

# SENATE BILL No. 515

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## DIGEST OF INTRODUCED BILL

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

**Synopsis:** Alcoholic beverage licenses. Requires, as a condition of eligibility for certain three way alcoholic beverage permits issued in a historic area, that a municipal legislative body enter into a formal written commitment with the permit applicant regarding the character and type of business for which the permit is issued. Specifies that the ownership and location of a permit may not be transferred. Provides that if business operations cease at the location for which the permit was issued for more than six months, the permit reverts to the commission. Requires the alcohol and tobacco commission to deny the renewal of a permit or revoke a permit if the written commitments are violated.

**Effective:** July 1, 2015.

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## Charbonneau

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January 14, 2015, read first time and referred to Committee on Public Policy.

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First Regular Session 119th General Assembly (2015)

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 2014 Regular Session and 2014 Second Regular Technical Session of the General Assembly.

## SENATE BILL No. 515



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 IS ADDED TO THE INDIANA CODE  
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
3 1, 2015]: **Sec. 17. (a) This section applies to a permit issued under**  
4 **IC 7.1-3-20-16(g).**  
5 **(b) As a condition of eligibility for a permit, the applicant must**  
6 **enter into a formal written commitment with the municipal**  
7 **legislative body regarding the character or type of business that**  
8 **will be conducted on the permit premises. The municipal legislative**  
9 **body must adopt an ordinance approving the formal written**  
10 **commitment. A formal written commitment is binding on the**  
11 **permit holder and on any lessee or proprietor of the permit**  
12 **premises. When an application for renewal of a permit is filed, the**  
13 **commission shall forward a copy of the application to the**  
14 **municipal legislative body. The municipal legislative body shall**  
15 **receive notice of any filings, hearings, or other proceedings on the**  
16 **application for renewal from the commission and local board.**



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

3           (d) If the character or type of business violates the formal  
4 written commitments, the municipality may adopt a  
5 recommendation to the local board and the commission to:

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

7               or

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

9           (e) The commission shall consider evidence at the hearing on the  
10 issue of whether the business violated the formal written  
11 commitments. If the commission determines there is sufficient  
12 evidence that the commitments have been violated by the  
13 permittee, the commission shall:

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

15               (2) revoke the permit;

16 as applicable.

17           SECTION 2. IC 7.1-3-20-16, AS AMENDED BY P.L.176-2013,  
18 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
19 JULY 1, 2015]: Sec. 16. (a) A permit that is authorized by this section  
20 may be issued without regard to the quota provisions of IC 7.1-3-22.

21           (b) The commission may issue a three-way permit 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 facility in the  
24 passenger terminal complex of a publicly owned airport. A permit  
25 issued under this subsection shall not be transferred to a location off  
26 the airport premises.

27           (c) The commission may issue a three-way, two-way, or one-way  
28 permit to sell alcoholic beverages for on-premises consumption only to  
29 an applicant who is the proprietor, as owner or lessee, or both, of a  
30 restaurant within a redevelopment project consisting of a building or  
31 group of buildings that:

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

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

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

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

42           (d) The commission may issue a three-way, two-way, or one-way



1 permit to sell alcoholic beverages for on-premises consumption only to  
 2 an applicant who is the proprietor, as owner or lessee, or both, of a  
 3 restaurant:

- 4 (1) on land; or  
 5 (2) in a historic river vessel;

6 within a municipal riverfront development project funded in part with  
 7 state and city money. A permit issued under this subsection may not be  
 8 transferred.

9 (e) The commission may issue a three-way, two-way, or one-way  
 10 permit to sell alcoholic beverages for on-premises consumption only to  
 11 an applicant who is the proprietor, as owner or lessee, or both, of a  
 12 restaurant within a renovation project consisting of a building that:

- 13 (1) was formerly used as part of a passenger and freight railway  
 14 station; and  
 15 (2) was built before 1900.

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

18 (f) The commission may issue a three-way permit for the sale of  
 19 alcoholic beverages for on-premises consumption at a cultural center  
 20 for the visual and performing arts to the following:

- 21 (1) A town that:  
 22 (A) is located in a county having a population of more than  
 23 four hundred thousand (400,000) but less than seven hundred  
 24 thousand (700,000); and  
 25 (B) has a population of more than twenty thousand (20,000)  
 26 but less than twenty-three thousand seven hundred (23,700).  
 27 (2) A city that has an indoor theater as described in section 26 of  
 28 this chapter.

29 (g) The commission may issue not more than ten (10) 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 seven hundred (700) feet from a district, that  
 34 meets the following requirements:

- 35 (1) The district has been listed in the National Register of Historic  
 36 Places maintained under the National Historic Preservation Act  
 37 of 1966, as amended.  
 38 (2) A county courthouse is located within the district.  
 39 (3) A historic opera house listed on the National Register of  
 40 Historic Places is located within the district.  
 41 (4) A historic jail and sheriff's house listed on the National  
 42 Register of Historic Places is located within the district.



1 The legislative body of the municipality in which the district is located  
 2 shall recommend to the commission sites that are eligible to be permit  
 3 premises. The commission shall consider, but is not required to follow,  
 4 the municipal legislative body's recommendation in issuing a permit  
 5 under this subsection. An applicant is not eligible for a permit if, less  
 6 than two (2) years before the date of the application, the applicant sold  
 7 a retailer's permit that was subject to IC 7.1-3-22 and that was for  
 8 premises located within the district described in this section or within  
 9 seven hundred (700) feet of the district. **The ownership of a permit**  
 10 **issued under this subsection and the location for which the permit**  
 11 **was issued shall not be transferred. A permit holder and any lessee**  
 12 **or proprietor of the permit premises is subject to the formal**  
 13 **written commitment required under IC 7.1-3-19-17.**  
 14 **Notwithstanding IC 7.1-3-1-3.5, if business operations cease at the**  
 15 **permit premises for more than six (6) months, the permit shall**  
 16 **revert to the commission. The permit holder is not entitled to any**  
 17 **refund or other compensation.** The total number of active permits  
 18 issued under this subsection may not exceed ten (10) at any time. The  
 19 cost of an initial permit issued under this subsection is six thousand  
 20 dollars (\$6,000).

21 (h) The commission may issue a three-way permit for the sale of  
 22 alcoholic beverages for on-premises consumption to an applicant who  
 23 will locate as the proprietor, as owner or lessee, or both, of a restaurant  
 24 within an economic development area under IC 36-7-14 in:

25 (1) a town with a population of more than twenty thousand  
 26 (20,000); or

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

29 located in a county having a population of more than one hundred ten  
 30 thousand (110,000) but less than one hundred eleven thousand  
 31 (111,000). The commission may issue not more than five (5) licenses  
 32 under this section to premises within a municipality described in  
 33 subdivision (1) and not more than five (5) licenses to premises within  
 34 a municipality described in subdivision (2). The commission shall  
 35 conduct an auction of the permits under IC 7.1-3-22-9, except that the  
 36 auction may be conducted at any time as determined by the  
 37 commission. Notwithstanding any other law, the minimum bid for an  
 38 initial license under this subsection is thirty-five thousand dollars  
 39 (\$35,000), and the renewal fee for a license under this subsection is one  
 40 thousand three hundred fifty dollars (\$1,350). Before the district  
 41 expires, a permit issued under this subsection may not be transferred.  
 42 After the district expires, a permit issued under this subsection may be



1 renewed, and the ownership of the permit may be transferred, but the  
2 permit may not be transferred from the permit premises.

3 (i) After June 30, 2006, the commission may issue not more than  
4 five (5) new three-way, two-way, or one-way permits to sell alcoholic  
5 beverages for on-premises consumption to applicants, each of whom  
6 must be the proprietor, as owner or lessee, or both, of a restaurant  
7 located within a district, or not more than five hundred (500) feet from  
8 a district, that meets all of the following requirements:

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

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

14 (3) An international deep water seaport is located within the  
15 district.

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

29 (j) Subject to section 16.2 of this chapter, the commission may issue  
30 not more than six (6) new three-way, two-way, or one-way permits to  
31 sell alcoholic beverages for on-premises consumption only to an  
32 applicant who is the proprietor, as owner or lessee, or both, of a  
33 restaurant on land within a municipal lakefront development project  
34 funded in part with state, local, and federal money. A permit issued  
35 under this subsection may not be transferred. If the commission issues  
36 six (6) new permits under this subsection, and a permit issued under  
37 this subsection is later revoked or is not renewed, the commission may  
38 issue another new permit, as long as the total number of active permits  
39 issued under this subsection does not exceed six (6) at any time. The  
40 commission shall conduct an auction of the permits under  
41 IC 7.1-3-22-9, except that the auction may be conducted at any time as  
42 determined by the commission. Notwithstanding any other law, the



1 minimum bid for an initial permit under this subsection is ten thousand  
2 dollars (\$10,000).

