



January 24, 2014

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## SENATE BILL No. 254

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DIGEST OF SB 254 (Updated January 22, 2014 3:04 pm - DI 84)

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

**Synopsis:** Three-way permits in unincorporated towns. Allows the alcohol and tobacco commission (commission) to grant a three-way alcoholic beverage permit to a restaurant or new restaurant located within an unincorporated town if the unincorporated town in which the restaurant is located satisfies certain criteria. Provides that the restaurant is not subject to any annual or monthly gross food sales requirement.

**Effective:** July 1, 2014.

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**Arnold J, Alting**

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January 9, 2014, read first time and referred to Committee on Public Policy.  
January 23, 2014, reported favorably — Do Pass.

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SB 254—LS 6588/DI 110





January 24, 2014

Second Regular Session 118th General Assembly (2014)

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 2013 Regular Session and 2013 First Regular Technical Session of the General Assembly.

## SENATE BILL No. 254

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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 7.1-3-20-12, AS AMENDED BY P.L.224-2005,  
2 SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
3 JULY 1, 2014]: Sec. 12. **Except as provided in section 13.7 of this**  
4 **chapter**, the commission may issue a three-way permit for the sale of  
5 alcoholic beverages to the proprietor of a restaurant which is located  
6 outside the corporate limits of an incorporated city or town if the  
7 restaurant meets the additional requirements:  
8 (1) It shall be a table service restaurant in which a patron is seated  
9 at a table and is served by a waiter or waitress and the food served  
10 is predominantly consumed on the premises.  
11 (2) It shall be sufficiently served by adequate law enforcement at  
12 its premises.  
13 (3) If it does business during seven (7) or more months of each  
14 year, it shall have had an annual gross food sales of at least one  
15 hundred thousand dollars (\$100,000) for the three (3) years  
16 immediately preceding its application for a permit unless the

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1 permittee is the proprietor of a recreational facility such as a golf  
 2 course, bowling center, or similar facility that has the recreational  
 3 activity and not the sale of food and beverages as the principal  
 4 purpose or function of the person's business.

5 (4) If it does business during six (6) or fewer months of each year,  
 6 it shall have had average monthly gross food sales of at least eight  
 7 thousand five hundred dollars (\$8,500) for each month it did  
 8 business for the three (3) years immediately preceding its  
 9 application for a permit.

10 SECTION 2. IC 7.1-3-20-13 IS AMENDED TO READ AS  
 11 FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 13. (a) **Except as**  
 12 **provided in section 13.7 of this chapter**, the commission may issue  
 13 a three-way permit to the proprietor of a new restaurant which is  
 14 located outside the corporate limits of an incorporated city or town for  
 15 the sale of alcoholic beverages if:

16 (1) the applicant proves to the local board and the commission  
 17 that a projection of his experience had for the first ninety (90)  
 18 days of gross food sales at the location will exceed not less than  
 19 two hundred thousand dollars (\$200,000) in gross food sales by  
 20 the end of two (2) years from the date of his application; and

21 (2) the restaurant meets the additional requirements provided in  
 22 section 12 of this chapter, other than the gross food sales  
 23 requirement.

24 (b) Notwithstanding subsection (a), the gross food sales requirement  
 25 under this section for an applicant who plans to do business during six  
 26 (6) or fewer months of each year is an average of at least eight  
 27 thousand five hundred dollars (\$8,500) per month for each full month  
 28 that the applicant plans to do business.

29 (c) Notwithstanding subsections (a) and (b), the commission may  
 30 issue a permit for a new restaurant to sell alcoholic beverages at the  
 31 time of its opening if the applicant for this permit first executes a  
 32 verified certification to the commission stating that the anticipated  
 33 gross food sales are expected to exceed two hundred thousand dollars  
 34 (\$200,000) during the first two (2) years of operation. Not more than  
 35 one hundred twenty (120) days after the opening of the new restaurant,  
 36 the applicant shall furnish to the commission a financial statement  
 37 showing the dollar amount of food sales made during the first ninety  
 38 (90) days of operation. The commission may require this financial  
 39 statement to be audited by a certified public accountant. If the food  
 40 sales shown on the financial statement do not meet the standards set  
 41 forth in subsection (a), the commission may revoke the permit.

42 SECTION 3. IC 7.1-3-20-13.7 IS ADDED TO THE INDIANA



1 CODE AS A NEW SECTION TO READ AS FOLLOWS  
2 [EFFECTIVE JULY 1, 2014]: **Sec. 13.7. (a) The commission may**  
3 **grant a three-way permit to the proprietor of a restaurant or new**  
4 **restaurant located within an unincorporated town if:**  
5 (1) the restaurant meets the requirements provided in section  
6 9 of this chapter; and  
7 (2) the unincorporated town is a town:  
8 (A) that has been a settlement or a group of residences for  
9 more than ten (10) years;  
10 (B) to which the inhabitants of the surrounding  
11 countryside resort for purchases or public meetings or as  
12 a community or neighborhood center; and  
13 (C) that has borne a name and has been known by that  
14 name for more than ten (10) years.  
15 (b) There is no annual or monthly gross food sales requirement  
16 to obtain a three-way permit for the sale of alcoholic beverages by  
17 a restaurant described in this section.



COMMITTEE REPORT

Madam President: The Senate Committee on Public Policy, to which was referred Senate Bill No. 254, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill DO PASS.

(Reference is to SB 254 as introduced.)

Committee Vote: Yeas 8, Nays 0

Senator Alting, Chairperson

