



February 26, 2016

**ENGROSSED
SENATE BILL No. 169**

DIGEST OF SB 169 (Updated February 24, 2016 11:23 am - DI 107)

Citations Affected: IC 7.1-3.

Synopsis: Special permits. Provides that if a permit holder: (1) holds one-way, two-way, or three-way permits that are issued, without regard for quota restrictions, for certain premises; and (2) holds a permit for a microbrewery that is located on or adjacent to those premises; the permit holder may sell, at those premises, beer manufactured at the brewery. Adds one additional three-way permit to the number of three-way permits that the alcohol and tobacco commission may issue to the proprietor of a restaurant within or not more than 1,500 feet from a motorsports investment district.

Effective: July 1, 2016.

**Alting, Banks, Lanane,
Randolph Lonnie M**

(HOUSE SPONSORS — EBERHART, CLERE, MACER)

January 5, 2016, read first time and referred to Committee on Public Policy.
January 28, 2016, amended, reported favorably — Do Pass.
February 1, 2016, read second time, ordered engrossed. Engrossed.
February 2, 2016, read third time, passed. Yeas 46, nays 4.

HOUSE ACTION

February 8, 2016, read first time and referred to Committee on Public Policy.
February 25, 2016, reported — Do Pass.

ES 169—LS 6555/DI 110



February 26, 2016

Second Regular Session 119th General Assembly (2016)

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 2015 Regular Session of the General Assembly.

ENGROSSED SENATE BILL No. 169

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 7.1-3-20-16, AS AMENDED BY P.L.121-2015,
2 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2016]: Sec. 16. (a) A permit that is authorized by this section
4 may be issued without regard to the quota provisions of IC 7.1-3-22.

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

11 (c) **Except as provided in section 16.3 of this chapter**, the
12 commission may issue a three-way, two-way, or one-way permit to sell
13 alcoholic beverages for on-premises consumption only to an applicant
14 who is the proprietor, as owner or lessee, or both, of a restaurant within
15 a redevelopment project consisting of a building or group of buildings
16 that:

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

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

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

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

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

15 (1) on land; or

16 (2) in a historic river vessel;

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

31 (e) **Except as provided in section 16.3 of this chapter**, the
 32 commission may issue a three-way, two-way, or one-way permit to sell
 33 alcoholic beverages for on-premises consumption only to an applicant
 34 who is the proprietor, as owner or lessee, or both, of a restaurant within
 35 a renovation project consisting of a building that:

36 (1) was formerly used as part of a passenger and freight railway
 37 station; and

38 (2) was built before 1900.

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

41 (f) **Except as provided in section 16.3 of this chapter**, the
 42 commission may issue a three-way permit for the sale of alcoholic



1 beverages for on-premises consumption at a cultural center for the
2 visual and performing arts to the following:

3 (1) A town that:

4 (A) is located in a county having a population of more than
5 four hundred thousand (400,000) but less than seven hundred
6 thousand (700,000); and

7 (B) has a population of more than twenty thousand (20,000)
8 but less than twenty-three thousand seven hundred (23,700).

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

11 (g) **Except as provided in section 16.3 of this chapter**, the
12 commission may issue not more than ten (10) new three-way, two-way,
13 or one-way permits to sell alcoholic beverages for on-premises
14 consumption to applicants, each of whom must be the proprietor, as
15 owner or lessee, or both, of a restaurant located within a district, or not
16 more than seven hundred (700) feet from a district, that meets the
17 following requirements:

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

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

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

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

26 The legislative body of the municipality in which the district is located
27 shall recommend to the commission sites that are eligible to be permit
28 premises. The commission shall consider, but is not required to follow,
29 the municipal legislative body's recommendation in issuing a permit
30 under this subsection. An applicant is not eligible for a permit if, less
31 than two (2) years before the date of the application, the applicant sold
32 a retailer's permit that was subject to IC 7.1-3-22 and that was for
33 premises located within the district described in this section or within
34 seven hundred (700) feet of the district. The ownership of a permit
35 issued under this subsection and the location for which the permit was
36 issued shall not be transferred. A permit holder and any lessee or
37 proprietor of the permit premises is subject to the formal written
38 commitment required under IC 7.1-3-19-17. Notwithstanding
39 IC 7.1-3-1-3.5, if business operations cease at the permit premises for
40 more than six (6) months, the permit shall revert to the commission.
41 The permit holder is not entitled to any refund or other compensation.
42 The total number of active permits issued under this subsection may



1 not exceed ten (10) at any time. The cost of an initial permit issued
2 under this subsection is six thousand dollars (\$6,000).

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

8 (1) a town with a population of more than twenty thousand
9 (20,000); or

10 (2) a city with a population of more than forty-four thousand five
11 hundred (44,500) but less than forty-five thousand (45,000);

12 located in a county having a population of more than one hundred ten
13 thousand (110,000) but less than one hundred eleven thousand
14 (111,000). The commission may issue not more than five (5) licenses
15 under this section to premises within a municipality described in
16 subdivision (1) and not more than five (5) licenses to premises within
17 a municipality described in subdivision (2). The commission shall
18 conduct an auction of the permits under IC 7.1-3-22-9, except that the
19 auction may be conducted at any time as determined by the
20 commission. Notwithstanding any other law, the minimum bid for an
21 initial license under this subsection is thirty-five thousand dollars
22 (\$35,000), and the renewal fee for a license under this subsection is one
23 thousand three hundred fifty dollars (\$1,350). Before the district
24 expires, a permit issued under this subsection may not be transferred.
25 After the district expires, a permit issued under this subsection may be
26 renewed, and the ownership of the permit may be transferred, but the
27 permit may not be transferred from the permit premises.

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

35 (1) The district is within an economic development area, an area
36 needing redevelopment, or a redevelopment district as established
37 under IC 36-7-14.

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

40 (3) An international deep water seaport is located within the
41 district.

42 An applicant is not eligible for a permit under this subsection if, less



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

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

29 (k) **Except as provided in section 16.3 of this chapter**, the
 30 commission may issue not more than ~~eight (8)~~ **nine (9)** new three-way
 31 permits to sell alcoholic beverages for on-premises consumption to
 32 applicants, each of whom must be a proprietor, as owner or lessee, or
 33 both, of a restaurant located:

- 34 (1) within a motorsports investment district (as defined in
- 35 IC 5-1-17.5-11); or
- 36 (2) not more than one thousand five hundred (1,500) feet from a
- 37 motorsports investment district.

38 The ownership of a permit issued under this subsection and the location
 39 for which the permit was issued shall not be transferred. If the
 40 commission issues ~~eight (8)~~ **nine (9)** new permits under this
 41 subsection, and a permit issued under this subsection is later revoked
 42 or is not renewed, the commission may issue another new permit, as



1 long as the total number of active permits issued under this subsection
 2 does not exceed ~~eight (8)~~ **nine (9)** at any time. A permit holder and any
 3 lessee or proprietor of the permit premises are subject to the formal
 4 written commitment required under IC 7.1-3-19-17. Notwithstanding
 5 IC 7.1-3-1-3.5, if business operations cease at the permit premises for
 6 more than six (6) months, the permit shall revert to the commission.
 7 The permit holder is not entitled to any refund or other compensation.

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

24 SECTION 2. IC 7.1-3-20-16.3 IS ADDED TO THE INDIANA
 25 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
 26 [EFFECTIVE JULY 1, 2016]: **Sec. 16.3. If the holder of a permit**
 27 **holds a:**

28 **(1) permit issued under section 16(c) through 16(l) of this**
 29 **chapter to sell beer for on-premises consumption; and**

30 **(2) permit for a brewery described in IC 7.1-3-2-7(5) that is**
 31 **located on or adjacent to the premises for which the permit**
 32 **holder holds a permit described in subdivision (1);**

33 **the permit holder may sell for carryout, at the premises for which**
 34 **the permit holder holds a permit described in subdivision (1), beer**
 35 **manufactured at the brewery.**



COMMITTEE REPORT

Madam President: The Senate Committee on Public Policy, to which was referred Senate Bill No. 169, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 5, line 30, strike "eight (8)" and insert "**nine (9)**".

Page 5, line 40, strike "eight (8)" and insert "**nine (9)**".

Page 6, line 2, strike "eight (8)" and insert "**nine (9)**".

and when so amended that said bill do pass.

(Reference is to SB 169 as introduced.)

ALTING, Chairperson

Committee Vote: Yeas 8, Nays 0.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Public Policy, to which was referred Senate Bill 169, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

(Reference is to SB 169 as printed January 29, 2016.)

DERMODY

Committee Vote: Yeas 12, Nays 1

