

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

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**FISCAL IMPACT STATEMENT**

**LS 6359**  
**BILL NUMBER:** HB 1046

**NOTE PREPARED:** Nov 20, 2020  
**BILL AMENDED:**

**SUBJECT:** Hemp Flower.

**FIRST AUTHOR:** Rep. Lucas  
**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:**  GENERAL  
 DEDICATED  
 FEDERAL

**IMPACT:** State & Local

**Summary of Legislation:** This bill removes smokable hemp as a crime. It also legalizes all parts of the hemp plant for the purposes of agricultural production.

**Effective Date:** July 1, 2021.

**Explanation of State Expenditures:**

**Explanation of State Revenues:** *Minimal Revenue Loss* – The Class A misdemeanor of dealing in smokable hemp has been in state law since 2019. There have been two charges for this misdemeanor, with one conviction and one pending case since 2019.

Consequently, any revenue loss to the Common School Fund from eliminating this Class A misdemeanor would be minimal. There could also be minimal loss in the state share of court fee revenue as well.

The maximum fine for a Class A misdemeanor is \$5,000.

In addition, under current law, the State Seed Commissioner may impose a civil penalty of a maximum \$2,500 for the unauthorized sale of hemp flowers. The proceeds collected from these penalties are transferred to the Indiana State Department of Agriculture and used for hemp marketing and research purposes. Revenue from these civil penalties is expected to be minimal.

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:** There could be a minimal revenue loss in court fee revenue.

**State Agencies Affected:** State Seed Commissioner.

**Local Agencies Affected:** Prosecuting attorneys, Courts with criminal jurisdiction.

**Information Sources:** Indiana Supreme Court Abstracts of Judgment; IC 15-15-13-13.

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