
HOUSE BILL No. 1194

DIGEST OF INTRODUCED BILL

Citations Affected: IC 7.1-3-27.

Synopsis: Restaurant permits in economic development areas. Allows the alcohol and tobacco commission to issue a retailer's permit to the proprietor of a restaurant located in an economic development area, a redevelopment project area, an urban renewal area, or a redevelopment area within a city or town, if the area meets certain investment and assessed value requirements. Provides that the permits are not subject to the quota provisions. Requires an applicant for a permit in such an area to: (1) expend at least \$75,000 over five years for renovation or rehabilitation of a restaurant building; or (2) commit to a capital investment in a restaurant building of at least \$75,000 that is expended before the permit is issued. Provides that an applicant is not eligible for a permit in the redevelopment area issued outside the quota unless the applicant demonstrates that the applicant attempted to obtain a permit subject to the quota restrictions and a permit was not readily available. Prohibits the permit from being transferred to another location.

Effective: July 1, 2011.

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January 10, 2011, read first time and referred to Committee on Commerce, Small Business and Economic Development.

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First Regular Session 117th General Assembly (2011)

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 2010 Regular Session of the General Assembly.

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HOUSE BILL No. 1194



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 7.1-3-27 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2011]:

4 **Chapter 27. Retailer Permits in Redevelopment Areas**

5 **Sec. 1. As used in this chapter, "applicant" means an applicant**
6 **for a permit in an area described in section 4(b) of this chapter.**

7 **Sec. 2. As used in this chapter, "municipality" means a city or**
8 **town.**

9 **Sec. 3. As used in this chapter, "permit" means a one, two, or**
10 **three way permit issued to the proprietor of a restaurant to sell**
11 **alcoholic beverages for on-premises consumption only.**

12 **Sec. 4. (a) The quota provisions of IC 7.1-3-22 do not apply to a**
13 **permit under this chapter.**

14 **(b) A permit may be issued under this chapter to a person to**
15 **operate licensed premises located in an economic development**
16 **area, a redevelopment project area, an urban renewal area, or a**
17 **redevelopment area established under IC 36-7-14, IC 36-7-14.5, or**



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IC 36-7-15.1 that:

- (1) is located within a municipality; and**
- (2) meets the following requirements:**

- (A) At least twenty-five percent (25%) of the total assessed valuation (as of the most recent assessment date preceding the application for the permit) in the area must consist of property assessed as commercial property.**

- (B) The total amount of public and private investment in real and personal property within the area must be at least two hundred thousand dollars (\$200,000) over a period of the preceding five (5) years.**

Sec. 5. The commission may not issue a permit under section 4 of this chapter unless the applicant presents verification, as specified by the commission, that the licensed premises is located in an area described in section 4(b) of this chapter.

Sec. 6. To be eligible to receive a permit under this chapter, an applicant must:

- (1) expend at least seventy-five thousand dollars (\$75,000), over the five (5) years preceding the permit application, for the rehabilitation or restoration of the building in which the licensed premises is to be located; or**
- (2) commit to a capital investment in the building in which the licensed premises is to be located:**

- (A) in an amount of at least seventy-five thousand dollars (\$75,000); and**

- (B) that is expended before the permit is issued.**

Sec. 7. A premises for which a permit is issued under this chapter must:

- (1) be open to the public at least ten (10) hours each day, five (5) days each week; and**
- (2) have a seating capacity of at least fifty (50) persons.**

Sec. 8. The commission may issue one (1) permit for each monetary threshold described in section 4(b)(2)(B) of this chapter, and for each major fraction of the threshold. The initial fee for a permit issued under this section is fifty thousand dollars (\$50,000). The renewal fee for a permit under this subsection is one thousand dollars (\$1,000).

Sec. 9. (a) The commission may not transfer a permit issued under this chapter to another location.

(b) If a premises for which a permit is issued under this chapter goes out of business, or the permit is revoked or not renewed, the permittee shall surrender the permit to the commission. The

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1 commission may issue a permit to an applicant within the same
2 area described in section 4(b) of this chapter to replace the permit
3 that was surrendered if the applicant meets the following
4 requirements:

5 (1) The applicant's business meets the requirements of this
6 chapter. However, the applicant does not have to satisfy
7 section 4(b)(2)(B), 6, or 7 of this chapter.

8 (2) The applicant has not sold a retailers' permit subject to
9 IC 7.1-3-22 for premises located within the area or within five
10 hundred (500) feet of the area.

11 Sec. 10. (a) An applicant is not eligible for a permit issued under
12 section 4 of this chapter unless the applicant demonstrates that:

13 (1) the applicant attempted to obtain a permit subject to a
14 quota under IC 7.1-3-22 within the municipality containing
15 the area described in section 4(b) of this chapter for which the
16 applicant sought the permit; and

17 (2) to the best of the applicant's knowledge, a permit
18 described in subdivision (1) was not readily available.

19 (b) As used in this section "readily available" means available
20 under a standard of economic feasibility, as applied to the specific
21 circumstances of the applicant, that includes the following:

22 (1) The fair market value of the permit, if determinable.

23 (2) The size and scope of the applicant's proposed operation.

24 (3) The existence of mandatory contractual restrictions or
25 inclusions attached to the sale of the permit.

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