



CONTACT:

NANCY BEALS
317-254-2815, nbeals@drugfreemc.org

WHY INDIANA NEEDS EQUITABLE DISTRIBUTION OF AND RESPONSIBLE LIMITS ON THE ISSUANCE OF ALCOHOLIC BEVERAGE PERMITS

As the Indiana State Legislature considers revising quota provisions and the issuance of alcoholic beverage permits, *Drug Free Marion County believes that equitable distribution and responsible limits are crucial* to maximize economic development without doing harm to our communities and their residents.

Why are these issues crucial? *We do not want to add alcohol outlets to already-oversaturated areas* facing the numerous negative consequences of this abundance: crime, drunken/binge/underage/high-risk drinking, child abuse and domestic violence, and economic and social disintegration.

Quite simply, *the current quota system is failing Marion County*. Here's how:

Marion County has more three-way restaurant permits than the system allows.

- The current quota system allows for one three-way restaurant permit for every 1,500 of the population. According to this standard, Marion County – with a population of 860,454 – should have 574 of these permits. In actuality, Marion County has 727 three-way restaurant permits. That number would be appropriate for a population of more than 1.09 million. And *more restaurants are being added every week*.

Alcohol outlets are not distributed equally throughout Marion County.

- The current quota system only takes population size into account when determining alcohol licenses. *The lack of consideration concerning the spacing of those outlets has resulted in certain areas having a high concentration of alcohol licenses.*
- A survey of alcohol licenses by zip code shows that *some areas have a higher number of permits than the current quota dictates.*
- *Studies have shown that over-concentration of alcohol outlets in a particular area contributes to an increase in crime rates – including violent crimes – in that area.* Local crime statistics show a significant number of crimes –including offenses against a person (assault, domestic battery, armed robbery) and property offenses (vandalism, larceny, burglary, stolen vehicles, trespassing) – in zip codes with a high density of alcohol licenses.

Unincorporated areas have the potential for a higher number of alcohol outlets.

- In the past, the process of following existing definitions of and regulations concerning unincorporated areas has been lax.
- Even when regulations and definitions are followed, the numbers of alcohol licenses in unincorporated areas are increasing. To receive an alcohol permit, an unincorporated area must have been in existence for 10 years and have space for gathering and commerce. The state has identified 291 unincorporated areas in Marion County. Alcohol permits have been assigned to 136 unincorporated areas. *The number of permits assigned to unincorporated areas grows every year as communities “age into” current quota criteria.*

The current quota system does not allow for consideration of economic and community-development issues when distributing alcohol licenses.

- Under current law, alcohol licenses are distributed as they are requested, as long as the applicant can meet certain zoning and tax-related requirements, until the maximum number have been granted. *Communities do not have the opportunity to reserve licenses for preferred forms of development or to plan for diversity of sales outlets.* This can be especially disadvantageous for smaller communities with only a limited number of licenses to distribute.

In unincorporated areas, residents may be left out of the decision-making process when it comes to alcohol-license distribution.

- In these areas, community notification of an application for an alcohol license does not need to occur if the requesting location is beyond the notification law of 1,000 feet. In some cases, the requesting location is one mile away or more. Again, this does not allow residents to become involved with the alcohol-license process or community planning.

What can be done to improve Marion County’s current failing quota system?

California’s San Diego County has created an innovative approach. There, California Alcoholic Beverage Control established guidelines for acceptable levels of alcohol density in a given area, *based on census-tract level population*. In cases where the proscribed density is exceeded, no new licenses are permitted. An appeals process allows new business owners to make a case as to how their business will improve the community; they must show *a tangible need and benefit* for a new license.

Tangible need can include net employment gain, especially for local residents; various business taxes; a unique business addition; upgrading an area; or positive cultural/entertainment value.

Risks and other factors also are taken under consideration by the ABC. These include applications for targeted law-enforcement areas, areas with elevated rates of alcohol-related crime and areas near sensitive land uses (schools, churches, housing, parks), as

well as whether alternative business uses are available or if the requesting business would duplicate existing services.

Drug Free Marion County believes that *Marion County could benefit from the implementation of such a system*, in addition to the quota system currently limiting the types of alcohol licenses and number of establishments.

This kind of comprehensive system maximizes economic development without further harming communities and neighborhoods already saturated with alcohol outlets and their related negative consequences.