

# HOUSE BILL No. 1431

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 7.1-3.

**Synopsis:** Alcoholic beverage dealer residency. Eliminates the Indiana residency requirements for holding an alcoholic beverage dealer's permit.

**Effective:** July 1, 2020.

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## Smaltz

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January 15, 2020, read first time and referred to Committee on Public Policy.

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Second Regular Session of the 121st General Assembly (2020)

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 2019 Regular Session of the General Assembly.

# HOUSE BILL No. 1431

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 7.1-3-5-2, AS AMENDED BY P.L.285-2019,  
2 SECTION 20, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
3 JULY 1, 2020]: Sec. 2. (a) As used in this section, "proprietor of a  
4 package liquor store" means the person that:  
5 (1) holds the financial investment in; and  
6 (2) exercises the financial and operational oversight of;  
7 a package liquor store.  
8 (b) The commission may issue a beer dealer's permit only to an  
9 applicant who is the proprietor of a drug store, grocery store, or  
10 package liquor store.  
11 (c) ~~Subject to subsection (d)~~, The commission may issue a beer  
12 dealer's permit to an applicant that is a foreign corporation if:  
13 (1) the applicant is duly admitted to do business in Indiana;  
14 (2) the sale of beer is within the applicant's corporate powers; and  
15 (3) the applicant is otherwise qualified under this title.  
16 (d) ~~Except as provided under IC 7.1-3-21-5.6, the commission may~~  
17 ~~issue a beer dealer's permit under subsection (c) for the premises of a~~



1 package liquor store only if the proprietor of the package liquor store  
 2 satisfies the Indiana resident ownership requirements described in  
 3 IC 7.1-3-21-5(b), IC 7.1-3-21-5.2(b), or IC 7.1-3-21-5.4(b).

4 ~~(e)~~ (d) The commission shall not issue a beer dealer's permit to a  
 5 person who is disqualified under the special disqualifications.  
 6 However, the special disqualification listed in IC 7.1-3-4-2(a)(14) shall  
 7 not apply to an applicant for a beer dealer's permit.

8 ~~(f)~~ (e) Notwithstanding subsection (b), the commission may renew  
 9 a beer dealer's permit for an applicant who:

10 (1) held a permit before July 1, 1997; and

11 (2) is the proprietor of a confectionery or a store that:

12 (A) is not a drug store, grocery store, or package liquor store;

13 (B) is in good repute; and

14 (C) in the judgment of the commission, deals in merchandise  
 15 that is not incompatible with the sale of beer.

16 SECTION 2. IC 7.1-3-21-3, AS AMENDED BY P.L.107-2015,  
 17 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 18 JULY 1, 2020]: Sec. 3. The commission shall not issue an alcoholic  
 19 beverage retailer's ~~or dealer's~~ permit of any type to a person who has  
 20 not been a continuous and bona fide resident of Indiana for five (5)  
 21 years immediately preceding the date of the application for a permit.

22 SECTION 3. IC 7.1-3-21-5, AS AMENDED BY P.L.214-2016,  
 23 SECTION 24, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 24 JULY 1, 2020]: Sec. 5. (a) The commission shall not issue an alcoholic  
 25 beverage retailer's permit of any type to a corporation unless sixty  
 26 percent (60%) of the outstanding common stock is owned by persons  
 27 who have been continuous and bona fide residents of Indiana for five  
 28 (5) years.

29 ~~(b)~~ The commission shall not issue an alcoholic beverage dealer's  
 30 permit of any type for the premises of a package liquor store to a  
 31 corporation unless:

32 (1) sixty percent (60%) of the outstanding stock in the corporation  
 33 is owned by persons who have been continuous and bona fide  
 34 residents of Indiana for five (5) years; and

35 (2) the stock described in subdivision (1) constitutes a controlling  
 36 interest in the corporation.

37 ~~(c)~~ (b) Each officer and stockholder of a corporation shall possess  
 38 all other qualifications required of an individual applicant for that  
 39 particular type of permit.

40 SECTION 4. IC 7.1-3-21-5.2, AS AMENDED BY P.L.214-2016,  
 41 SECTION 25, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 42 JULY 1, 2020]: Sec. 5.2. (a) The commission shall not issue an



1 alcoholic beverage retailer's permit of any type to a limited partnership  
 2 unless at least sixty percent (60%) of the partnership interest is owned  
 3 by persons who have been continuous and bona fide residents of  
 4 Indiana for five (5) years.

5 (b) The commission shall not issue an alcoholic beverage dealer's  
 6 permit of any type for the premises of a package liquor store to a  
 7 limited partnership unless:

8 (1) at least sixty percent (60%) of the partnership interest is  
 9 owned by persons who have been continuous and bona fide  
 10 residents of Indiana for five (5) years; and

11 (2) the partnership interest described in subdivision (1)  
 12 constitutes a controlling interest in the limited partnership.

13 (c) (b) Each general partner and limited partner of a limited  
 14 partnership must possess all other qualifications required of an  
 15 individual applicant for that particular type of permit.

16 SECTION 5. IC 7.1-3-21-5.4, AS AMENDED BY P.L.44-2017,  
 17 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 18 JULY 1, 2020]: Sec. 5.4. (a) The commission shall not issue an  
 19 alcoholic beverage retailer's permit of any type to a limited liability  
 20 company unless at least sixty percent (60%) of the membership interest  
 21 is owned by persons who have been continuous and bona fide residents  
 22 of Indiana for five (5) years.

23 (b) The commission shall not issue an alcoholic beverage dealer's  
 24 permit of any type for the premises of a package liquor store to a  
 25 limited liability company unless:

26 (1) at least sixty percent (60%) of the outstanding membership  
 27 interest in the limited liability company is owned by persons who  
 28 have been continuous and bona fide residents of Indiana for five  
 29 (5) years; and

30 (2) the membership interest described in subdivision (1)  
 31 constitutes a controlling interest in the limited liability company.

32 (c) (b) Each manager and member of a limited liability company  
 33 must possess all other qualifications required of an individual applicant  
 34 for that particular type of permit.

35 SECTION 6. IC 7.1-3-21-5.6 IS REPEALED [EFFECTIVE JULY  
 36 1, 2020]. Sec. 5-6. (a) Notwithstanding section 5, 5-2, or 5-4 of this  
 37 chapter, the commission may renew or transfer ownership of a dealer's  
 38 permit of any type for the holder of a dealer's permit who:

39 (1) held the permit for the premises of a package liquor store  
 40 before January 1, 2016; and

41 (2) does not qualify for the permit under section 5(b), 5-2(b), or  
 42 5-4(b) of this chapter.



1           (b) The commission may transfer ownership of a dealer's permit  
2 under this section only to an applicant who satisfies the Indiana  
3 resident ownership requirements under this chapter.

