

HOUSE BILL No. 1049

DIGEST OF INTRODUCED BILL

Citations Affected: IC 2-5-46; IC 7.1-8; IC 15-15-13; IC 15-16-2-36; IC 24-4-21; IC 24-4-22.

Synopsis: Cannabis regulation. Establishes the cannabis compliance advisory committee to review and evaluate certain rules, laws, and programs. Establishes the cannabis compliance commission to regulate all forms of legal cannabis in Indiana, including industrial hemp and low THC hemp extract.

Effective: July 1, 2022.

Errington, Campbell

January 4, 2022, read first time and referred to Committee on Agriculture and Rural Development.



Second Regular Session of the 122nd General Assembly (2022)

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 2021 Regular Session of the General Assembly.

HOUSE BILL No. 1049

A BILL FOR AN ACT to amend the Indiana Code concerning agriculture and animals.

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

1 SECTION 1. IC 2-5-46 IS ADDED TO THE INDIANA CODE AS
 2 A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY
 3 1, 2022]:
 4 **Chapter 46. Cannabis Compliance Advisory Committee**
 5 **Sec. 1. The following definitions apply throughout this chapter:**
 6 (1) "Advisory committee" means the cannabis compliance
 7 advisory committee established by section 2 of this chapter.
 8 (2) "Cannabis compliance commission" means the
 9 commission established by IC 7.1-8-2-1.
 10 **Sec. 2. The cannabis compliance advisory committee is**
 11 **established.**
 12 **Sec. 3. (a) The advisory committee consists of the following four**
 13 **(4) voting members and five (5) nonvoting members:**
 14 (1) One (1) legislative member appointed by the speaker of the
 15 house of representatives.
 16 (2) One (1) legislative member appointed by the minority
 17 leader of the house of representatives.



- 1 **(3) One (1) legislative member appointed by the president pro**
 2 **tempore of the senate.**
- 3 **(4) One (1) legislative member appointed by the minority**
 4 **leader of the senate.**
- 5 **(5) One (1) representative of law enforcement, appointed as a**
 6 **nonvoting member by the chairperson of the legislative**
 7 **council.**
- 8 **(6) The commissioner of the department of state revenue or**
 9 **the commissioner's designee, who serves ex officio as a**
 10 **nonvoting member.**
- 11 **(7) The director of the department of agriculture or the**
 12 **director's designee, who serves ex officio as a nonvoting**
 13 **member.**
- 14 **(8) The state seed commissioner, who serves ex officio as a**
 15 **nonvoting member.**
- 16 **(9) The executive director of the cannabis compliance**
 17 **commission or the executive director's designee, who serves**
 18 **ex officio as a nonvoting member.**
- 19 **(b) The chairperson of the legislative council shall annually**
 20 **select one (1) of the voting members to serve as chairperson.**
- 21 **Sec. 4. (a) A legislative member of the advisory committee may**
 22 **be removed at any time by the appointing authority who appointed**
 23 **the legislative member.**
- 24 **(b) An appointed member of the advisory committee may be**
 25 **removed at any time by the appointing authority who appointed**
 26 **the member.**
- 27 **(c) If a vacancy exists on the advisory committee, the appointing**
 28 **authority who appointed the former member whose position has**
 29 **become vacant shall appoint an individual to fill the vacancy.**
- 30 **Sec. 5. Each member of the advisory committee is entitled to**
 31 **receive the same per diem, mileage, and travel allowances paid to**
 32 **individuals who serve as legislative and lay members, respectively,**
 33 **of interim study committees established by the legislative council.**
- 34 **Sec. 6. The affirmative votes of a majority of the voting**
 35 **members appointed to the advisory committee are required for the**
 36 **advisory committee to take action on any measure, including final**
 37 **reports.**
- 38 **Sec. 7. The advisory committee shall do the following:**
- 39 **(1) Review rules adopted by the cannabis compliance**
 40 **commission.**
- 41 **(2) Review legislative proposals suggested by the cannabis**
 42 **compliance commission.**



1 **(3) Evaluate the cannabis research and development program**
 2 **under IC 7.1-8-5.**

3 **(4) Evaluate the operation of the industrial hemp program**
 4 **under IC 15-15-13.**

5 **(5) Evaluate the processing, packaging, distribution, and sale**
 6 **of low THC hemp extract under IC 24-4-21 through**
 7 **IC 24-4-22.**

8 **(6) Consider any other matter that relates to cannabis.**

9 SECTION 2. IC 7.1-8 IS ADDED TO THE INDIANA CODE AS A
 10 NEW ARTICLE TO READ AS FOLLOWS [EFFECTIVE JULY 1,
 11 2022]:

12 **ARTICLE 8. CANNABIS REGULATION**

13 **Chapter 1. Definitions**

14 **Sec. 1. As used in this article, "cannabis" means cannabis that**
 15 **is legal under Indiana law, including industrial hemp and low THC**
 16 **hemp extract.**

17 **Chapter 2. General Provisions**

18 **Sec. 1. The cannabis compliance commission is established to**
 19 **regulate the growth, processing, distribution, and sale of legal**
 20 **cannabis in Indiana, including industrial hemp and low THC hemp**
 21 **extract.**

22 **Sec. 2. (a) The cannabis compliance commission consists of:**

- 23 **(1) the cannabis compliance commission executive committee;**
 24 **(2) the executive director; and**
 25 **(3) other employees necessary to carry out the duties of the**
 26 **cannabis compliance commission.**

27 **(b) The cannabis compliance commission executive committee**
 28 **consists of four (4) commissioners, who shall hire the executive**
 29 **director and direct and oversee the operation of the cannabis**
 30 **compliance commission.**

31 **Sec. 3. (a) The cannabis compliance commission executive**
 32 **committee commissioners shall be appointed by the governor.**

33 **(b) A commissioner is eligible for reappointment.**

34 **(c) Not more than two (2) commissioners may belong to the**
 35 **same political party.**

36 **(d) A commissioner shall be appointed to a four (4) year term.**

37 **(e) A commissioner serves the commissioner's term at the**
 38 **pleasure of the governor.**

39 **Sec. 4. To be eligible for appointment as a commissioner, an**
 40 **individual must have the following qualifications:**

- 41 **(1) The individual may not be employed by the state in any**
 42 **other capacity.**



1 (2) The individual must have good moral character.

2 (3) The individual must have been a resident of Indiana for at
3 least five (5) years immediately preceding the appointment.

4 Sec. 5. (a) The governor shall appoint, from among the four (4)
5 commissioners appointed under section 3(a) of this chapter:

6 (1) one (1) commissioner to serve as chairperson; and

7 (2) one (1) commissioner to serve as vice chairperson;

8 of the cannabis compliance commission executive committee.

9 (b) The vice chairperson shall act as the chairperson if the
10 chairperson is unable to attend a meeting of the cannabis
11 compliance commission executive committee.

12 Sec. 6. A commissioner appointed to fill a vacancy in the
13 cannabis compliance commission executive committee shall serve
14 only for the unexpired part of the original vacated term. In all
15 other respects, an appointment to fill a vacancy shall be made in
16 the same manner that an original appointment is made.

17 Sec. 7. As compensation for services, each commissioner is
18 entitled to the minimum salary per diem provided by
19 IC 4-10-11-2.1(b). A commissioner is also entitled to
20 reimbursement for traveling expenses as provided under
21 IC 4-13-1-4 and other expenses actually incurred in connection
22 with the commissioner's duties as provided in the state policies and
23 procedures established by the Indiana department of
24 administration and approved by the budget agency.

25 Sec. 8. (a) Each commissioner shall execute:

26 (1) a surety bond in the amount of ten thousand dollars
27 (\$10,000), with surety approved by the governor; and

28 (2) an oath of office.

29 (b) The surety bond and the oath of office shall be filed in the
30 office of the secretary of state.

31 Sec. 9. The required surety bond executed and filed on behalf of
32 a commissioner shall be made payable to the state of Indiana and
33 conditioned upon the faithful discharge of the commissioner's
34 duties.

35 Sec. 10. The cannabis compliance commission executive
36 committee shall hold meetings at the call of the chairperson. The
37 cannabis compliance commission executive committee may
38 establish rules governing meetings.

39 Sec. 11. (a) Three (3) cannabis compliance commission
40 commissioners constitute a quorum for the transaction of business.

41 (b) Each commissioner has one (1) vote.

42 (c) Action of the cannabis compliance commission executive



1 committee may be taken only upon the affirmative votes of at least
 2 two (2) commissioners. If a vote is a tie, the position for which the
 3 chairperson voted prevails, as long as that position has received the
 4 affirmative votes of at least two (2) commissioners.

5 Sec. 12. A commissioner may not solicit or accept a political
 6 contribution from any individual or entity that has a permit or has
 7 applied for a permit issued by the cannabis compliance
 8 commission, or that is otherwise regulated by the cannabis
 9 compliance commission. However, the right of a commissioner to
 10 vote as the commissioner chooses and to express the
 11 commissioner's opinions on political subjects and candidates may
 12 not be impaired.

13 Chapter 3. Employees and Administration

14 Sec. 1. (a) The cannabis compliance commission executive
 15 committee shall appoint an executive director to assist the cannabis
 16 compliance commission in the efficient administration of its powers
 17 and duties.

18 (b) The cannabis compliance commission executive committee
 19 shall fix the salary of the executive director, subject to the approval
 20 of the budget agency.

21 (c) The executive director:

22 (1) is the executive agent of the cannabis compliance
 23 commission executive committee in the administration of the
 24 committee's policies; and

25 (2) has the other powers and duties delegated to the executive
 26 director by the cannabis compliance commission executive
 27 committee or specifically assigned to the executive director by
 28 statute.

29 Sec. 2. The executive director has the power to employ all
 30 necessary employees, determine their duties, and, subject to the
 31 approval of the cannabis compliance commission executive
 32 committee and the budget agency, fix their salaries.

33 Chapter 4. Powers and Duties

34 Sec. 1. The chairperson is the presiding officer at the meetings
 35 of the cannabis compliance commission executive committee. The
 36 chairperson, together with the executive director, shall prepare,
 37 certify, and authenticate all proceedings, minutes, records, rules,
 38 and regulations of the cannabis compliance commission executive
 39 committee. The chairperson shall also perform all other duties as
 40 imposed on the chairperson by this title.

41 Sec. 2. (a) The cannabis compliance commission has the general
 42 power to organize its work, and to enforce and administer:



- 1 (1) this article;
- 2 (2) IC 15-15-13 (industrial hemp);
- 3 (3) IC 24-4-21 (distribution of low THC hemp extract);
- 4 (4) IC 24-4-22 (sale of low THC hemp extract); and
- 5 (5) rules adopted by the cannabis compliance commission.
- 6 (b) The cannabis compliance commission has the following
- 7 additional powers and duties:
- 8 (1) To have a designated agent, upon presentation of proper
- 9 credentials, enter upon private or public property to inspect
- 10 for and investigate possible violations of:
- 11 (A) this article;
- 12 (B) IC 15-15-13 (industrial hemp);
- 13 (C) IC 24-4-21 (distribution of low THC hemp extract);
- 14 (D) IC 24-4-22 (sale of low THC hemp extract); and
- 15 (E) rules adopted by the cannabis compliance commission.
- 16 (2) To employ or contract for the legal, professional, and
- 17 other personnel and assistance that is necessary for the
- 18 efficient performance of the cannabis compliance
- 19 commission's duties.
- 20 (3) To issue orders to:
- 21 (A) secure compliance with:
- 22 (i) this article;
- 23 (ii) IC 15-15-13 (industrial hemp);
- 24 (iii) IC 24-4-21 (distribution of low THC hemp extract);
- 25 (iv) IC 24-4-22 (sale of low THC hemp extract); and
- 26 (v) rules adopted by the cannabis compliance
- 27 commission; and
- 28 (B) assess civil penalties.
- 29 (4) To bring an appropriate action in court to:
- 30 (A) enforce any order of the cannabis compliance
- 31 commission;
- 32 (B) collect any penalties or fees; and
- 33 (C) procure or secure compliance with:
- 34 (i) this article;
- 35 (ii) IC 15-15-13 (industrial hemp);
- 36 (iii) IC 24-4-21 (distribution of low THC hemp extract);
- 37 (iv) IC 24-4-22 (sale of low THC hemp extract); and
- 38 (v) rules adopted by the cannabis compliance
- 39 commission.
- 40 (5) To hold hearings before the cannabis compliance
- 41 commission or its representative.
- 42 (6) To take testimony and receive evidence.



- 1 (7) To conduct inquiries with or without a hearing.
 2 (8) To receive reports of investigators or other governmental
 3 officers and employees.
 4 (9) To administer oaths.
 5 (10) To subpoena witnesses and to compel them to appear and
 6 testify.
 7 (11) To certify copies of records of the cannabis compliance
 8 commission or any other document or record on file with the
 9 cannabis compliance commission.
 10 (12) To fix the form, mode, manner, time, and number of
 11 times for the posting or publication of any required notices if
 12 not otherwise provided.
 13 (13) To adopt rules under IC 4-22-2 to carry out:
 14 (A) this article;
 15 (B) IC 15-15-13 (industrial hemp);
 16 (C) IC 24-4-21 (distribution of low THC hemp extract);
 17 and
 18 (D) IC 24-4-22 (sale of low THC hemp extract).
 19 (14) To establish fees for licenses, permits, and applications.
 20 (15) To retain and consult with experts and other consultants.
 21 (16) To carry out any other duties assigned by statute.
- 22 **Sec. 3. The cannabis compliance commission shall adopt rules**
 23 **under IC 4-22-2 to prescribe the forms for all applications,**
 24 **documents, permits, and licenses used in the administration of:**
 25 (1) this article;
 26 (2) IC 15-15-13 (industrial hemp);
 27 (3) IC 24-4-21 (distribution of low THC hemp extract);
 28 (4) IC 24-4-22 (sale of low THC hemp extract); and
 29 (5) rules adopted by the cannabis compliance commission.
- 30 **Sec. 4. The cannabis compliance commission has the following**
 31 **duties:**
 32 (1) To regulate, enforce, and carry out the provisions of
 33 IC 15-15-13 (industrial hemp).
 34 (2) To regulate, enforce, and carry out the provisions of
 35 IC 24-4-21 and IC 24-4-22 (distribution and sale of low THC
 36 hemp extract).
 37 (3) To adopt protocols to:
 38 (A) prevent fraud;
 39 (B) ensure the accuracy of information contained in an
 40 application relating to industrial hemp and low THC hemp
 41 extract; and
 42 (C) protect the privacy of an applicant.



1 (4) To encourage research concerning cannabis and issue
2 research licenses as described in IC 7.1-8-5.
3 **Chapter 5. Research and Development**
4 **Sec. 1. To permit and encourage research concerning cannabis:**
5 (1) an accredited institution of higher education with a
6 physical presence in Indiana; and
7 (2) a pharmaceutical or agricultural business having a
8 research facility in Indiana;
9 may apply to the cannabis compliance commission for a license to
10 conduct research concerning cannabis.
11 **Sec. 2. An application under this chapter must include the**
12 **following:**
13 (1) The nature of the research project.
14 (2) The names of the individuals who will conduct the
15 research project.
16 (3) The approximate quantity of cannabis that will be used in
17 the research project.
18 (4) The security protocol to be implemented to ensure that
19 cannabis is not diverted for uses other than the research
20 project.
21 (5) Any other information required by the cannabis
22 compliance commission.
23 **Sec. 3. Upon receipt of a completed application, the cannabis**
24 **compliance commission may issue a research license to the**
25 **accredited institution of higher education or pharmaceutical or**
26 **agricultural business. The research license must specifically list the**
27 **names of each individual participating in the research project who**
28 **will have custody or control of cannabis for research purposes and**
29 **the approximate quantity of cannabis that will be used in the**
30 **research project.**
31 **Sec. 4. The cannabis compliance commission may charge a**
32 **reasonable fee for issuance of a research license.**
33 SECTION 3. IC 15-15-13-0.5, AS ADDED BY P.L.165-2014,
34 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
35 JULY 1, 2022]: Sec. 0.5. The ~~state seed commissioner~~ **cannabis**
36 **compliance commission** shall administer this chapter.
37 SECTION 4. IC 15-15-13-1, AS AMENDED BY P.L.190-2019,
38 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
39 JULY 1, 2022]: Sec. 1. (a) Nothing in this chapter authorizes any
40 person to violate any federal law or regulation.
41 (b) Nothing in this chapter authorizes the state seed commissioner
42 to regulate a hemp product.



1 SECTION 5. IC 15-15-13-2, AS ADDED BY P.L.165-2014,
 2 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 3 JULY 1, 2022]: Sec. 2. As used in this chapter, "agricultural hemp
 4 seed" means Cannabis sativa seed that meets any labeling, quality, and
 5 other standards set by the ~~state seed commissioner~~ **cannabis**
 6 **compliance commission** and that is intended for sale or is sold to, or
 7 purchased by, licensed growers for planting.

8 SECTION 6. IC 15-15-13-2.5 IS ADDED TO THE INDIANA
 9 CODE AS A **NEW SECTION** TO READ AS FOLLOWS
 10 [EFFECTIVE JULY 1, 2022]: **Sec. 2.5. As used in this chapter,**
 11 **"cannabis compliance commission" means the cannabis**
 12 **compliance commission established by IC 7.1-8-2-1.**

13 SECTION 7. IC 15-15-13-7, AS AMENDED BY P.L.190-2019,
 14 SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 15 JULY 1, 2022]: Sec. 7. (a) ~~Subject to section 15 of this chapter,~~ The
 16 production of, possession of, scientific study of, and commerce in hemp
 17 is authorized in Indiana. Hemp is subject to regulation by the ~~state seed~~
 18 ~~commissioner.~~ **cannabis compliance commission.** The ~~state seed~~
 19 ~~commissioner~~ **cannabis compliance commission** shall adopt rules to
 20 oversee the licensing, production, and management of:

- 21 (1) hemp; and
- 22 (2) agricultural hemp seed.

23 (b) All growers and handlers must have a hemp license issued by
 24 the ~~state seed commissioner.~~ **cannabis compliance commission.**
 25 Growers and handlers engaged in the production of agricultural hemp
 26 seed must also have an agricultural hemp seed production license.

27 (c) An application for a hemp license or agricultural hemp seed
 28 production license must include the following:

- 29 (1) The name and address of the applicant.
- 30 (2) The name and address of the hemp operation of the applicant.
- 31 (3) The global positioning system coordinates and legal
 32 description of the property used for the hemp operation.
- 33 (4) If the hemp license or agricultural hemp seed production
 34 license application is made by a grower, the acreage size of the
 35 field where the hemp will be grown.
- 36 (5) A statement signed by the applicant, under penalty of perjury,
 37 that the person applying for the hemp license or agricultural hemp
 38 seed production license has not been convicted of a drug related
 39 felony or misdemeanor in the previous ten (10) years.
- 40 (6) A written consent allowing the state police department to
 41 conduct a state or national criminal history background check.
- 42 (7) A written consent allowing the state police department, the



1 ~~state seed commissioner~~; **cannabis compliance commission**, or
 2 the ~~state seed commissioner's~~ **cannabis compliance**
 3 **commission's** authorized representative, if a license is issued to
 4 the applicant, to conduct aerial inspections and to enter the
 5 premises on which the hemp is grown to conduct physical
 6 inspections of hemp planted and grown by the applicant, and to
 7 ensure the plants meet the definition of hemp as set forth in
 8 section 6 of this chapter.

9 (8) A nonrefundable application fee, which must include the
 10 amount necessary to conduct a state or national criminal history
 11 background check, in an amount determined by the ~~state seed~~
 12 ~~commissioner~~; **cannabis compliance commission**.

13 (9) Any other information required by the ~~state seed~~
 14 ~~commissioner~~; **cannabis compliance commission**.

15 **(d) Rules adopted by the state seed commissioner before July 1,**
 16 **2022, concerning industrial hemp are considered, after June 30,**
 17 **2022, rules of the cannabis compliance commission.**

18 SECTION 8. IC 15-15-13-8, AS AMENDED BY P.L.156-2020,
 19 SECTION 62, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 20 JULY 1, 2022]: Sec. 8. (a) Each license application received under this
 21 chapter must be processed as follows:

22 (1) Upon receipt of a license application, the ~~state seed~~
 23 ~~commissioner~~ **cannabis compliance commission** shall do one (1)
 24 of the following:

25 (A) Forward a copy of the application to the state police
 26 department. The state police department shall **then** do the
 27 following:

28 (i) Perform a state or national criminal history background
 29 check of the applicant.

30 (ii) Determine if the requirements under section 7(c)(5) of
 31 this chapter concerning prior criminal convictions have been
 32 met.

33 (iii) Return the application to the ~~state seed commissioner~~
 34 **cannabis compliance commission** along with the state
 35 police department's determinations and a copy of the state or
 36 national criminal history background check.

37 (B) Do the following:

38 (i) Perform a state or national criminal history background
 39 check of the applicant under the same standards as the state
 40 police department would perform.

41 (ii) Determine if the requirements under section 7(c)(5) of
 42 this chapter concerning prior criminal convictions have been



1 met.

2 (2) The ~~state seed commissioner~~ **cannabis compliance**

3 **commission** shall review the license application and the criminal

4 history background check.

5 (b) If the ~~state seed commissioner~~ **cannabis compliance**

6 **commission** determines that all the requirements under this chapter

7 have been met and that a license should be granted to the applicant, the

8 ~~state seed commissioner~~ **cannabis compliance commission** shall

9 approve the application for issuance of a license.

10 (c) A hemp license or agricultural hemp seed production license

11 expires on December 31 of the year for which the license was issued,

12 unless revoked. A hemp license or agricultural hemp seed production

13 license may be renewed in accordance with rules adopted by the ~~state~~

14 ~~seed commissioner~~ **cannabis compliance commission** and is

15 nontransferable.

16 SECTION 9. IC 15-15-13-9, AS AMENDED BY P.L.190-2019,

17 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

18 JULY 1, 2022]: Sec. 9. (a) An agricultural hemp seed production

19 license issued under this chapter authorizes a grower or handler to

20 produce and handle agricultural hemp seed for sale to licensed hemp

21 growers and handlers. A seller of agricultural hemp seed shall ensure

22 that the seed complies with any standards set by the ~~state seed~~

23 ~~commissioner~~ **cannabis compliance commission**. The ~~state seed~~

24 ~~commissioner~~ **cannabis compliance commission** shall make available

25 to growers information that identifies sellers of agricultural hemp seed.

26 (b) A person who sells agricultural hemp seed to a grower must be

27 a seed distributor who has a permit under IC 15-15-1-34.

28 (c) All growers and handlers must keep records in accordance with

29 rules adopted by the ~~state seed commissioner~~ **cannabis compliance**

30 **commission**. Upon at least three (3) days notice, the ~~state seed~~

31 ~~commissioner~~ **cannabis compliance commission** may audit the

32 required records during normal business hours. The ~~state seed~~

33 ~~commissioner~~ **cannabis compliance commission** may conduct an

34 audit for the purpose of ensuring compliance with:

35 (1) this chapter;

36 (2) rules adopted by the ~~state seed commissioner~~; **cannabis**

37 **compliance commission**; or

38 (3) hemp license or agricultural hemp seed production license

39 requirements, terms, and conditions.

40 (d) In addition to an audit conducted in accordance with subsection

41 (c), the ~~state seed commissioner~~ **cannabis compliance commission**

42 may inspect independently, or in cooperation with the state police



1 department, a federal law enforcement agency, or a local law
 2 enforcement agency, any hemp crop during the crop's growth phase and
 3 take a representative composite sample for field analysis. If a crop
 4 contains an average delta-9-tetrahydrocannabinol (THC) concentration
 5 exceeding three-tenths of one percent (0.3%) on a dry weight basis, the
 6 ~~state seed commissioner~~ **cannabis compliance commission** may
 7 detain, seize, or embargo the crop.

8 (e) The ~~state seed commissioner~~ **cannabis compliance commission**
 9 may revoke a license issued under this chapter to a person that fails to
 10 cooperate with:

- 11 (1) the ~~state seed commissioner~~; **cannabis compliance**
 12 **commission**;
 13 (2) the state police;
 14 (3) a federal law enforcement agency; or
 15 (4) a local law enforcement agency;

16 in an inspection, or in the taking of a sample, under subsection (d).

17 (f) A failure to cooperate described in subsection (e) constitutes
 18 probable cause for the ~~state seed commissioner~~; **cannabis compliance**
 19 **commission**, state police, federal law enforcement agency, or local law
 20 enforcement agency to search the premises of the licensee's hemp
 21 operation.

22 (g) If the state police department, a federal law enforcement agency,
 23 or a local law enforcement agency cooperates with the ~~state seed~~
 24 ~~commissioner~~ **cannabis compliance commission** in the detention,
 25 seizure, or embargo of a crop under this section:

- 26 (1) the state police department, federal law enforcement agency,
 27 or local law enforcement agency; and
 28 (2) any officer or employee of the state police department, federal
 29 law enforcement agency, or local law enforcement agency who is
 30 involved in the detention, seizure, or embargo;

31 is immune from civil liability for the detention, seizure, or embargo.

32 (h) The ~~state seed commissioner~~ **cannabis compliance commission**
 33 may order a hemp crop that is detained, seized, or embargoed for
 34 noncompliance with this chapter to be destroyed by the owner.
 35 However, except as prohibited by federal law, the grower may appeal
 36 to the ~~state seed commissioner~~ **cannabis compliance commission** for
 37 the hemp crop to be diverted to a willing licensed processor for
 38 processing and sale for industrial use. A hemp crop that is detained,
 39 seized, or embargoed may not be used for cannabidiol, other extracts,
 40 oil, food, or cosmetic products that are used for humans or animals.

41 (i) A grower shall reimburse the ~~state seed commissioner~~ **cannabis**
 42 **compliance commission** for the cost of testing conducted on the



1 grower's crop under this section.

2 SECTION 10. IC 15-15-13-9.5, AS ADDED BY P.L.190-2019,
3 SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
4 JULY 1, 2022]: Sec. 9.5. (a) A person who is a handler licensed under
5 this section may distribute clones and other nonseed propagative
6 materials of a hemp plant using the person's own labeling, if the
7 distributor does the following:

8 (1) Complies with the requirements of this chapter.

9 (2) Reports the variety and quantity of each variety of the
10 propagative material of plant sold.

11 (3) Pays the inspection fee on the basis of the report.

12 (4) Labels the propagative material with the information required
13 by the ~~state seed commissioner~~ **cannabis compliance**
14 **commission**.

15 (5) Keeps records to accurately determine the named varieties and
16 the number of plants of each variety distributed.

17 (6) Grants the ~~state seed commissioner~~ **cannabis compliance**
18 **commission** or the ~~state seed commissioner's~~ **cannabis**
19 **compliance commission's** authorized representative access to
20 examine the handler's records and verify the quantity and each
21 variety of propagative material distributed.

22 (7) Report, under oath, to the ~~state seed commissioner~~ **cannabis**
23 **compliance commission** on forms furnished by the ~~state seed~~
24 ~~commissioner~~ **cannabis compliance commission** each variety
25 and quantity of propagative material sold during each semiannual
26 period.

27 (8) Any other information or conditions stated in the application.

28 (b) The ~~state seed commissioner~~ **cannabis compliance commission**
29 may revoke a handler's license if the ~~commissioner~~ **commission**
30 determines any of the following:

31 (1) That the licensee has not complied with the requirements
32 under this chapter.

33 (2) The report required in subsection (a) has not been submitted
34 and is more than ten (10) days late.

35 (3) The report required in subsection (a) contained false
36 information.

37 (4) The labeling requirements under this chapter have not been
38 met.

39 (c) If the inspection fee has not been paid and is more than ten (10)
40 days late, the ~~state seed commissioner~~ **cannabis compliance**
41 **commission** shall assess a late fee.

42 (d) Each year the:



1 (1) report required under subsection (a)(7); and
 2 (2) inspection fees required under this chapter;
 3 for the period beginning on January 1 and ending on June 30 and for
 4 the period beginning on July 1 and ending on December 31 are due not
 5 more than thirty (30) days after the end of the semiannual period.

6 SECTION 11. IC 15-15-13-10, AS ADDED BY P.L.165-2014,
 7 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 8 JULY 1, 2022]: Sec. 10. The amount of any fees charged growers and
 9 handlers by the ~~state seed commissioner~~ **cannabis compliance**
 10 **commission** under this chapter must be sufficient to cover the cost of
 11 the administration of this chapter, including the cost of conducting
 12 audits and testing.

13 SECTION 12. IC 15-15-13-11, AS AMENDED BY P.L.190-2019,
 14 SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 15 JULY 1, 2022]: Sec. 11. Only a hemp licensee, the licensee's designee,
 16 or the licensee's agents may be permitted to transport hemp off a
 17 production site. When transporting hemp off the production site, the
 18 hemp licensee, designee, or agent shall have in the licensee's,
 19 designee's, or agent's possession the licensing documents from the ~~state~~
 20 ~~seed commissioner~~ **cannabis compliance commission** evidencing that
 21 the hemp is from certified seed produced by a licensed grower.

22 SECTION 13. IC 15-15-13-12, AS AMENDED BY P.L.156-2020,
 23 SECTION 63, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 24 JULY 1, 2022]: Sec. 12. The ~~state seed commissioner~~ **cannabis**
 25 **compliance commission** is responsible for the following:

- 26 (1) Monitoring the hemp grown by any license holder.
- 27 (2) Conducting random testing of the hemp for compliance with
 28 tetrahydrocannabinol (THC) levels. The ~~state seed commissioner~~
 29 **cannabis compliance commission** may enter into agreements
 30 with one (1) or more laboratories selected by the Indiana state
 31 police department to perform testing under this subdivision.
- 32 (3) Establishing necessary testing criteria and protocols, including
 33 a procedure for testing, using post decarboxylation or other
 34 similarly reliable methods, for delta-9-tetrahydrocannabinol
 35 concentration levels of the hemp produced.
- 36 (4) Establishing the minimum number of acres to be planted
 37 under each license issued under this chapter.
- 38 (5) Regulating any propagative material of a hemp plant.

39 SECTION 14. IC 15-15-13-13, AS AMENDED BY P.L.190-2019,
 40 SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 41 JULY 1, 2022]: Sec. 13. (a) Subject to section 13.5 of this chapter, in
 42 addition to any other liability or penalty provided by law, the ~~state seed~~



1 ~~commissioner~~ **cannabis compliance commission** may revoke or refuse
 2 to issue or renew a hemp license or an agricultural hemp seed
 3 production license and may impose a civil penalty for a violation of:

- 4 (1) a license requirement;
 5 (2) license terms or conditions;
 6 (3) a rule relating to growing or handling hemp; or
 7 (4) section 19 of this chapter.

8 (b) The ~~state seed commissioner~~ **cannabis compliance commission**
 9 may not impose a civil penalty under this section that exceeds two
 10 thousand five hundred dollars (\$2,500).

11 (c) The ~~state seed commissioner~~ **cannabis compliance commission**
 12 may revoke or refuse to issue or renew a hemp license or an
 13 agricultural hemp seed production license for a violation of any rule of
 14 the ~~state seed commissioner~~ **cannabis compliance commission** that
 15 pertains to agricultural operations or activities other than hemp
 16 growing or handling.

17 (d) Any civil penalties collected under this section shall be
 18 transferred to the Indiana state department of agriculture and used for
 19 hemp marketing and research purposes.

20 (e) In addition to payment of any civil penalty imposed under this
 21 section, a person who commits a violation described in subsection (a)
 22 shall reimburse the ~~state seed commissioner~~ **cannabis compliance**
 23 **commission** for any costs incurred by the ~~state seed commissioner~~
 24 **cannabis compliance commission** for laboratory testing of material
 25 pertaining to the violation.

26 SECTION 15. IC 15-15-13-13.5, AS AMENDED BY P.L.156-2020,
 27 SECTION 64, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 28 JULY 1, 2022]: Sec. 13.5. (a) Except as provided in subsection (b), the
 29 ~~state seed commissioner~~ **cannabis compliance commission** shall give
 30 a person who negligently violates this chapter a reasonable time,
 31 determined by the ~~state seed commissioner~~, **cannabis compliance**
 32 **commission**, to correct the violation without imposing a penalty under
 33 section 13 of this chapter. However, the ~~state seed commissioner~~
 34 **cannabis compliance commission** may require the person who
 35 committed the violation to comply with a corrective action plan
 36 determined by the ~~state seed commissioner~~ **cannabis compliance**
 37 **commission** and report to the ~~state seed commissioner~~ **cannabis**
 38 **compliance commission** on compliance with the corrective action
 39 plan.

40 (b) A person who commits a negligent violation of this chapter three
 41 (3) times in a five (5) year period shall immediately be ineligible to
 42 produce hemp for five (5) years.



1 (c) If the ~~state seed commissioner~~ **cannabis compliance**
 2 **commission** believes that a person has knowingly or intentionally
 3 violated this chapter, the ~~state seed commissioner~~ **cannabis**
 4 **compliance commission** shall notify:

- 5 (1) the superintendent of the state police department; and
 6 (2) the prosecuting attorney of the county in which the violation
 7 occurred;

8 of the violation.

9 (d) A person who commits a negligent violation under this chapter
 10 is subject to a late fee as established by rule adopted by the ~~state seed~~
 11 ~~commissioner~~ **cannabis compliance commission**.

12 SECTION 16. IC 15-15-13-14, AS AMENDED BY P.L.190-2019,
 13 SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 14 JULY 1, 2022]: Sec. 14. (a) The ~~state seed commissioner~~ **cannabis**
 15 **compliance commission** shall adopt rules under IC 4-22-2 to
 16 implement and administer this chapter.

17 (b) The ~~state seed commissioner~~ **cannabis compliance commission**
 18 may adopt emergency rules in the manner provided under
 19 IC 4-22-2-37.1 to comply with any federal requirement under the
 20 Agriculture Improvement Act of 2018 to implement and administer this
 21 chapter.

22 SECTION 17. IC 15-15-13-15 IS REPEALED [EFFECTIVE JULY
 23 1, 2022]. ~~Sec. 15. Before December 31, 2019, the state seed~~
 24 ~~commissioner, after consultation with the governor, the director of the~~
 25 ~~state department of agriculture, and the superintendent of the state~~
 26 ~~police department, shall submit a plan that monitors and regulates the~~
 27 ~~production of hemp to the United States Department of Agriculture. If~~
 28 ~~the United States Department of Agriculture disapproves the plan, the~~
 29 ~~state seed commissioner shall submit an amended plan to the United~~
 30 ~~States Department of Agriculture.~~

31 SECTION 18. IC 15-15-13-16, AS ADDED BY P.L.165-2014,
 32 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 33 JULY 1, 2022]: Sec. 16. (a) The ~~state seed commissioner~~ **cannabis**
 34 **compliance commission** shall pay all fees collected under this chapter
 35 to the treasurer of Purdue University.

36 (b) The board of trustees of Purdue University shall expend the fees
 37 on proper vouchers filed with the treasurer of Purdue University. The
 38 treasurer shall pay vouchers for the following expenses:

- 39 (1) The employment of inspectors and seed analysts.
 40 (2) Procuring samples.
 41 (3) Printing bulletins giving the results of inspection.
 42 (4) Any other expenses of the Purdue University agricultural



1 programs authorized by law and for implementing this chapter.

2 (c) The dean of agriculture of Purdue University shall make and
3 submit a financial report to the governor in such form as the state board
4 of accounts requires, showing the total receipts and expenditures of all
5 fees received under this chapter.

6 (d) Excess funds from the collection of fees under this chapter are
7 subject to IC 15-16-2-36.

8 SECTION 19. IC 15-15-13-17, AS AMENDED BY P.L.190-2019,
9 SECTION 18, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
10 JULY 1, 2022]: Sec. 17. (a) The ~~seed commissioner~~ **cannabis**
11 **compliance commission** may keep the:

12 (1) names of growers and handlers who are licensed under this
13 chapter; and

14 (2) locations of licensed hemp crops;
15 confidential for purposes of IC 5-14-3.

16 (b) The ~~seed commissioner~~ **cannabis compliance commission** may
17 share confidential information under subsection (a) with the state
18 police department, law enforcement officers (as defined in
19 IC 35-31.5-2-185), and federal enforcement officers (as defined in
20 IC 35-31.5-2-129).

21 SECTION 20. IC 15-15-13-19, AS ADDED BY P.L.190-2019,
22 SECTION 20, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
23 JULY 1, 2022]: Sec. 19. (a) Hemp bud (as defined in IC 35-48-1-17.2)
24 and hemp flower (as defined in IC 35-48-1-17.3) may be sold only to
25 a processor licensed under this chapter.

26 (b) The ~~state seed commissioner~~ **cannabis compliance commission**
27 may impose a civil penalty under section 13 of this chapter for a
28 violation of subsection (a).

29 SECTION 21. IC 15-15-13-20, AS ADDED BY P.L.190-2019,
30 SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
31 JULY 1, 2022]: Sec. 20. (a) A person who knowingly or intentionally
32 violates:

33 (1) a term, condition, or requirement of a license issued; or

34 (2) a rule adopted;

35 under this chapter is subject to a civil penalty, determined by the ~~state~~
36 ~~seed commissioner~~, **cannabis compliance commission**, not to exceed
37 ten thousand dollars (\$10,000) per violation. The ~~state seed~~
38 ~~commissioner~~ **cannabis compliance commission** may also revoke the
39 license of a person who violates this subsection.

40 (b) A person who knowingly or intentionally:

41 (1) grows hemp;

42 (2) handles hemp; or



1 (3) sells agricultural hemp seed;
2 not including smokable hemp (as defined by IC 35-48-1-26.6), and is
3 not licensed under this chapter, commits a Class A misdemeanor.

4 SECTION 22. IC 15-16-2-36, AS AMENDED BY P.L.141-2018,
5 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
6 JULY 1, 2022]: Sec. 36. (a) Notwithstanding any other law, all excess
7 funds accumulated from the fees collected by:

8 (1) the state chemist, under this chapter, IC 15-15-2, IC 15-16-4,
9 IC 15-16-5, and IC 15-19-7; ~~and~~

10 (2) the state seed commissioner under IC 15-15-1 and, **before**
11 **July 1, 2022**, IC 15-15-13; **and**

12 **(3) after June 30, 2022, the cannabis compliance commission**
13 **under IC 15-15-13;**

14 shall be paid to the treasurer of Purdue University. The funds shall be
15 administered by the board of trustees of Purdue University.

16 (b) On approval of the governor and the budget agency, the board
17 of trustees may spend the excess funds for the construction, operation,
18 rehabilitation, and repair of buildings, structures, or other facilities
19 used for:

20 (1) carrying out the purposes of those chapters referred to in
21 subsection (a) under which the fees are collected; or

22 (2) the agricultural programs authorized by law and in support of
23 the purposes of the chapters referred to in subsection (a).

24 SECTION 23. IC 24-4-21-1, AS AMENDED BY P.L.190-2019,
25 SECTION 23, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
26 JULY 1, 2022]: Sec. 1. The following definitions apply throughout this
27 chapter:

28 **(1) "Cannabis compliance commission" means the cannabis**
29 **compliance commission established by IC 7.1-8-2-1.**

30 ~~(+)~~ **(2) "Certificate of analysis" means a certificate from an**
31 **independent testing laboratory describing the results of the**
32 **laboratory's testing of a sample.**

33 ~~(2)~~ **(3) "Independent testing laboratory" means a laboratory:**

34 (A) with respect to which no person having a direct or indirect
35 interest in the laboratory also has a direct or indirect interest
36 in a facility that:

37 (i) processes, distributes, or sells low THC hemp extract, or
38 a substantially similar substance in another jurisdiction;

39 (ii) cultivates, processes, distributes, dispenses, or sells
40 marijuana; or

41 (iii) cultivates, processes, or distributes hemp; and

42 (B) that is accredited as a testing laboratory to International



- 1 Organization for Standardization (ISO) 17025 by a third party
 2 accrediting body such as the American Association for
 3 Laboratory Accreditation (A2LA) or Assured Calibration and
 4 Laboratory Accreditation Select Services (ACLASS).
- 5 ~~(3)~~ **(4)** "Low THC hemp extract" has the meaning set forth in
 6 IC 35-48-1-17.5.
- 7 SECTION 24. IC 24-4-21-1.5 IS ADDED TO THE INDIANA
 8 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
 9 [EFFECTIVE JULY 1, 2022]: **Sec. 1.5. (a) The cannabis compliance**
 10 **commission shall administer and enforce this chapter.**
- 11 **(b) The cannabis compliance commission may:**
- 12 **(1) conduct inspections, review certifications, inspect**
 13 **packaging, and engage in other enforcement actions to ensure**
 14 **compliance with this chapter; and**
- 15 **(2) seek injunctions and impose civil penalties to enforce this**
 16 **chapter.**
- 17 SECTION 25. IC 24-4-21-5, AS ADDED BY P.L.153-2018,
 18 SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 19 JULY 1, 2022]: Sec. 5. **(a)** This section applies after June 30, 2018.
- 20 **(b)** A person who distributes low THC hemp extract in violation of
 21 this chapter commits a Class B infraction. However, the offense is a
 22 Class A infraction if the person has a prior unrelated judgment for a
 23 violation of this chapter.
- 24 ~~(c) These~~ **The penalties described in this section** are in addition to
 25 any:
- 26 **(1) criminal penalties that may be imposed for unlawful**
 27 **possession or distribution of a controlled substance; or**
- 28 **(2) civil penalties or injunctive relief imposed by or sought by**
 29 **the cannabis compliance commission.**
- 30 SECTION 26. IC 24-4-22-1, AS AMENDED BY P.L.10-2019,
 31 SECTION 106, IS AMENDED TO READ AS FOLLOWS
 32 [EFFECTIVE JULY 1, 2022]: Sec. 1. As used in this chapter:
- 33 **(1) "cannabis compliance commission" means the cannabis**
 34 **compliance commission established by IC 7.1-8-2-1; and**
- 35 **(2) "low THC hemp extract" has the meaning set forth in**
 36 **IC 35-48-1-17.5.**
- 37 SECTION 27. IC 24-4-22-4, AS ADDED BY P.L.153-2018,
 38 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 39 JULY 1, 2022]: Sec. 4. **(a)** This section applies after June 30, 2018.
- 40 **(b)** A person who violates section 3 of this chapter commits a Class
 41 C infraction. However, the violation is a Class B infraction if the
 42 person has one (1) prior unrelated judgment for a violation of section



1 3 of this chapter, and a Class A infraction if the person has two (2) or
 2 more prior unrelated judgments for a violation of section 3 of this
 3 chapter.

4 **(c) These The penalties described in this section** are in addition to
 5 any:

6 **(1) criminal penalties that may be imposed for unlawful**
 7 **possession or distribution of a controlled substance; or**

8 **(2) civil penalties or injunctive relief imposed by or sought by**
 9 **the cannabis compliance commission.**

10 SECTION 28. [EFFECTIVE JULY 1, 2022] **(a) As used in this**
 11 **SECTION, "cannabis compliance commission" means the cannabis**
 12 **compliance commission established by IC 7.1-8-2-1, as added by**
 13 **this act.**

14 **(b) On July 1, 2022, all powers, duties, agreements, and**
 15 **liabilities of the state seed commissioner with respect to hemp and**
 16 **industrial hemp are transferred to the cannabis compliance**
 17 **commission, as the successor agency.**

18 **(c) On July 1, 2022, all records and property of the state seed**
 19 **commissioner relating to hemp and industrial hemp, including**
 20 **appropriations and other funds under the control or supervision of**
 21 **the state seed commissioner that are designated for the hemp and**
 22 **industrial hemp program, are transferred to the cannabis**
 23 **compliance commission, as the successor agency.**

24 **(d) After June 30, 2022, any amounts owed to the state seed**
 25 **commissioner before July 1, 2022, in connection with hemp and**
 26 **industrial hemp are considered to be owed to the cannabis**
 27 **compliance commission, as the successor agency.**

28 **(e) After June 30, 2022, a reference to the state seed**
 29 **commissioner in a statute, rule, or other document related to**
 30 **industrial hemp is considered a reference to the cannabis**
 31 **compliance commission, as the successor agency.**

32 **(f) Any rules adopted under IC 15-11-15-3 or IC 15-15-13 by the**
 33 **state seed commissioner before July 1, 2022, concerning hemp and**
 34 **industrial hemp are considered, after June 30, 2022, rules of the**
 35 **cannabis compliance commission.**

36 **(g) Proceedings relating to hemp and industrial hemp that are**
 37 **pending before the state seed commissioner on July 1, 2022, shall**
 38 **be transferred from the state seed commissioner to the cannabis**
 39 **compliance commission and treated as if initiated by the cannabis**
 40 **compliance commission.**

41 **(h) A license or permit relating to hemp and industrial hemp**
 42 **that is issued by the state seed commissioner before July 1, 2022,**



1 shall be treated after June 30, 2022, as a license or permit issued by
2 the cannabis compliance commission.

3 (i) This SECTION expires July 1, 2023.

