

SENATE BILL No. 254

DIGEST OF INTRODUCED BILL

Citations Affected: IC 7.1-3.

Synopsis: Transit development district three-way permits. Provides for the issuance of 25 new three-way alcoholic beverage permits to restaurants located: (1) within a transit development district; or (2) not more than 1,500 feet from the boundary of a transit development district.

Effective: July 1, 2024.

Pol Jr.

January 11, 2024, read first time and referred to Committee on Public Policy.



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.

SENATE BILL No. 254

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 7.1-3-19-17, AS AMENDED BY P.L.220-2023,
2 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2024]: Sec. 17. (a) This section applies to a permit issued
4 under IC 7.1-3-20-16(d), IC 7.1-3-20-16(g), IC 7.1-3-20-16(k) through
5 ~~IC 7.1-3-20-16(q)~~, **IC 7.1-3-20-16(r)**, or IC 7.1-3-20-16.8 if a
6 municipal legislative body has adopted an ordinance requiring a formal
7 written commitment as a condition of eligibility for a permit, as
8 described in subsection (b).

9 (b) As a condition of eligibility for a permit, the applicant must
10 enter into a formal written commitment with the municipal legislative
11 body regarding the character or type of business that will be conducted
12 on the permit premises. The municipal legislative body must adopt an
13 ordinance approving the formal written commitment. A formal written
14 commitment is binding on the permit holder and on any lessee or
15 proprietor of the permit premises. When an application for renewal of
16 a permit is filed, the applicant shall forward a copy of the application
17 to the municipal legislative body. The municipal legislative body shall



1 receive notice of any filings, hearings, or other proceedings on the
2 application for renewal from the applicant.

3 (c) A formal written commitment may be modified by the municipal
4 legislative body with the agreement of the permit holder.

5 (d) Except as provided in subsection (f), the amount of time that a
6 formal written commitment is valid may not be limited or restricted.

7 (e) A formal written commitment is terminated at the time a permit
8 is revoked or not renewed.

9 (f) If the character or type of business violates the formal written
10 commitments, the municipality may adopt a recommendation to the
11 local board and the commission to:

12 (1) deny the permit holder's application to renew the permit; or

13 (2) revoke the permit holder's permit.

14 (g) The commission shall consider evidence at the hearing on the
15 issue of whether the business violated the formal written commitments.
16 If the commission determines there is sufficient evidence that the
17 commitments have been violated by the permittee, the commission
18 may:

19 (1) deny the application to renew the permit; or

20 (2) revoke the permit;

21 as applicable.

22 SECTION 2. IC 7.1-3-20-16, AS AMENDED BY P.L.220-2023,
23 SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
24 JULY 1, 2024]: Sec. 16. (a) A permit that is authorized by this section
25 may be issued without regard to the quota provisions of IC 7.1-3-22.

26 (b) The commission may issue a three-way permit to sell alcoholic
27 beverages for on-premises consumption only to an applicant who is the
28 proprietor, as owner or lessee, or both, of a restaurant facility in the
29 passenger terminal complex of a publicly owned airport. A permit
30 issued under this subsection shall not be transferred to a location off
31 the airport premises.

32 (c) Except as provided in sections 16.3 and 16.4 of this chapter, the
33 commission may issue a three-way, two-way, or one-way permit to sell
34 alcoholic beverages for on-premises consumption only to an applicant
35 who is the proprietor, as owner or lessee, or both, of a restaurant within
36 a redevelopment project consisting of a building or group of buildings
37 that:

38 (1) was formerly used as part of a union railway station;

39 (2) has been listed in or is within a district that has been listed in
40 the federal National Register of Historic Places maintained
41 pursuant to the National Historic Preservation Act of 1966, as
42 amended; and



1 (3) has been redeveloped or renovated, with the redevelopment or
 2 renovation being funded in part with grants from the federal,
 3 state, or local government.

4 A permit issued under this subsection shall not be transferred to a
 5 location outside of the redevelopment project.

6 (d) Subject to section 16.1 of this chapter and except as provided in
 7 section 16.3 of this chapter, the commission may issue a three-way,
 8 two-way, or one-way permit to sell alcoholic beverages for on-premises
 9 consumption only to an applicant who is the proprietor, as owner or
 10 lessee, or both, of a restaurant:

- 11 (1) on land; or
 12 (2) in a historic river vessel;

13 within a municipal riverfront development project funded in part with
 14 state and city money. The ownership of a permit issued under this
 15 subsection and the location for which the permit was issued may not be
 16 transferred. The legislative body of the municipality in which the
 17 municipal riverfront development project is located shall recommend
 18 to the commission sites that are eligible to be permit premises. The
 19 commission shall consider, but is not required to follow, the municipal
 20 legislative body's recommendation in issuing a permit under this
 21 subsection. A permit holder and any lessee or proprietor of the permit
 22 premises are subject to the formal written commitment required under
 23 IC 7.1-3-19-17. Notwithstanding IC 7.1-3-1-3.5 and IC 7.1-3-1.1, if
 24 business operations cease at the permit premises for more than six (6)
 25 months, the permit shall revert to the commission. The permit holder
 26 is not entitled to any refund or other compensation.

27 (e) Except as provided in sections 16.3 and 16.4 of this chapter, the
 28 commission may issue a three-way, two-way, or one-way permit to sell
 29 alcoholic beverages for on-premises consumption only to an applicant
 30 who is the proprietor, as owner or lessee, or both, of a restaurant within
 31 a renovation project consisting of:

- 32 (1) a building that:
 33 (A) was formerly used as part of a passenger and freight
 34 railway station; and
 35 (B) was built before 1900; or
 36 (2) a complex of buildings that:
 37 (A) is part of an economic development area established under
 38 IC 36-7-14; and
 39 (B) includes, as part of the renovation project, the use and
 40 repurposing of two (2) or more buildings and structures that
 41 are:
 42 (i) at least seventy-five (75) years old; and



1 (ii) located at a site at which manufacturing previously
 2 occurred over a period of at least seventy-five (75) years.

3 The permit authorized by this subsection may be issued without regard
 4 to the proximity provisions of IC 7.1-3-21-11.

5 (f) Except as provided in section 16.3 of this chapter, the
 6 commission may issue a three-way permit for the sale of alcoholic
 7 beverages for on-premises consumption at a cultural center for the
 8 visual and performing arts to the following:

9 (1) A town having a population of more than twenty-three
 10 thousand (23,000) and less than twenty-three thousand nine
 11 hundred (23,900) located in a county having a population of more
 12 than four hundred thousand (400,000) and less than seven
 13 hundred thousand (700,000).

14 (2) A city that has an indoor theater as described in section 26 of
 15 this chapter.

16 (g) Except as provided in section 16.3 of this chapter, the
 17 commission may issue not more than fifteen (15) new three-way,
 18 two-way, or one-way permits to sell alcoholic beverages for
 19 on-premises consumption to applicants, each of whom must be the
 20 proprietor, as owner or lessee, or both, of a restaurant located within a
 21 district, or not more than one thousand five hundred (1,500) feet from
 22 a district, that meets the following requirements:

23 (1) The district has been listed in the National Register of Historic
 24 Places maintained under the National Historic Preservation Act
 25 of 1966, as amended.

26 (2) A county courthouse is located within the district.

27 (3) A historic opera house listed on the National Register of
 28 Historic Places is located within the district.

29 (4) A historic jail and sheriff's house listed on the National
 30 Register of Historic Places is located within the district.

31 The legislative body of the municipality in which the district is located
 32 shall recommend to the commission sites that are eligible to be permit
 33 premises. The commission shall consider, but is not required to follow,
 34 the municipal legislative body's recommendation in issuing a permit
 35 under this subsection. An applicant is not eligible for a permit if, less
 36 than two (2) years before the date of the application, the applicant sold
 37 a retailer's permit that was subject to IC 7.1-3-22 and that was for
 38 premises located within the district described in this section or within
 39 one thousand five hundred (1,500) feet of the district. The ownership
 40 of a permit issued under this subsection and the location for which the
 41 permit was issued shall not be transferred. A permit holder and any
 42 lessee or proprietor of the permit premises is subject to the formal



1 written commitment required under IC 7.1-3-19-17. Notwithstanding
 2 IC 7.1-3-1-3.5 and IC 7.1-3-1.1, if business operations cease at the
 3 permit premises for more than six (6) months, the permit shall revert
 4 to the commission. The permit holder is not entitled to any refund or
 5 other compensation. The total number of active permits issued under
 6 this subsection may not exceed fifteen (15) at any time. The cost of an
 7 initial permit issued under this subsection is twenty-five thousand
 8 dollars (\$25,000).

9 (h) Except as provided in section 16.3 of this chapter, the
 10 commission may issue a three-way permit for the sale of alcoholic
 11 beverages for on-premises consumption to an applicant who will locate
 12 as the proprietor, as owner or lessee, or both, of a restaurant within an
 13 economic development area under IC 36-7-14 in:

14 (1) a town having a population of more than twenty thousand
 15 (20,000); or

16 (2) a city having a population of more than forty-nine thousand
 17 four hundred (49,400) and less than fifty thousand (50,000);

18 located in a county having a population of more than one hundred
 19 twenty thousand (120,000) and less than one hundred thirty thousand
 20 (130,000). The commission may issue not more than five (5) licenses
 21 under this section to premises within a municipality described in
 22 subdivision (1) and not more than five (5) licenses to premises within
 23 a municipality described in subdivision (2). The commission shall
 24 conduct an auction of the permits under IC 7.1-3-22-9, except that the
 25 auction may be conducted at any time as determined by the
 26 commission. Notwithstanding any other law, the minimum bid for an
 27 initial license under this subsection is thirty-five thousand dollars
 28 (\$35,000), and the renewal fee for a license under this subsection is one
 29 thousand three hundred fifty dollars (\$1,350). Before the district
 30 expires, a permit issued under this subsection may not be transferred.
 31 After the district expires, a permit issued under this subsection may be
 32 renewed, and the ownership of the permit may be transferred, but the
 33 permit may not be transferred from the permit premises.

34 (i) After June 30, 2006, and except as provided in section 16.3 of
 35 this chapter, the commission may issue not more than five (5) new
 36 three-way, two-way, or one-way permits to sell alcoholic beverages for
 37 on-premises consumption to applicants, each of whom must be the
 38 proprietor, as owner or lessee, or both, of a restaurant located within a
 39 district, or not more than five hundred (500) feet from a district, that
 40 meets all of the following requirements:

41 (1) The district is within an economic development area, an area
 42 needing redevelopment, or a redevelopment district as established



1 under IC 36-7-14.

2 (2) A unit of the National Park Service is partially located within
3 the district.

4 (3) An international deep water seaport is located within the
5 district.

6 An applicant is not eligible for a permit under this subsection if, less
7 than two (2) years before the date of the application, the applicant sold
8 a retailers' permit that was subject to IC 7.1-3-22 and that was for
9 premises located within the district described in this subsection or
10 within five hundred (500) feet of the district. A permit issued under this
11 subsection may not be transferred. If the commission issues five (5)
12 new permits under this subsection, and a permit issued under this
13 subsection is later revoked or is not renewed, the commission may
14 issue another new permit, as long as the total number of active permits
15 issued under this subsection does not exceed five (5) at any time. The
16 commission shall conduct an auction of the permits under
17 IC 7.1-3-22-9, except that the auction may be conducted at any time as
18 determined by the commission.

19 (j) Subject to section 16.2 of this chapter and except as provided in
20 section 16.3 of this chapter, the commission may issue not more than
21 six (6) new three-way, two-way, or one-way permits to sell alcoholic
22 beverages for on-premises consumption only to an applicant who is the
23 proprietor, as owner or lessee, or both, of a restaurant on land within a
24 municipal lakefront development project. A permit issued under this
25 subsection may not be transferred. If the commission issues six (6) new
26 permits under this subsection, and a permit issued under this subsection
27 is later revoked or is not renewed, the commission may issue another
28 new permit, as long as the total number of active permits issued under
29 this subsection does not exceed six (6) at any time. The commission
30 shall conduct an auction of the permits under IC 7.1-3-22-9, except that
31 the auction may be conducted at any time as determined by the
32 commission. Notwithstanding any other law, the minimum bid for an
33 initial permit under this subsection is ten thousand dollars (\$10,000).

34 (k) Except as provided in section 16.3 of this chapter, the
35 commission may issue not more than nine (9) new three-way permits
36 to sell alcoholic beverages for on-premises consumption to applicants,
37 each of whom must be a proprietor, as owner or lessee, or both, of a
38 restaurant located:

39 (1) within a motorsports investment district (as defined in
40 IC 5-1-17.5-11); or

41 (2) not more than one thousand five hundred (1,500) feet from a
42 motorsports investment district.



1 The ownership of a permit issued under this subsection and the location
2 for which the permit was issued shall not be transferred. If the
3 commission issues nine (9) new permits under this subsection, and a
4 permit issued under this subsection is later revoked or is not renewed,
5 the commission may issue another new permit, as long as the total
6 number of active permits issued under this subsection does not exceed
7 nine (9) at any time. A permit holder and any lessee or proprietor of the
8 permit premises are subject to the formal written commitment required
9 under IC 7.1-3-19-17. Notwithstanding IC 7.1-3-1-3.5 and IC 7.1-3-1.1,
10 if business operations cease at the permit premises for more than six
11 (6) months, the permit shall revert to the commission. The permit
12 holder is not entitled to any refund or other compensation.

13 (l) Except as provided in section 16.3 of this chapter, the
14 commission may issue not more than two (2) new three-way permits to
15 sell alcoholic beverages for on-premises consumption for premises
16 located within a qualified motorsports facility (as defined in
17 IC 5-1-17.5-14). The ownership of a permit issued under this
18 subsection and the location for which the permit was issued shall not
19 be transferred. If the commission issues two (2) new permits under this
20 subsection, and a permit issued under this subsection is later revoked
21 or is not renewed, the commission may issue another new permit, as
22 long as the total number of active permits issued under this subsection
23 does not exceed two (2) at any time. A permit holder and any lessee or
24 proprietor of the permit premises are subject to the formal written
25 commitment required under IC 7.1-3-19-17. Notwithstanding
26 IC 7.1-3-1-3.5 and IC 7.1-3-1.1, if business operations cease at the
27 permit premises for more than six (6) months, the permit shall revert
28 to the commission. The permit holder is not entitled to any refund or
29 other compensation.

30 (m) Except as provided in section 16.3 of this chapter, the
31 commission may issue not more than three (3) new three-way permits
32 to sell alcoholic beverages for on-premises consumption in the city of
33 Auburn. The ownership of a permit issued under this subsection and
34 the location for which the permit was issued shall not be transferred. If
35 the commission issues three (3) new permits under this subsection, and
36 a permit issued under this subsection is later revoked or is not renewed,
37 the commission may issue another new permit, as long as the total
38 number of active permits issued under this subsection does not exceed
39 three (3) at any time. A permit holder and any lessee or proprietor of
40 the permit premises are subject to the formal written commitment
41 required under IC 7.1-3-19-17. Notwithstanding IC 7.1-3-1.1, if
42 business operations cease at the permit premises for more than six (6)



1 months, the permit shall revert to the commission. The permit holder
2 is not entitled to any refund or other compensation.

3 (n) Except as provided in section 16.3 of this chapter, the
4 commission may issue not more than three (3) new three-way permits
5 to sell alcoholic beverages for on-premises consumption in the city of
6 Kendallville. The ownership of a permit issued under this subsection
7 and the location for which the permit was issued shall not be
8 transferred. If the commission issues three (3) new permits under this
9 subsection, and a permit issued under this subsection is later revoked
10 or is not renewed, the commission may issue another new permit, as
11 long as the total number of active permits issued under this subsection
12 does not exceed three (3) at any time. A permit holder and any lessee
13 or proprietor of the permit premises are subject to the formal written
14 commitment required under IC 7.1-3-19-17. Notwithstanding
15 IC 7.1-3-1.1, if business operations cease at the permit premises for
16 more than six (6) months, the permit shall revert to the commission.
17 The permit holder is not entitled to any refund or other compensation.

18 (o) Except as provided in section 16.3 of this chapter, the
19 commission may issue not more than two (2) new three-way permits to
20 sell alcoholic beverages for on-premises consumption in the city of
21 Warsaw. The ownership of a permit issued under this subsection and
22 the location for which the permit was issued shall not be transferred. If
23 the commission issues two (2) new permits under this subsection, and
24 a permit issued under this subsection is later revoked or is not renewed,
25 the commission may issue another new permit, as long as the total
26 number of active permits issued under this subsection does not exceed
27 two (2) at any time. A permit holder and any lessee or proprietor of the
28 permit premises are subject to the formal written commitment required
29 under IC 7.1-3-19-17. Notwithstanding IC 7.1-3-1.1, if business
30 operations cease at the permit premises for more than six (6) months,
31 the permit shall revert to the commission. The permit holder is not
32 entitled to any refund or other compensation.

33 (p) Except as provided in section 16.3 of this chapter, the
34 commission may issue not more than one (1) new three-way permit to
35 sell alcoholic beverages for on-premises consumption in the town of
36 Winona Lake. The ownership of a permit issued under this subsection
37 and the location for which the permit was issued shall not be
38 transferred. If the commission issues one (1) new permit under this
39 subsection, and a permit issued under this subsection is later revoked
40 or is not renewed, the commission may issue another new permit, as
41 long as the total number of active permits issued under this subsection
42 does not exceed one (1) at any time. A permit holder and any lessee or



1 proprietor of the permit premises are subject to the formal written
 2 commitment required under IC 7.1-3-19-17. Notwithstanding
 3 IC 7.1-3-1.1, if business operations cease at the permit premises for
 4 more than six (6) months, the permit shall revert to the commission.
 5 The permit holder is not entitled to any refund or other compensation.

6 (q) Except as provided in section 16.3 of this chapter, the
 7 commission may issue not more than one (1) new three-way permit to
 8 sell alcoholic beverages for on-premises consumption in the town of
 9 Syracuse. The ownership of a permit issued under this subsection and
 10 the location for which the permit was issued shall not be transferred. If
 11 the commission issues one (1) new permit under this subsection, and
 12 a permit issued under this subsection is later revoked or is not renewed,
 13 the commission may issue another new permit, as long as the total
 14 number of active permits issued under this subsection does not exceed
 15 one (1) at any time. A permit holder and any lessee or proprietor of the
 16 permit premises are subject to the formal written commitment required
 17 under IC 7.1-3-19-17. Notwithstanding IC 7.1-3-1.1, if business
 18 operations cease at the permit premises for more than six (6) months,
 19 the permit shall revert to the commission. The permit holder is not
 20 entitled to any refund or other compensation.

21 **(r) The commission may issue not more than twenty-five (25)**
 22 **new three-way permits to sell alcoholic beverages for on-premises**
 23 **consumption to applicants, each of whom must be a proprietor, as**
 24 **owner or lessee, or both, of a restaurant located:**

25 **(1) within; or**

26 **(2) not more than one thousand five hundred (1,500) feet from**
 27 **the boundary of;**

28 **a transit development district established under IC 36-7.5-4.5. The**
 29 **ownership of a permit issued under this subsection and the location**
 30 **for which the permit was issued shall not be transferred. If the**
 31 **commission issues twenty-five (25) new permits under this**
 32 **subsection, and a permit issued under this subsection is later**
 33 **revoked or not renewed, the commission may issue another new**
 34 **permit, as long as the total number of active permits issued under**
 35 **this subsection does not exceed twenty-five (25) at any time. A**
 36 **permit holder and any lessee or proprietor of the permit premises**
 37 **are subject to the formal written commitment required under**
 38 **IC 7.1-3-19-17. Notwithstanding IC 7.1-3-1.1, if business operations**
 39 **cease at the permit premises for more than six (6) months, the**
 40 **permit shall revert to the commission. The permit holder is not**
 41 **entitled to any refund or other compensation.**

