
SENATE BILL No. 98

DIGEST OF INTRODUCED BILL

Citations Affected: IC 7.1-3; IC 7.1-4-1.

Synopsis: Restaurant alcohol permits in unincorporated areas. Provides uniform qualifications, quotas, and fees for alcoholic beverage permits for restaurants located inside boundaries or within two miles of the boundaries of cities, towns, and unincorporated towns. Repeals a provision establishing an exception for restaurants located in or near unincorporated towns.

Effective: July 1, 2000.

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November 18, 1999, read first time and referred to Committee on Public Policy.

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Second Regular Session 111th General Assembly (2000)

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 1999 General Assembly.

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SENATE BILL No. 98



A BILL FOR AN ACT to amend the Indiana Code concerning alcoholic beverages.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 7.1-3-20-10 IS AMENDED TO READ AS
2 FOLLOWS [EFFECTIVE JULY 1, 2000]: Sec. 10. ~~Restaurants Within~~
3 ~~Corporate Limits~~. The commission may issue the appropriate permit
4 upon the application of a restaurant if the premises to be licensed ~~meet~~
5 **the following requirements:**

- 6 (1) **The premises** are situated within:
 - 7 (A) the corporate limits of a city or town **or the area**
 - 8 **extending two (2) miles from the corporate limits of that**
 - 9 **city or town; or**
 - 10 (B) **the physically recognizable boundaries of an**
 - 11 **unincorporated town or the area extending two (2) or more**
 - 12 **miles from the physically recognizable boundaries of that**
 - 13 **unincorporated town.**
- 14 (2) **The requirements of section 9 of this chapter are satisfied.**
- 15 (3) **The quota requirements of IC 7.1-3-22-3 are satisfied.**

16 SECTION 2. IC 7.1-3-20-12 IS AMENDED TO READ AS
17 FOLLOWS [EFFECTIVE JULY 1, 2000]: Sec. 12. The commission



1 may issue a three-way permit for the sale of alcoholic beverages to the
 2 proprietor of a restaurant which is located **two (2) or more miles**
 3 outside the corporate limits of an incorporated city or town if the
 4 restaurant meets the additional requirements:

5 (1) It shall be a table service restaurant in which a patron is seated
 6 at a table and is served by a waiter or waitress and the food served
 7 is predominantly consumed on the premises.

8 (2) It shall be sufficiently served by adequate law enforcement at
 9 its premises.

10 (3) If it does business during seven (7) or more months of each
 11 year, it shall have had an annual gross food sales of at least one
 12 hundred thousand dollars (\$100,000) for the three (3) years
 13 immediately preceding its application for a permit unless the
 14 permittee is the proprietor of a recreational facility such as a golf
 15 course, bowling center, or similar facility to which
 16 IC 7.1-3-16.5-2(c) applies.

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

22 SECTION 3. IC 7.1-3-20-13 IS AMENDED TO READ AS
 23 FOLLOWS [EFFECTIVE JULY 1, 2000]: Sec. 13. (a) The commission
 24 may issue a three-way permit to the proprietor of a new restaurant
 25 which is located **two (2) or more miles** outside the corporate limits of
 26 an incorporated city or town for the sale of alcoholic beverages if:

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

32 (2) the restaurant meets the additional requirements provided in
 33 section 12 of this chapter, other than the gross food sales
 34 requirement.

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

40 (c) Notwithstanding subsections (a) and (b), the commission may
 41 issue a permit for a new restaurant to sell alcoholic beverages at the
 42 time of its opening if the applicant for this permit first executes a



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1 verified certification to the commission stating that the anticipated
 2 gross food sales are expected to exceed two hundred thousand dollars
 3 (\$200,000) during the first two (2) years of operation. Not more than
 4 one hundred twenty (120) days after the opening of the new restaurant,
 5 the applicant shall furnish to the commission a financial statement
 6 showing the dollar amount of food sales made during the first ninety
 7 (90) days of operation. The commission may require this financial
 8 statement to be audited by a certified public accountant. If the food
 9 sales shown on the financial statement do not meet the standards set
 10 forth in subsection (a), the commission may revoke the permit.

11 SECTION 4. IC 7.1-3-22-3 IS AMENDED TO READ AS
 12 FOLLOWS [EFFECTIVE JULY 1, 2000]: Sec. 3. ~~Retailers' Permits~~
 13 ~~Limited:~~ (a) The commission may grant only one (1) three-way permit,
 14 ~~and~~ one (1) two-way permit, and one (1) one-way permit in an
 15 ~~incorporated city, town, or unincorporated town~~ **a territory described**
 16 **in subdivision (1) or (2)** for each one thousand five hundred (1,500)
 17 persons, or fraction thereof, **residing within the following territories:**

18 (1) ~~The incorporated city, town, or unincorporated town~~
 19 **corporate limits of a city or town plus the area extending two**

20 **(2) miles from the corporate limits of that city or town.**

21 (2) **The physically recognizable boundaries of an**
 22 **unincorporated town plus the area extending two (2) miles**
 23 **from the physically recognizable boundaries of that**
 24 **unincorporated town.**

25 (b) **For purposes of fixing a quota under this section, if territory**
 26 **lies within the two (2) mile extension area of more than one (1) city,**
 27 **town, or unincorporated town, the commission shall establish a**
 28 **procedure to allocate the population of the territory among the**
 29 **affected cities, towns, or unincorporated towns.**

30 (c) The commission shall include liquor retailer permits issued to
 31 clubs, but not those issued to fraternal clubs, in its quota computation
 32 when it is considering an application for a new liquor retailer's permit.

33 SECTION 5. IC 7.1-4-1-3 IS AMENDED TO READ AS
 34 FOLLOWS [EFFECTIVE JULY 1, 2000]: Sec. 3. ~~Beer Retailer's~~
 35 ~~Permit Fee:~~ (a) The annual license fee for a beer retailer's permit is two
 36 hundred dollars (\$200), if the licensed premises are:

37 (1) ~~located within a first or second class city or town having a~~
 38 **population of at least thirty-five thousand (35,000); or**

39 (2) **a restaurant located within:**

40 (A) **the area extending two (2) miles from the corporate**
 41 **limits of the city or town described in subdivision (1);**

42 (B) **the physically recognizable boundaries of an**



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1 **unincorporated town having a population of at least**
 2 **thirty-five thousand (35,000); or**
 3 **(C) the area extending two (2) miles from the physically**
 4 **recognizable boundaries of an unincorporated town**
 5 **described in clause (B).**

6 (b) The annual license fee for a beer retailer's permit is one hundred
 7 fifty dollars (\$150), if the licensed premises are:

8 (1) located within a city or town having a population of less than
 9 thirty-five thousand (35,000); or

10 (2) **a restaurant located within:**

11 **(A) the area extending two (2) miles from the corporate**
 12 **limits of a city or town described in subdivision (1);**

13 **(B) the physically recognizable boundaries of an**
 14 **unincorporated town having a population of less than**
 15 **thirty-five thousand (35,000); or**

16 **(C) the area extending two (2) miles from the physically**
 17 **recognizable boundaries of an unincorporated town**
 18 **described in clause (B).**

19 (c) The annual license fee for a beer retailer's permit is one hundred
 20 dollars (\$100), if the licensed premises are:

21 (1) located outside the corporate limits of ~~an incorporated~~ a city
 22 or town; **and**

23 (2) **not a restaurant that is subject to a fee of more than one**
 24 **hundred dollars (\$100) under subsections (a) through (c).**

25 SECTION 6. IC 7.1-4-1-4 IS AMENDED TO READ AS
 26 FOLLOWS [EFFECTIVE JULY 1, 2000]: Sec. 4. ~~Beer Retailers:~~
 27 ~~Additional Fees:~~ (a) The annual license fee for a beer retailer's permit
 28 shall be increased if:

29 (1) the licensed premises are:

30 (A) located in ~~an incorporated~~ a city or **incorporated** town; if
 31 **or**

32 **(B) a restaurant located within:**

33 **(i) the area extending two (2) miles from the corporate**
 34 **limits of a city or town;**

35 **(ii) the physically recognizable boundaries of an**
 36 **unincorporated town; or**

37 **(iii) the area extending two (2) miles from the physically**
 38 **recognizable boundaries of an unincorporated town; and**

39 (2) the applicant has accommodations for a number of guests in
 40 excess of fifty (50).

41 (b) The annual license fee shall be increased by fifty dollars (\$50)
 42 if the applicant has accommodations for one hundred (100) guests. The

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1 annual license fee shall be increased by seventy-five dollars (\$75) if the
2 applicant has accommodations for one hundred fifty (150) guests. The
3 additional fee shall be increased twenty-five dollars (\$25) for each fifty
4 (50) accommodations in excess of one hundred fifty (150). The excess
5 accommodations shall be computed as though they were exactly fifty
6 (50) in number if the applicant has accommodations in number in
7 excess of a multiple of fifty (50).

8 SECTION 7. IC 7.1-3-20-11 IS REPEALED [EFFECTIVE JULY
9 1, 2000].

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