Page 8, line 36, delete "; or".

Page 8, delete lines 37 through 39.

Page 8, run in lines 35 through 41.

Renumber all SECTIONS consecutively.

(Reference is to EHB 1197 as printed February 16, 2024.)

ALTING

