

HOUSE BILL No. 1079

DIGEST OF INTRODUCED BILL

Citations Affected: IC 7.1-3-18.5-9; IC 15-15-13; IC 16-42-2-2; IC 24-4; IC 35-31.5-2; IC 35-46-1; IC 35-48.

Synopsis: Craft hemp flower. Defines "work in progress hemp extract" for purposes of the statute concerning industrial hemp. Provides that a licensed hemp handler may possess, manufacture, store, transport, or sell work in progress hemp extract. Defines "craft hemp flower". Provides for purposes of the statute concerning the adulteration or misbranding of foods, that a food is not considered adulterated for containing low THC hemp extract or craft hemp flower. Sets forth certain restrictions with respect to the packaging of low THC hemp extract. Prohibits the sale of low THC hemp extract to a person less than 21 years of age, if the low THC hemp extract contains certain elements. Establishes certain regulatory testing and packaging requirements for the distribution of craft hemp flower and establishes certain infractions applicable to the possession, distribution, or sale of craft hemp flower in violation of these requirements. Adds craft hemp flower to statutes imposing an infraction with regard to persons less than 21 years of age and involving the sale, distribution, purchase, and possession of tobacco, e-liquids, or electronic cigarettes. Provides that craft hemp flower is not included in the definition of: (1) "controlled substance analog"; (2) "hashish"; (3) "low THC hemp extract"; or (4) "marijuana"; for purposes of the criminal statute concerning controlled substances. Repeals the definitions of: (1) "hemp bud"; (2) "hemp flower"; and (3) "smokable hemp"; in the criminal statute concerning controlled substances. Makes conforming amendments in other sections of the Indiana Code. Repeals the Indiana Code provision that establishes dealing in smokable hemp as a Class A misdemeanor.

Effective: July 1, 2024.

Teshka, Manning, Bartels, Hatfield

January 8, 2024, read first time and referred to Committee on Commerce, Small Business and Economic Development.



Second Regular Session of the 123rd General Assembly (2024)

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 2023 Regular Session of the General Assembly.

HOUSE BILL No. 1079

A BILL FOR AN ACT to amend the Indiana Code concerning trade regulation.

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

1 SECTION 1. IC 7.1-3-18.5-9, AS AMENDED BY P.L.49-2020,
2 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2024]: Sec. 9. A certificate holder shall exercise due diligence
4 in the supervision and training of the certificate holder's employees or
5 agents in the handling and sale of tobacco products and electronic
6 cigarettes on the holder's retail premises. Proof that employees or
7 agents of the certificate holder, while in the scope of their employment,
8 committed at least six (6) violations relating to ~~IC 35-46-1-10.2(b)~~
9 **IC 35-46-1-10.2(c)** in any one (1) year period shall be prima facie
10 evidence of a lack of due diligence by the certificate holder in the
11 supervision and training of the certificate holder's employees or agents.

12 SECTION 2. IC 15-15-13-6.5, AS ADDED BY P.L.190-2019,
13 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
14 JULY 1, 2024]: Sec. 6.5. As used in this chapter, "hemp product"
15 means a product derived from, or made by, processing hemp plants or
16 plant parts including derivatives, extracts, cannabinoids, isomers, acids,
17 salts, and salts of isomers. However, the term does not include



1 (+) ~~smokable hemp~~ (as defined by IC 35-48-1-26.6); or
 2 (2) products that contain a ~~total~~ delta-9-tetrahydrocannabinol
 3 concentration of more than three-tenths of one percent (0.3%) by
 4 weight.

5 SECTION 3. IC 15-15-13-6.7 IS ADDED TO THE INDIANA
 6 CODE AS A NEW SECTION TO READ AS FOLLOWS
 7 [EFFECTIVE JULY 1, 2024]: **Sec. 6.7. As used in this chapter,**
 8 **"work in progress hemp extract" means a compound:**

- 9 (1) derived from hemp;
 10 (2) intended to be processed into a hemp product;
 11 (3) in a partially processed state;
 12 (4) having a concentration of delta-9 THC that exceeds
 13 three-tenths of one percent (0.3%) by dry weight; and
 14 (5) not marketed for consumer use or consumption.

15 SECTION 4. IC 15-15-13-11, AS AMENDED BY P.L.190-2019,
 16 SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 17 JULY 1, 2024]: Sec. 11. Only a hemp licensee, the licensee's designee,
 18 or the licensee's agents may be permitted to transport hemp **or work in**
 19 **progress hemp extract** off a production site. When transporting hemp
 20 **or work in progress hemp extract** off the production site, the hemp
 21 licensee, designee, or agent shall have in the licensee's, designee's, or
 22 agent's possession the licensing documents from the state seed
 23 commissioner evidencing that the hemp **or work in progress hemp**
 24 **extract** is from certified seed produced by a licensed grower.

25 SECTION 5. IC 15-15-13-11.5 IS ADDED TO THE INDIANA
 26 CODE AS A NEW SECTION TO READ AS FOLLOWS
 27 [EFFECTIVE JULY 1, 2024]: **Sec. 11.5. (a) Subject to subsection (b),**
 28 **a handler holding a valid license under this chapter may possess,**
 29 **manufacture, store, transport, or sell work in progress hemp**
 30 **extract.**

- 31 **(b) Work in progress hemp extract may be sold only to a:**
 32 (1) handler holding a valid license under this chapter; or
 33 (2) person holding a valid hemp or cannabis license in another
 34 jurisdiction.

35 SECTION 6. IC 15-15-13-13, AS AMENDED BY P.L.190-2019,
 36 SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 37 JULY 1, 2024]: Sec. 13. (a) Subject to section 13.5 of this chapter, in
 38 addition to any other liability or penalty provided by law, the state seed
 39 commissioner may revoke or refuse to issue or renew a hemp license
 40 or an agricultural hemp seed production license and may impose a civil
 41 penalty for a violation of:

- 42 (1) a license requirement;



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

4 (b) The state seed commissioner may not impose a civil penalty
 5 under this section that exceeds two thousand five hundred dollars
 6 (\$2,500).

7 (c) The state seed commissioner may revoke or refuse to issue or
 8 renew a hemp license or an agricultural hemp seed production license
 9 for a violation of any rule of the state seed commissioner that pertains
 10 to agricultural operations or activities other than hemp growing or
 11 handling.

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

15 (e) In addition to payment of any civil penalty imposed under this
 16 section, a person who commits a violation described in subsection (a)
 17 shall reimburse the state seed commissioner for any costs incurred by
 18 the state seed commissioner for laboratory testing of material
 19 pertaining to the violation.

20 SECTION 7. IC 15-15-13-19 IS REPEALED [EFFECTIVE JULY
 21 1, 2024]. ~~Sec. 19: (a) Hemp bud (as defined in IC 35-48-1-17.2) and~~
 22 ~~hemp flower (as defined in IC 35-48-1-17.3) may be sold only to a~~
 23 ~~processor licensed under this chapter.~~

24 ~~(b) The state seed commissioner may impose a civil penalty under~~
 25 ~~section 13 of this chapter for a violation of subsection (a):~~

26 SECTION 8. IC 15-15-13-20, AS ADDED BY P.L.190-2019,
 27 SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 28 JULY 1, 2024]: Sec. 20. (a) A person who knowingly or intentionally
 29 violates:

- 30 (1) a term, condition, or requirement of a license issued; or
 31 (2) a rule adopted;

32 under this chapter is subject to a civil penalty, determined by the state
 33 seed commissioner, not to exceed ten thousand dollars (\$10,000) per
 34 violation. The state seed commissioner may also revoke the license of
 35 a person who violates this subsection.

36 (b) A person who knowingly or intentionally:

- 37 (1) grows hemp;
 38 (2) handles hemp; or
 39 (3) sells agricultural hemp seed;

40 ~~not including smokable hemp (as defined by IC 35-48-1-26.6); and is~~
 41 ~~not licensed under this chapter commits a Class A misdemeanor.~~

42 SECTION 9. IC 16-42-2-2 IS AMENDED TO READ AS



1 FOLLOWS [EFFECTIVE JULY 1, 2024]: Sec. 2. (a) A food is
2 considered adulterated under any of the following conditions:

3 (1) If the food bears or contains any poisonous or deleterious
4 substance that may make the food injurious to health. However,
5 if the substance is not an added substance, the food is not to be
6 considered adulterated under this subdivision if the quantity of the
7 substance in the food does not ordinarily make the food injurious
8 to health.

9 (2) If:

10 (A) the food bears or contains any added poison or added
11 deleterious substance (other than a poison or a deleterious
12 substance that is a pesticide chemical in or on a raw
13 agricultural commodity, a food additive, or a color additive)
14 that is unsafe within the meaning of section 5 of this chapter;

15 (B) the food is a raw agricultural commodity and the food
16 bears or contains a pesticide chemical that is unsafe under
17 section 5 of this chapter; or

18 (C) the food is or contains a food additive that is unsafe under
19 section 5 of this chapter.

20 However, when a pesticide chemical is used in or on a raw
21 agricultural commodity in conformity with an exemption granted
22 or tolerance prescribed under section 5 of this chapter and the raw
23 agricultural commodity has been subjected to processing such as
24 canning, cooking, freezing, dehydrating, or milling, the residue of
25 the pesticide chemical remaining in or on the processed food,
26 notwithstanding section 5 of this chapter and clause (C) is not
27 considered unsafe if the residue in or on the raw agricultural
28 commodity has been removed to the extent possible in good
29 manufacturing practice, and the concentration of the residues in
30 the processed food, when ready to eat, is not greater than the
31 tolerance prescribed for the raw agricultural commodity.

32 (3) If the food consists in whole or in part of a diseased,
33 contaminated, filthy, putrid, or decomposed substance or if the
34 food is otherwise unfit for food.

35 (4) If the food has been produced, transported, handled, prepared,
36 packed, or held under unsanitary conditions or in unsanitary
37 containers as the result of which the food may have become
38 contaminated with filth or made diseased, unwholesome, or
39 injurious to health.

40 (5) If the food is, in whole or in part, the product of:

41 (A) a diseased animal;

42 (B) an animal that has died otherwise than by slaughter; or



- 1 (C) an animal that has been fed upon the uncooked offal from
 2 a slaughterhouse.
- 3 (6) If the food's container is composed in whole or in part of any
 4 poisonous or deleterious substance that may make the contents
 5 injurious to health.
- 6 (7) If the food has been intentionally subjected to radiation, unless
 7 the use of the radiation was in conformity with a rule or an
 8 exemption in effect under section 5 of this chapter.
- 9 (8) If any valuable constituent has been in whole or in part
 10 omitted or abstracted from the food.
- 11 (9) If any substance has been substituted wholly or in part.
- 12 (10) If damage or inferiority has been concealed in any manner.
- 13 (11) If any substance has been added to the food or mixed or
 14 packed with the food to:
- 15 (A) increase the food's bulk or weight;
- 16 (B) reduce the food's quality or strength;
- 17 (C) make the food appear better or of greater value than the
 18 food is; or
- 19 (D) create a deceptive appearance.
- 20 (12) If the food bears or contains a coal-tar color other than one
 21 from a batch that has been certified by the federal Food and Drug
 22 Administrator, as provided by regulations promulgated under
 23 authority of the Federal Act.
- 24 (13) If the food is a confectionery and has partially or completely
 25 ~~imbedded~~ **embedded** in the food any nonnutritive object.
 26 However, this subdivision does not apply in the case of any
 27 nonnutritive object if, in the judgment of the state department as
 28 provided by rules, the nonnutritive object is of practical,
 29 functional value to the confectionery product and would not make
 30 the product injurious or hazardous to health.
- 31 (14) If the food is a confectionery and bears or contains any
 32 alcohol other than alcohol not in excess of one-half of one percent
 33 (0.5%) by volume derived solely from the use of flavoring
 34 extracts.
- 35 (15) If the food is a confectionery and bears or contains any
 36 nonnutritive substance. However, this subdivision does not apply
 37 to a safe, nonnutritive substance if:
- 38 (A) the nonnutritive substance is in or on a confectionery for
 39 a practical, functional purpose in the manufacture, packaging,
 40 or storing of the confectionery; and
- 41 (B) the use of the substance does not promote deception of the
 42 consumer or otherwise result in adulteration or misbranding in



- 1 violation of any provision of IC 16-42-1 through IC 16-42-4.
 2 In addition, the state department may, for the purpose of
 3 avoiding or resolving uncertainty as to the application of this
 4 subdivision, adopt rules allowing or prohibiting the use of
 5 particular nonnutritive substances.
- 6 (16) If the food falls below the standard of purity, quality, or
 7 strength that the food purports or is represented to possess.
- 8 (17) If the food is or bears or contains any color additive that is
 9 unsafe under section 5 of this chapter.
- 10 (b) Subsection (a)(8) and (a)(9) do not prohibit:
- 11 (1) the removal of butterfat from; or
 12 (2) the addition of skim milk to;
- 13 dairy products that comply with the definitions and standards for dairy
 14 products adopted by the state department.
- 15 **(c) A food is not considered adulterated for containing low THC**
 16 **hemp extract (as defined in IC 35-48-1-17.5) or craft hemp flower**
 17 **(as defined in IC 35-31.5-2-68.8).**
- 18 SECTION 10. IC 24-4-21-3, AS AMENDED BY P.L.190-2019,
 19 SECTION 24, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 20 JULY 1, 2024]: Sec. 3. A person may distribute low THC hemp extract
 21 in Indiana only if the distributor has a certificate of analysis prepared
 22 by an independent testing laboratory showing:
- 23 (1) that the low THC hemp extract is the product of a batch tested
 24 by the independent testing laboratory;
- 25 (2) that the independent testing laboratory determined that the
 26 batch contained not more than three-tenths percent (0.3%) ~~total~~
 27 delta-9-tetrahydrocannabinol (THC), ~~including precursors,~~ by
 28 weight, based on the testing of a random sample of the batch; and
 29 (3) the cannabidiol percent present of the low THC hemp extract.
- 30 SECTION 11. IC 24-4-21-4, AS ADDED BY P.L.153-2018,
 31 SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 32 JULY 1, 2024]: Sec. 4. (a) Except as provided in subsection (b), low
 33 THC hemp extract must be distributed in packaging that contains the
 34 following information:
- 35 (1) A scannable bar code or QR code linked to a document that
 36 contains information with respect to the manufacture of the low
 37 THC hemp extract, including the:
- 38 (A) batch identification number;
 39 (B) product name;
 40 (C) batch date;
 41 (D) expiration date, which must be not more than two (2) years
 42 from the date of manufacture;



- 1 (E) batch size;
 2 (F) total quantity produced; **and**
 3 ~~(G) ingredients used, including the:~~
 4 (i) ingredient name;
 5 (ii) name of the company that manufactured the ingredient;
 6 (iii) company or product identification number or code, if
 7 applicable; and
 8 (iv) ingredient lot number; and
 9 ~~(H) (G) download link for a certificate of analysis for the low~~
 10 THC hemp extract.
 11 (2) The batch number.
 12 (3) The Internet address of a ~~web site~~ **website** to obtain batch
 13 information.
 14 (4) The expiration date.
 15 (5) The number of milligrams of low THC hemp extract.
 16 (6) The manufacturer.
 17 (7) The fact that the product contains not more than three-tenths
 18 percent (0.3%) ~~total~~ delta-9-tetrahydrocannabinol (THC)
 19 including precursors, by weight.
 20 ~~(b) Before July 1, 2018, low THC hemp extract may be distributed~~
 21 ~~in Indiana without having met the requirements described in subsection~~
 22 ~~(a):~~
 23 **(b) After June 30, 2024, the packaging of low THC hemp extract**
 24 **may not:**
 25 **(1) contain any statement, artwork, or design that could**
 26 **reasonably mislead any person to believe that the package**
 27 **contains anything other than low THC hemp extract; or**
 28 **(2) bear an unauthorized trademark, trade name, famous**
 29 **mark, or other identifying mark, imprint, or device, or any**
 30 **likeness thereof.**
 31 SECTION 12. IC 24-4-22-3, AS ADDED BY P.L.153-2018,
 32 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 33 JULY 1, 2024]: Sec. 3. (a) ~~Except as provided in subsection (b);~~ A
 34 person may sell low THC hemp extract at retail only if the packaging
 35 complies with the requirements of IC 24-4-21-4.
 36 ~~(b) Before July 1, 2018, a person may sell low THC hemp extract at~~
 37 ~~retail even if the packaging does not comply with the requirements of~~
 38 ~~IC 24-4-21-4.~~
 39 **(b) Beginning July 1, 2024, low THC hemp extract containing:**
 40 **(1) Delta-8 THC;**
 41 **(2) Delta-10 THC;**
 42 **(3) Hexahydrocannabinol (HHC);**



1 (4) Tetrahydrocannabinol acetate ester (THCo);

2 (5) Tetrahydrocannabinolic acid (THCA);

3 (6) Tetrahydrocannabiporol (THCp); or

4 (7) Tetrahydrocannabivarin (THCv);

5 may not be distributed, sold, or offered for sale at retail or online
6 to a person who is less than twenty-one (21) years of age.

7 (c) A person who owns, manages, or operates a website through
8 which the person distributes or sells a product containing:

9 (1) Delta-8 THC;

10 (2) Delta-10 THC;

11 (3) Hexahydrocannabinol (HHC);

12 (4) Tetrahydrocannabinol acetate ester (THCo);

13 (5) Tetrahydrocannabinolic acid (THCA);

14 (6) Tetrahydrocannabiporol (THCp); or

15 (7) Tetrahydrocannabivarin (THCv);

16 directly to consumers must verify a consumer's age either by using
17 a reliable online age verification service, or by obtaining and
18 examining a copy of a government issued identification, before the
19 consumer completes the purchase.

20 (d) A person who violates this section is subject to a civil penalty
21 not to exceed the following:

22 (1) One thousand dollars (\$1,000) for a first violation.

23 (2) Five thousand dollars (\$5,000) for a second violation that
24 occurs within two (2) years after a first violation.

25 (3) Ten thousand dollars (\$10,000) for:

26 (A) a third; and

27 (B) each subsequent violation;

28 that occurs within two (2) years of the preceding violation.

29 (e) It is a defense to a violation under this section that the
30 distributor or seller examined the purchaser's or recipient's
31 driver's license, or other valid government issued identification,
32 that positively identified the purchaser or recipient as being at least
33 twenty-one (21) years of age.

34 SECTION 13. IC 24-4-23 IS ADDED TO THE INDIANA CODE
35 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
36 JULY 1, 2024]:

37 **Chapter 23. Distribution of Craft Hemp Flower**

38 **Sec. 1.** As used in this chapter, "certificate of analysis" means
39 a certificate from an independent testing laboratory describing the
40 results of the laboratory's testing of a sample.

41 **Sec. 2.** As used in this chapter, "craft hemp flower" has the
42 meaning set forth in IC 35-31.5-2-68.8.



1 **Sec. 3. As used in this chapter, "independent testing laboratory"**
 2 **means a laboratory:**

3 **(1) with respect to which no person having a direct or indirect**
 4 **interest in the laboratory also has a direct or indirect interest**
 5 **in a facility that:**

6 **(A) processes, distributes, or sells craft hemp flower, or a**
 7 **substantially similar substance in another jurisdiction;**

8 **(B) cultivates, processes, distributes, dispenses, or sells**
 9 **marijuana;**

10 **(C) cultivates, processes, or distributes hemp; or**

11 **(D) processes, distributes, or sells low THC hemp extract**
 12 **(as defined in IC 35-48-1-17.5); and**

13 **(2) that is accredited as a testing laboratory under**
 14 **International Organization for Standardization (ISO) 17025**
 15 **by a third party accrediting body such as the American**
 16 **Association for Laboratory Accreditation (A2LA) or Assured**
 17 **Calibration and Laboratory Accreditation Select Services**
 18 **(ACLASS).**

19 **Sec. 4. As used in this chapter, "tamper evident packaging"**
 20 **means a package having at least one (1) indicator or a barrier to**
 21 **entry that, if breached or missing, can reasonably be expected to**
 22 **provide visible evidence to consumers that tampering has occurred.**

23 **Sec. 5. (a) A person may not distribute craft hemp flower unless**
 24 **the person has a certificate of analysis prepared by an independent**
 25 **testing laboratory showing the following:**

26 **(1) That the craft hemp flower is the product of a batch tested**
 27 **by the independent testing laboratory.**

28 **(2) That the independent testing laboratory determined that**
 29 **the batch contained not more than three-tenths percent**
 30 **(0.3%) delta-9-tetrahydrocannabinol (THC), by weight, based**
 31 **on the testing of a random sample of the batch.**

32 **(3) That the batch has been tested for and does not exceed the**
 33 **acceptable levels set forth under section 7 of this chapter for**
 34 **the following contaminants:**

35 **(A) Heavy metals, including cadmium, lead, arsenic, and**
 36 **mercury.**

37 **(B) Pesticides.**

38 **(C) Herbicides.**

39 **(D) Mycotoxins.**

40 **(E) Bacterial toxins.**

41 **(F) Chemical solvent residues.**

42 **(4) The potency of the craft hemp flower, including the**



1 **projected percentage of:**

2 **(A) THC;**

3 **(B) cannabidiol; and**

4 **(C) other cannabinoids in the craft hemp flower;**

5 **by weight or volume.**

6 **(b) A batch of craft hemp flower submitted to an independent**
 7 **testing laboratory under this section must contain only craft hemp**
 8 **flowers that were harvested at the same time and cultivated in a**
 9 **contiguous area in the same field or facility.**

10 **Sec. 6. Craft hemp flower must be distributed in tamper evident**
 11 **packaging that contains the following information:**

12 **(1) A scannable bar code or QR code linked to a document**
 13 **that contains information with respect to the craft hemp**
 14 **flower, including the:**

15 **(A) batch identification number;**

16 **(B) product name;**

17 **(C) batch date;**

18 **(D) expiration date, which must be not more than two (2)**
 19 **years from the date of harvest;**

20 **(E) batch size;**

21 **(F) total quantity produced; and**

22 **(G) download link for a certificate of analysis for the craft**
 23 **hemp flower.**

24 **(2) The batch identification number.**

25 **(3) The address of a website to obtain batch information.**

26 **(4) The expiration date, which must be not more than two (2)**
 27 **years from the date of harvest.**

28 **(5) The number of grams of craft hemp flower.**

29 **(6) The facility that produced the craft hemp flower.**

30 **(7) The fact that the product contains not more than**
 31 **three-tenths percent (0.3%) delta-9-tetrahydrocannabinol**
 32 **(THC) by weight.**

33 **Sec. 7. Craft hemp flower may not be distributed if a certificate**
 34 **of analysis prepared by an independent testing laboratory shows**
 35 **any of the following:**

36 **(1) A concentration of metals that is more than any of the**
 37 **following:**

38 **(A) Four-tenths (0.4) part per million of cadmium.**

39 **(B) Five-tenths (0.5) part per million of lead.**

40 **(C) Four-tenths (0.4) part per million of arsenic.**

41 **(D) Two-tenths (0.2) part per million of mercury.**

42 **(2) A concentration of microbiological units that is more than**



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- any of the following:
 - (A) One (1) colony forming unit per gram of Shiga-Toxin Escherichia coli.
 - (B) One (1) colony forming unit per gram of Salmonella spp.
 - (C) Ten thousand (10,000) colony forming units of culturable mold.
- (3) A concentration of residual solvents and chemicals that is more than any of the following:
 - (A) Five thousand (5,000) parts per million of butane.
 - (B) Two (2) parts per million of benzene.
 - (C) Five thousand (5,000) parts per million of heptane.
 - (D) Two hundred ninety (290) parts per million of hexane.
 - (E) Eight hundred ninety (890) parts per million of toluene.
 - (F) One (1) part per million of total xylenes, including ortho-xylene, meta-xylene, and para-xylene.

Sec. 8. (a) A person in a motor vehicle who, while the motor vehicle is in operation or the motor vehicle is located on the right-of-way of a public highway (as defined in IC 9-25-2-4), possesses a container that contains craft hemp flower, and:

- (1) the container does not have tamper evident packaging; or
 - (2) the tamper evident packaging has a broken seal;
- commits a Class C infraction.

(b) A violation of this section is not considered a moving traffic violation:

- (1) for purposes of IC 9-14-12-3; and
- (2) for which points are assessed by the bureau of motor vehicles under the point system.

Sec. 9. (a) A person who distributes or sells craft hemp flower in violation of this chapter commits a Class B infraction. However, the offense is a Class A infraction if the person has a prior unrelated judgment for a violation of this chapter.

(b) The penalties in this section are in addition to any criminal penalties that may be imposed for unlawful possession or distribution of a controlled substance.

SECTION 14. IC 35-31.5-2-68.8 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2024]: Sec. 68.8. (a) "Craft hemp flower" means the harvested reproductive organ, whether immature or mature, of the female Cannabis sativa L. plant containing not more than three-tenths percent (0.3%) delta-9-tetrahydrocannabinol (THC) in a form that is intended to allow THC to be introduced



1 **into the human body by inhalation of smoke.**

2 **(b) The term does not include agricultural hemp seed (as defined**
3 **in IC 15-15-13-2).**

4 SECTION 15. IC 35-31.5-2-100, AS AMENDED BY P.L.49-2020,
5 SECTION 25, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
6 JULY 1, 2024]: Sec. 100. (a) "Distribute", for purposes of
7 IC 35-45-4-8, has the meaning set forth in IC 35-45-4-8.

8 (b) "Distribute", for purposes of IC 35-46-1-10, has the meaning set
9 forth in ~~IC 35-46-1-10(f)~~. **IC 35-46-1-10(a).**

10 (c) "Distribute", for purposes of IC 35-46-1-10.2, has the meaning
11 set forth in ~~IC 35-46-1-10.2(g)~~. **IC 35-46-1-10.2(a).**

12 (d) "Distribute", for purposes of IC 35-47.5, has the meaning set
13 forth in IC 35-47.5-2-6.

14 (e) "Distribute", for purposes of IC 35-48, has the meaning set forth
15 in IC 35-48-1-14.

16 (f) "Distribute", for purposes of IC 35-49, has the meaning set forth
17 in IC 35-49-1-2.

18 SECTION 16. IC 35-46-1-10, AS AMENDED BY P.L.32-2021,
19 SECTION 97, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
20 JULY 1, 2024]: Sec. 10. **(a) As used in this section, "distribute"**
21 **means to give tobacco, craft hemp flower, an e-liquid, or an**
22 **electronic cigarette to another person as a means of promoting,**
23 **advertising, or marketing the tobacco, craft hemp flower, e-liquid,**
24 **or electronic cigarette to the general public.**

25 ~~(a)~~ **(b)** A person may not be charged with a violation under this
26 section and a violation under IC 7.1-7-6-5.

27 ~~(b)~~ **(c)** A person who knowingly:

28 (1) sells or distributes tobacco, **craft hemp flower**, an e-liquid, or
29 an electronic cigarette to a person less than twenty-one (21) years
30 of age; or

31 (2) purchases tobacco, **craft hemp flower**, an e-liquid, or an
32 electronic cigarette for delivery to another person who is less than
33 twenty-one (21) years of age;

34 commits a Class C infraction. For a sale to take place under this
35 section, the buyer must pay the seller for the tobacco, **craft hemp**
36 **flower**, e-liquid, or electronic cigarette.

37 ~~(c)~~ **(d)** It is not a defense that the person to whom the tobacco, **craft**
38 **hemp flower**, e-liquid, or electronic cigarette was sold or distributed
39 did not smoke, chew, inhale, or otherwise consume the tobacco, **craft**
40 **hemp flower**, e-liquid, or electronic cigarette.

41 ~~(d)~~ **(e)** The following defenses are available to a person accused of
42 selling or distributing tobacco, **craft hemp flower**, an e-liquid, or an



1 electronic cigarette to a person who is less than twenty-one (21) years
2 of age:

3 (1) The buyer or recipient produced a driver's license bearing the
4 purchaser's or recipient's photograph, showing that the purchaser
5 or recipient was of legal age to make the purchase.

6 (2) The buyer or recipient produced a photographic identification
7 card issued under IC 9-24-16-1, or a similar card issued under the
8 laws of another state or the federal government, showing that the
9 purchaser or recipient was of legal age to make the purchase.

10 (3) The appearance of the purchaser or recipient was such that an
11 ordinary prudent person would believe that the purchaser or
12 recipient was not less than thirty (30) years of age.

13 (e) (f) It is a defense that the accused person sold or delivered the
14 tobacco, **craft hemp flower**, e-liquid, or electronic cigarette to a
15 person who acted in the ordinary course of employment or a business
16 concerning tobacco, **craft hemp flower**, an e-liquid, or electronic
17 cigarettes including the following activities:

18 (1) Agriculture.

19 (2) Processing.

20 (3) Transporting.

21 (4) Wholesaling.

22 (5) Retailing.

23 (f) As used in this section, "distribute" means to give tobacco, an
24 e-liquid, or an electronic cigarette to another person as a means of
25 promoting, advertising, or marketing the tobacco, e-liquid, or electronic
26 cigarette to the general public.

27 (g) Unless the person buys or receives tobacco, **craft hemp flower**,
28 an e-liquid, or an electronic cigarette under the direction of a law
29 enforcement officer as part of an enforcement action, a person who
30 sells or distributes tobacco, **craft hemp flower**, an e-liquid, or an
31 electronic cigarette is not liable for a violation of this section unless the
32 person less than twenty-one (21) years of age who bought or received
33 the tobacco, **craft hemp flower**, e-liquid, or electronic cigarette is
34 issued a citation or summons under section 10.5 of this chapter.

35 (h) Notwithstanding IC 34-28-5-5(c), civil penalties collected under
36 this section must be deposited in the Richard D. Doyle youth tobacco
37 education and enforcement fund (IC 7.1-6-2-6).

38 SECTION 17. IC 35-46-1-10.2, AS AMENDED BY P.L.32-2021,
39 SECTION 98, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
40 JULY 1, 2024]: Sec. 10.2. (a) As used in this section, "distribute"
41 means to give tobacco, **craft hemp flower**, an e-liquid, or an
42 electronic cigarette to another person as a means of promoting,



1 **advertising, or marketing the tobacco, craft hemp flower, e-liquid,**
 2 **or electronic cigarette to the general public.**

3 ~~(a)~~ **(b)** A person may not be charged with a violation under this
 4 section and a violation under IC 7.1-7-6-5.

5 ~~(b)~~ **(c)** A retail establishment that sells or distributes tobacco, **craft**
 6 **hemp flower**, an e-liquid, or an electronic cigarette to a person less
 7 than twenty-one (21) years of age commits a Class C infraction. For a
 8 sale to take place under this section, the buyer must pay the retail
 9 establishment for the tobacco, **craft hemp flower**, e-liquid, or
 10 electronic cigarette.

11 ~~(c)~~ **(d)** Notwithstanding IC 34-28-5-4(c), a civil judgment for an
 12 infraction committed under this section must be imposed as follows:

13 (1) If the retail establishment at that specific business location has
 14 not been issued a citation or summons for a violation of this
 15 section in the previous one (1) year, a civil penalty of up to four
 16 hundred dollars (\$400).

17 (2) If the retail establishment at that specific business location has
 18 had one (1) citation or summons issued for a violation of this
 19 section in the previous one (1) year, a civil penalty of up to eight
 20 hundred dollars (\$800).

21 (3) If the retail establishment at that specific business location has
 22 had two (2) citations or summonses issued for a violation of this
 23 section in the previous one (1) year, a civil penalty of up to one
 24 thousand four hundred dollars (\$1,400).

25 (4) If the retail establishment at that specific business location has
 26 had three (3) or more citations or summonses issued for a
 27 violation of this section in the previous one (1) year, a civil
 28 penalty of up to two thousand dollars (\$2,000).

29 A retail establishment may not be issued a citation or summons for a
 30 violation of this section more than once every twenty-four (24) hours
 31 for each specific business location.

32 ~~(d)~~ **(e)** It is not a defense that the person to whom the tobacco, **craft**
 33 **hemp flower**, e-liquid, or electronic cigarette was sold or distributed
 34 did not smoke, chew, inhale, or otherwise consume the tobacco, **craft**
 35 **hemp flower**, e-liquid, or electronic cigarette.

36 ~~(e)~~ **(f)** The following defenses are available to a retail establishment
 37 accused of selling or distributing tobacco, **craft hemp flower**, an
 38 e-liquid, or an electronic cigarette to a person who is less than
 39 twenty-one (21) years of age:

40 (1) The buyer or recipient produced a driver's license bearing the
 41 purchaser's or recipient's photograph showing that the purchaser
 42 or recipient was of legal age to make the purchase.



1 (2) The buyer or recipient produced a photographic identification
2 card issued under IC 9-24-16-1 or a similar card issued under the
3 laws of another state or the federal government showing that the
4 purchaser or recipient was of legal age to make the purchase.

5 (3) The appearance of the purchaser or recipient was such that an
6 ordinary prudent person would believe that the purchaser or
7 recipient was not less than thirty (30) years of age.

8 (f) (g) It is a defense that the accused retail establishment sold or
9 delivered the tobacco, **craft hemp flower**, e-liquid, or electronic
10 cigarette to a person who acted in the ordinary course of employment
11 or a business concerning tobacco, **craft hemp flower**, an e-liquid, or
12 electronic cigarettes for the following activities:

- 13 (1) Agriculture.
14 (2) Processing.
15 (3) Transporting.
16 (4) Wholesaling.
17 (5) Retailing.

18 (g) As used in this section, "distribute" means to give tobacco, an
19 e-liquid, or an electronic cigarette to another person as a means of
20 promoting, advertising, or marketing the tobacco or electronic cigarette
21 to the general public.

22 (h) Unless a person buys or receives tobacco, **craft hemp flower**,
23 an e-liquid, or an electronic cigarette under the direction of a law
24 enforcement officer as part of an enforcement action, a retail
25 establishment that sells or distributes tobacco, **craft hemp flower**, an
26 e-liquid, or an electronic cigarette is not liable for a violation of this
27 section unless the person less than twenty-one (21) years of age who
28 bought or received the tobacco, **craft hemp flower**, e-liquid, or
29 electronic cigarette is issued a citation or summons under section 10.5
30 of this chapter.

31 (i) Notwithstanding IC 34-28-5-5(c), civil penalties collected under
32 this section must be deposited in the Richard D. Doyle youth tobacco
33 education and enforcement fund (IC 7.1-6-2-6).

34 (j) A person who violates subsection (b) (c) at least six (6) times in
35 any one (1) year commits habitual illegal ~~sale of tobacco~~, **sales**, a Class
36 B infraction.

37 SECTION 18. IC 35-46-1-10.5, AS AMENDED BY P.L.49-2020,
38 SECTION 32, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
39 JULY 1, 2024]: Sec. 10.5. (a) A person less than twenty-one (21) years
40 of age who:

- 41 (1) purchases tobacco, **craft hemp flower**, an e-liquid, or an
42 electronic cigarette;



1 (2) accepts tobacco, **craft hemp flower**, an e-liquid, or an
2 electronic cigarette for personal use; or

3 (3) possesses tobacco, **craft hemp flower**, an e-liquid, or an
4 electronic cigarette on the person's person;

5 commits a Class C infraction.

6 (b) It is a defense under subsection (a) that the accused person acted
7 in the ordinary course of employment in a business concerning tobacco,
8 **craft hemp flower**, an e-liquid, or an electronic cigarette for the
9 following activities:

10 (1) Agriculture.

11 (2) Processing.

12 (3) Transporting.

13 (4) Wholesaling.

14 (5) Retailing.

15 SECTION 19. IC 35-48-1-9.3, AS AMENDED BY P.L.80-2019,
16 SECTION 18, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
17 JULY 1, 2024]: Sec. 9.3. (a) "Controlled substance analog" means a
18 substance that, due to its chemical structure and potential for abuse or
19 misuse, meets the following criteria:

20 (1) The substance is substantially similar to a controlled substance
21 classified under IC 35-48-2.

22 (2) The substance has a narcotic, stimulant, depressant, or
23 hallucinogenic effect on the central nervous system or is
24 represented or intended to have a narcotic, stimulant, depressant,
25 or hallucinogenic effect on the central nervous system
26 substantially similar to or greater than that of a controlled
27 substance classified under IC 35-48-2.

28 (b) The definition set forth in subsection (a) does not include:

29 (1) a controlled substance;

30 (2) a legend drug;

31 (3) a substance for which there is an approved new drug
32 application;

33 (4) any compound, mixture, or preparation that contains any
34 controlled substance, that is not for administration to a human
35 being or an animal, and that is packaged in a form or
36 concentration, or with adulterants or denaturants, such that as
37 packaged it does not present any significant potential for abuse;

38 **or**

39 (5) a substance to which an investigational exemption applies
40 under Section 505 of the federal Food, Drug and Cosmetic Act
41 (chapter 675, 52 Stat. 1052 (21 U.S.C. 355)), but only to the
42 extent that conduct with respect to the substance is pursuant to the



1 exemption; ~~or~~
 2 (6) low THC hemp extract; ~~or~~
 3 **(7) craft hemp flower.**

4 (c) For purposes of subsection (a), "substantially similar", as it
 5 applies to the chemical structure of a substance, means that the
 6 chemical structure of the substance, when compared to the structure of
 7 a controlled substance, has a single difference in the structural formula
 8 that substitutes one (1) atom or functional group for another, including:

- 9 (1) one (1) halogen for another halogen;
 10 (2) one (1) hydrogen for a halogen;
 11 (3) one (1) halogen for a hydrogen; or
 12 (4) an alkyl group added or deleted:
 13 (A) as a side chain to or from a molecule; or
 14 (B) from a side chain of a molecule.

15 SECTION 20. IC 35-48-1-10.5 IS ADDED TO THE INDIANA
 16 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
 17 [EFFECTIVE JULY 1, 2024]: **Sec. 10.5. "Craft hemp flower" has**
 18 **the meaning set forth in IC 35-31.5-2-68.8.**

19 SECTION 21. IC 35-48-1-16.8, AS ADDED BY P.L.153-2018,
 20 SECTION 19, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 21 JULY 1, 2024]: Sec. 16.8. "Hashish" does not include:

- 22 **(1) low THC hemp extract; or**
 23 **(2) craft hemp flower.**

24 SECTION 22. IC 35-48-1-17.2 IS REPEALED [EFFECTIVE JULY
 25 1, 2024]. ~~Sec. 17.2: (a) "Hemp bud" means the harvested immature~~
 26 ~~reproductive organ of the female hemp plant.~~

27 ~~(b) The term does not include agricultural hemp seed.~~

28 SECTION 23. IC 35-48-1-17.3 IS REPEALED [EFFECTIVE JULY
 29 1, 2024]. ~~Sec. 17.3: (a) "Hemp flower" means the harvested~~
 30 ~~reproductive organ, whether immature or mature, of the female hemp~~
 31 ~~plant.~~

32 ~~(b) The term does not include agricultural hemp seed.~~

33 SECTION 24. IC 35-48-1-17.5, AS AMENDED BY P.L.190-2019,
 34 SECTION 28, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 35 JULY 1, 2024]: Sec. 17.5. (a) "Low THC hemp extract" means a
 36 substance or compound that:

- 37 (1) is derived from or contains any part of the plant *Cannabis*
 38 *sativa* L. that meets the definition of hemp under IC 15-15-13-6;
 39 (2) contains not more than three-tenths percent (0.3%) ~~total~~
 40 ~~delta-9-tetrahydrocannabinol (THC) including precursors;~~ by
 41 weight; and
 42 (3) contains no other controlled substances.



1 (b) The term does not include:
 2 (1) the harvested reproductive organ, whether immature or
 3 mature, of the female hemp plant; or
 4 (2) ~~smokable hemp~~; **craft hemp flower**.

5 SECTION 25. IC 35-48-1-19, AS AMENDED BY P.L.190-2019,
 6 SECTION 29, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 7 JULY 1, 2024]: Sec. 19. (a) "Marijuana" means any part of the plant
 8 genus Cannabis whether growing or not; the seeds thereof; the resin
 9 extracted from any part of the plant, including hashish and hash oil; any
 10 compound, manufacture, salt, derivative, mixture, or preparation of the
 11 plant, its seeds or resin.

12 (b) The term does not include:
 13 (1) the mature stalks of the plant;
 14 (2) fiber produced from the stalks;
 15 (3) oil or cake made from the seeds of the plant;
 16 (4) any other compound, manufacture, salt, derivative, mixture,
 17 or preparation of the mature stalks (except the resin extracted
 18 therefrom);
 19 (5) the sterilized seed of the plant which is incapable of
 20 germination;
 21 (6) hemp (as defined by IC 15-15-13-6);
 22 (7) low THC hemp extract; or
 23 (8) ~~smokable hemp~~; **craft hemp flower**.

24 SECTION 26. IC 35-48-1-26.6 IS REPEALED [EFFECTIVE JULY
 25 1, 2024]. Sec. 26.6: (a) Except as provided in subsection (b), "smokable
 26 hemp" means a product containing not more than three-tenths percent
 27 (0.3%) delta-9-tetrahydrocannabinol (THC), including precursors and
 28 derivatives of THC; in a form that allows THC to be introduced into the
 29 human body by inhalation of smoke. The term includes:
 30 (1) hemp bud; and
 31 (2) hemp flower.

32 (b) The term does not include:
 33 (1) a hemp plant that is; or
 34 (2) parts of a hemp plant that are;
 35 grown or handled by a licensee for processing or manufacturing into a
 36 legal hemp product.

37 SECTION 27. IC 35-48-4-10.1 IS REPEALED [EFFECTIVE JULY
 38 1, 2024]. Sec. 10.1: (a) A person who:
 39 (1) knowingly or intentionally:
 40 (A) manufactures;
 41 (B) finances the manufacture of;
 42 (C) delivers;



1 (Ⓓ) finances the delivery of; or
2 (Ⓔ) possesses;
3 smokable hemp; or
4 (2) possesses smokable hemp with intent to:
5 (A) manufacture;
6 (B) finance the manufacture of;
7 (C) deliver; or
8 (Ⓓ) finance the delivery of;
9 smokable hemp;
10 commits dealing in smokable hemp; a Class A misdemeanor.
11 (b) Subsection (a)(1)(B); (a)(1)(Ⓓ); (a)(2)(B); and (a)(2)(Ⓓ) do not
12 apply to:
13 (1) a financial institution organized or reorganized under the laws
14 of Indiana; any other state; or the United States; or
15 (2) any agency or instrumentality of the state or the United States.
16 (c) Subsection (a)(1)(C); (a)(1)(Ⓓ); (a)(1)(E); (a)(2)(C); and
17 (a)(2)(Ⓓ) do not apply to the shipment of smokable hemp from a
18 licensed producer in another state in continuous transit through Indiana
19 to a licensed handler in any state.
20 SECTION 28. IC 35-48-4-12, AS AMENDED BY P.L.156-2020,
21 SECTION 134, IS AMENDED TO READ AS FOLLOWS
22 [EFFECTIVE JULY 1, 2024]: Sec. 12. If a person who has no prior
23 conviction of an offense under this article relating to controlled
24 substances pleads guilty to possession of marijuana, hashish, **or** salvia
25 **or smokable hemp** as a misdemeanor, the court, without entering a
26 judgment of conviction and with the consent of the person, may defer
27 further proceedings and place the person in the custody of the court
28 under conditions determined by the court. Upon violation of a
29 condition of the custody, the court may enter a judgment of conviction.
30 However, if the person fulfills the conditions of the custody, the court
31 shall dismiss the charges against the person. There may be only one (1)
32 dismissal under this section with respect to a person.

