
SENATE BILL No. 9

DIGEST OF INTRODUCED BILL

Citations Affected: IC 7.1-3.

Synopsis: Retailer permits in annexed areas. Allows the alcohol and tobacco commission to issue a three-way permit for the sale of alcoholic beverages to proprietors of restaurants and new restaurants if the restaurant or new restaurant: (1) is located in territory annexed by a city or town; (2) is located in an area that has been designated an area of economic development by the city or town; and (3) meets certain other requirements. Allows a city or town to designate all or part of territory annexed by the city or town as an area of economic development if: (1) the legislative body of the city or town adopts an ordinance defining the boundaries of the area of economic development; and (2) the boundaries of the area of economic development are located more than one mile outside the corporate boundaries of the city or town as those corporate boundaries existed on the date preceding the effective date of the annexation. Provides that the permits are not subject to the quota restrictions. Prohibits the permits from being transferred to another location.

Effective: July 1, 2012.

Boots

January 4, 2012, read first time and referred to Committee on Public Policy.

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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 2011 Regular Session of the General Assembly.

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SENATE BILL No. 9



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 7.1-3-20-13.3 IS ADDED TO THE INDIANA
- 2 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
- 3 [EFFECTIVE JULY 1, 2012]: **Sec. 13.3. (a) The commission may**
- 4 **issue a three-way permit for the sale of alcoholic beverages to the**
- 5 **proprietor of a restaurant that is located in a city or town under**
- 6 **this section if all the following requirements are satisfied:**
- 7 (1) **The proprietor of the restaurant is qualified to hold a**
- 8 **three-way permit.**
- 9 (2) **The restaurant meets the requirements of section 9 of this**
- 10 **chapter.**
- 11 (3) **The restaurant meets the same requirements that a**
- 12 **restaurant located outside the corporate limits of an**
- 13 **incorporated city or town is required to meet under section 12**
- 14 **of this chapter.**
- 15 (4) **The restaurant is located in territory annexed by a city or**
- 16 **town. The annexation must be effective before a permit may**
- 17 **be applied for under this section.**



1 (5) The proprietor of the restaurant applies for the permit not
 2 more than twelve (12) years after the territory in which the
 3 restaurant is located is annexed by a city or town.

4 (6) The restaurant is located in an area of economic
 5 development designated under subsection (d).

6 (b) A permit authorized by this section may be issued without
 7 regard to the quota provisions of IC 7.1-3-22.

8 (c) A permit authorized by this section may not be transferred
 9 to another location.

10 (d) A city or town may designate all or part of territory annexed
 11 by the city or town as an area of economic development, if all the
 12 following requirements are satisfied:

13 (1) The legislative body of the city or town adopts an
 14 ordinance defining the boundaries of the area of economic
 15 development.

16 (2) The boundaries of the area of economic development are
 17 located more than one (1) mile outside the corporate
 18 boundaries of the city or town as those corporate boundaries
 19 existed on the date preceding the effective date of the
 20 annexation.

21 Designation of an area of economic development is for purposes of
 22 this section only and does not affect, grant, or limit any other
 23 designation under the law for purposes of economic development,
 24 redevelopment, or any other purpose.

25 (e) The repeal of an ordinance described under subsection (d)(1)
 26 does not affect a permit that was issued under this section before
 27 the repeal of the ordinance.

28 SECTION 2. IC 7.1-3-20-13.4 IS ADDED TO THE INDIANA
 29 CODE AS A NEW SECTION TO READ AS FOLLOWS
 30 [EFFECTIVE JULY 1, 2012]: Sec. 13.4. (a) The commission may
 31 issue a three-way permit for the sale of alcoholic beverages to the
 32 proprietor of a new restaurant under this section if all the
 33 following requirements are satisfied:

34 (1) The proprietor of the new restaurant is qualified to hold
 35 a three-way permit.

36 (2) The new restaurant meets the requirements of section 9 of
 37 this chapter.

38 (3) The new restaurant meets the same requirements that a
 39 new restaurant located outside the corporate limits of an
 40 incorporated city or town is required to meet under section 13
 41 of this chapter.

42 (4) The new restaurant is located in territory annexed by a

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city or town. The annexation must be effective before a permit may be applied for under this section.

(5) The proprietor of the new restaurant applies for the permit not more than twelve (12) years after the territory in which the new restaurant is located is annexed by a city or town.

(6) The new restaurant is located in an area of economic development designated under subsection (d).

(b) A permit authorized by this section may be issued without regard to the quota provisions of IC 7.1-3-22.

(c) A permit authorized by this section may not be transferred to another location.

(d) A city or town may designate all or part of territory annexed by the city or town as an area of economic development, if all the following requirements are satisfied:

(1) The legislative body of the city or town adopts an ordinance defining the boundaries of the area of economic development.

(2) The boundaries of the area of economic development are located more than one (1) mile outside the corporate boundaries of the city or town as those corporate boundaries existed on the date preceding the effective date of the annexation.

Designation of an area of economic development is for purposes of this section only and does not affect, grant, or limit any other designation under the law of an area for purposes of economic development, redevelopment, or any other purpose.

(e) The repeal of an ordinance described under subsection (d)(1) does not affect a permit that was issued under this section before the repeal of the ordinance.

SECTION 3. IC 7.1-3-22-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 3. (a) **Except as provided in IC 7.1-3-20-13.3 and IC 7.1-3-20-13.4**, the commission may grant only one (1) three-way permit, one (1) two-way permit, and one (1) one-way permit in an incorporated city or town or in an unincorporated town for each one thousand five hundred (1,500) persons, or fraction thereof, residing within the incorporated city or town or the unincorporated town. The commission shall include liquor retailer permits issued to clubs, but not those issued to fraternal clubs, in its quota computation when it is considering an application for a new liquor retailer's permit.

(b) This subsection applies when a city or town annexes into the city

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1 or town unincorporated territory where a retailer's permit has been
2 granted before the annexation. The commission may only reclassify a
3 retailer's permit for a premises in the former unincorporated territory
4 as a permit for a premises in an incorporated city or town if the
5 permittee has actually conducted a business of selling alcoholic
6 beverages to customers for consumption on the licensed premises for
7 two (2) consecutive years. The period of two (2) consecutive years may
8 begin to run either before or after the annexation occurs. However, the
9 following apply when a person applies for a retailer's permit after
10 notice of an annexation hearing is made under IC 36-4-3-2.1 and before
11 the annexation occurs:

- 12 (1) The commission may grant the permit.
- 13 (2) The commission may not reclassify the permit as a permit for
14 a premises in an incorporated city or town.
- 15 (3) The permit may be transferred to another person.
- 16 (4) The permit may not be transferred to another location.

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