



Reprinted
February 13, 2015

HOUSE BILL No. 1181

DIGEST OF HB 1181 (Updated February 12, 2015 2:31 pm - DI 77)

Citations Affected: IC 15-15; IC 35-48; noncode.

Synopsis: Industrial hemp. Provides that the marketing of industrial hemp is authorized in Indiana, subject to the state seed commissioner securing any needed federal permissions or waivers. Allows the seed commissioner to determine certain information is confidential business information. Provides that the exemption of industrial hemp from the definition of "marijuana" includes the fiber, seeds, resin, and oil or any other compound extracted, derived, manufactured, or prepared from any part of an industrial hemp plant. Provides that industrial hemp substances are exempt from certain criminal laws when the substances are part of certain medical treatments. Establishes the industrial hemp use work group to study certain issues and report to the interim study committee on agriculture and natural resources.

Effective: Upon passage; July 1, 2015.

Lehe, Friend, Klinker, Gutwein

January 12, 2015, read first time and referred to Committee on Agriculture and Rural Development.
February 5, 2015, amended, reported — Do Pass.
February 12, 2015, read second time, amended, ordered engrossed.

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First Regular Session of the 119th General Assembly (2015)

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 2014 Regular Session and 2014 Second Regular Technical Session of the General Assembly.

HOUSE BILL No. 1181

A BILL FOR AN ACT to amend the Indiana Code concerning criminal law and procedure.

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

1 SECTION 1. IC 15-15-13-7, AS ADDED BY P.L.165-2014,
2 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2015]: Sec. 7. (a) Subject to section 15 of this chapter, the
4 production of, possession of, scientific study of, **marketing of**, and
5 commerce in industrial hemp is authorized in Indiana. Industrial hemp
6 is an agricultural product that is subject to regulation by the state seed
7 commissioner. The state seed commissioner shall adopt rules to
8 oversee the licensing, production, and management of:
9 (1) industrial hemp; and
10 (2) agricultural hemp seed;
11 to ensure integrity of audits and security of field sites of each
12 commodity.
13 (b) All growers and handlers must have an industrial hemp license
14 issued by the state seed commissioner. Growers and handlers engaged
15 in the production of agricultural hemp seed must also have an

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1 agricultural hemp seed production license.

2 (c) An application for an industrial hemp license or agricultural
3 hemp seed production license must include the following:

4 (1) The name and address of the applicant.

5 (2) The name and address of the industrial hemp operation of the
6 applicant.

7 (3) The global positioning system coordinates and legal
8 description of the property used for the industrial hemp operation.

9 (4) If the industrial hemp license or agricultural hemp seed
10 production license application is made by a grower, the acreage
11 size of the field where the industrial hemp will be grown.

12 (5) A statement signed by the applicant, under penalty of perjury,
13 that the person applying for the industrial hemp license or
14 agricultural hemp seed production license has not been convicted
15 of a drug related felony or misdemeanor in the previous ten (10)
16 years.

17 (6) A written consent allowing the state police department to
18 conduct a state or national criminal history background check.

19 (7) A written consent allowing the state police department, if a
20 license is issued to the applicant, to enter the premises on which
21 the industrial hemp is grown to conduct physical inspections of
22 industrial hemp planted and grown by the applicant, and to ensure
23 the plants meet the definition of industrial hemp as set forth in
24 section 6 of this chapter. Not more than two (2) physical
25 inspections may be conducted under this subdivision per year,
26 unless a valid search warrant for an inspection has been issued by
27 a court of competent jurisdiction.

28 (8) A nonrefundable application fee, which must include the
29 amount necessary to conduct a state or national criminal history
30 background check, in an amount determined by the state seed
31 commissioner.

32 (9) Any other information required by the state seed
33 commissioner.

34 SECTION 2. IC 15-15-13-17 IS ADDED TO THE INDIANA
35 CODE AS A **NEW SECTION TO READ AS FOLLOWS**
36 **[EFFECTIVE UPON PASSAGE]: Sec. 17. (a) The seed commissioner**
37 **may determine that certain information collected under this**
38 **chapter is confidential business information.**

39 **(b) Information determined to be confidential business**
40 **information under this section is confidential for purposes of**
41 **IC 5-14-3-4(a).**

42 SECTION 3. IC 35-48-1-19, AS AMENDED BY P.L.165-2014,

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1 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
2 JULY 1, 2015]: Sec. 19. (a) "Marijuana" means any part of the plant
3 genus Cannabis whether growing or not; the seeds thereof; the resin
4 extracted from any part of the plant, including hashish and hash oil; any
5 compound, manufacture, salt, derivative, mixture, or preparation of the
6 plant, its seeds or resin.

7 (b) The term does not include:

8 (1) the mature stalks of the plant;

9 (2) fiber produced from the stalks;

10 (3) oil or cake made from the seeds of the plant;

11 (4) any other compound, manufacture, salt, derivative, mixture,
12 or preparation of the mature stalks (except the resin extracted
13 therefrom);

14 (5) the sterilized seed of the plant which is incapable of
15 germination; or

16 (6) industrial hemp (as defined by IC 15-15-13-6), **including the**
17 **fiber, seeds, resin, and oil or any other compound extracted,**
18 **derived, manufactured, or prepared from any part of an**
19 **industrial hemp plant.**

20 SECTION 4. IC 35-48-4-18 IS ADDED TO THE INDIANA CODE
21 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE
22 UPON PASSAGE]: Sec. 18. (a) As used in this section, "**industrial**
23 **hemp substance**" means a substance that is extracted from
24 **industrial hemp (as defined by IC 15-15-13-6), including the fiber,**
25 **seeds, resin, and oil (including cannabidiol oil and cannabis oil), or**
26 **any other compound extracted, derived, manufactured, or**
27 **prepared from any part of an industrial hemp plant.**

28 (b) Sections 2, 8.5, 10, and 11 of this chapter do not apply to the
29 following:

30 (1) A licensed physician who is practicing at a hospital or
31 associated clinic that is affiliated with a state educational
32 institution, an approved postsecondary educational institution
33 that includes a school of medicine, or a school of pharmacy
34 and transfers, dispenses, or administers industrial hemp
35 substances as part of a patient's treatment.

36 (2) An individual who is in possession of an industrial hemp
37 substance and who is at least one (1) of the following:

38 (A) A patient of a physician who meets the criteria in
39 subdivision (1).

40 (B) Under the treatment and has been provided a
41 prescription or order for an industrial hemp substance by
42 an attending physician who meets the criteria in



- 1 subdivision (1).
- 2 (C) An individual who is participating in a clinical trial or
- 3 expanded access program in which an industrial hemp
- 4 substance has been approved for the use of those
- 5 participants by the federal Food and Drug Administration.
- 6 SECTION 5. [EFFECTIVE UPON PASSAGE] (a) As used in this
- 7 SECTION, "work group" means the industrial hemp use work
- 8 group established by subsection (b).
- 9 (b) The industrial hemp use work group is established. The
- 10 Indiana board of pharmacy shall convene the work group, which
- 11 includes representatives from the office of the state chemist and the
- 12 state department of health, to do the following:
- 13 (1) Investigate creating a list of persons interested in receiving
- 14 hemp oil from industrial hemp for medical or other beneficial
- 15 purposes.
- 16 (2) Study the permitting process to be used by researchers
- 17 who are supported by competent Indiana academic research
- 18 institutions to study and research the healthful uses of hemp
- 19 oil.
- 20 (3) Study any other issue concerning industrial hemp or hemp
- 21 oil as it relates to the issues in subdivisions (1) and (2).
- 22 (c) The work group shall consult with the federal Drug
- 23 Enforcement Administration concerning the issues in subsection
- 24 (b).
- 25 (d) Before October 1, 2015, the Indiana board of pharmacy shall
- 26 present the work group's findings at a meeting of the interim study
- 27 committee on agriculture and natural resources.
- 28 (e) This SECTION expires January 1, 2016.
- 29 SECTION 6. An emergency is declared for this act.



COMMITTEE REPORT

Mr. Speaker: Your Committee on Agriculture and Rural Development, to which was referred House Bill 1181, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 15-15-13-7, AS ADDED BY P.L.165-2014, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 7. (a) Subject to section 15 of this chapter, the production of, possession of, scientific study of, **marketing of**, and commerce in industrial hemp is authorized in Indiana. Industrial hemp is an agricultural product that is subject to regulation by the state seed commissioner. The state seed commissioner shall adopt rules to oversee the licensing, production, and management of:

- (1) industrial hemp; and
- (2) agricultural hemp seed;

to ensure integrity of audits and security of field sites of each commodity.

(b) All growers and handlers must have an industrial hemp license issued by the state seed commissioner. Growers and handlers engaged in the production of agricultural hemp seed must also have an agricultural hemp seed production license.

(c) An application for an industrial hemp license or agricultural hemp seed production license must include the following:

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



license is issued to the applicant, to enter the premises on which the industrial hemp is grown to conduct physical inspections of industrial hemp planted and grown by the applicant, and to ensure the plants meet the definition of industrial hemp as set forth in section 6 of this chapter. Not more than two (2) physical inspections may be conducted under this subdivision per year, unless a valid search warrant for an inspection has been issued by a court of competent jurisdiction.

(8) A nonrefundable application fee, which must include the amount necessary to conduct a state or national criminal history background check, in an amount determined by the state seed commissioner.

(9) Any other information required by the state seed commissioner."

Page 2, after line 5, begin a new paragraph and insert:

"SECTION 3. [EFFECTIVE UPON PASSAGE] **(a) As used in this SECTION, "work group" means the industrial hemp use work group established by subsection (b).**

(b) The industrial hemp use work group is established. The Indiana board of pharmacy shall convene the work group, which includes representatives from the office of the state chemist and the state department of health, to do the following:

(1) Investigate creating a list of persons interested in receiving hemp oil from industrial hemp for medical or other beneficial purposes.

(2) Study the permitting process to be used by researchers who are supported by competent Indiana academic research institutions to study and research the healthful uses of hemp oil.

(3) Study any other issue concerning industrial hemp or hemp oil as it relates to the issues in subdivisions (1) and (2).

(c) The work group shall consult with the federal Drug Enforcement Administration concerning the issues in subsection (b).



(d) Before October 1, 2015, the Indiana board of pharmacy shall present the work group's findings at a meeting of the interim study committee on agriculture and natural resources.

(e) This SECTION expires January 1, 2016.

SECTION 4. An emergency is declared for this act."

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1181 as introduced.)

LEHE

Committee Vote: yeas 12, nays 0.

HOUSE MOTION

Mr. Speaker: I move that House Bill 1181 be amended to read as follows:

Page 2, between lines 33 and 34, begin a new paragraph and insert:

"SECTION 2. IC 15-15-13-17 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 17. (a) The seed commissioner may determine that certain information collected under this chapter is confidential business information.**

(b) Information determined to be confidential business information under this section is confidential for purposes of IC 5-14-3-4(a)."

Page 3, between lines 11 and 12, begin a new paragraph and insert:

"SECTION 4. IC 35-48-4-18 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 18. (a) As used in this section, "industrial hemp substance" means a substance that is extracted from industrial hemp (as defined by IC 15-15-13-6), including the fiber, seeds, resin, and oil (including cannabidiol oil and cannabis oil), or any other compound extracted, derived, manufactured, or prepared from any part of an industrial hemp plant.**

(b) Sections 2, 8.5, 10, and 11 of this chapter do not apply to the following:

(1) A licensed physician who is practicing at a hospital or associated clinic that is affiliated with a state educational institution, an approved postsecondary educational institution



that includes a school of medicine, or a school of pharmacy and transfers, dispenses, or administers industrial hemp substances as part of a patient's treatment.

(2) An individual who is in possession of an industrial hemp substance and who is at least one (1) of the following:

(A) A patient of a physician who meets the criteria in subdivision (1).

(B) Under the treatment and has been provided a prescription or order for an industrial hemp substance by an attending physician who meets the criteria in subdivision (1).

(C) An individual who is participating in a clinical trial or expanded access program in which an industrial hemp substance has been approved for the use of those participants by the federal Food and Drug Administration."

Renumber all SECTIONS consecutively.

(Reference is to HB 1181 as printed February 6, 2015.)

LEHE

