HOUSE BILL No. 1356

DIGEST OF INTRODUCED BILL

Citations Affected: IC 16-19; IC 34-30-2-64.5; IC 35-48-4.

Synopsis: Medical cannabis. Defines "qualifying patient", and permits a qualifying patient to use medical cannabis under certain circumstances. Requires the state department of health to adopt rules before July 1, 2018, concerning the use, distribution, cultivation, production, and testing of medical cannabis. Provides limited reciprocity for holders of nonresident medical cannabis cards. Provides immunity from civil and criminal liability for physicians who recommend the medical use of cannabis. Provides a defense to: (1) arrest; and (2) criminal prosecution; for marijuana possession and use in certain circumstances. Makes conforming amendments.

Effective: July 1, 2017.

Errington

January 12, 2017, read first time and referred to Committee on Public Policy.



Introduced

First Regular Session of the 120th General Assembly (2017)

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 2016 Regular Session of the General Assembly.

HOUSE BILL No. 1356

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

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

1	SECTION 1. IC 16-19-3-32 IS ADDED TO THE INDIANA CODE
2	AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
3	1, 2017]: Sec. 32. (a) The following definitions apply throughout
4	this section:
5	(1) "Bona fide medical physician-patient relationship" means
6	a relationship between a physician and a patient that includes
7	an:
8	(A) annual physical examination and review of medical
9	history or a referral from a primary care practitioner;
10	(B) explanation of the benefits and risks of medical use of
11	cannabis; and
12	(C) expectation of ongoing care.
13	(2) "Cannabis" means any part of the plant genus cannabis,
14	including the seeds, the resin extracted from any part of the
15	plant, and any compound, manufacture, salt, derivative,
16	mixture, or preparation of the plant, its seeds, or its resin.
17	(3) "Cannabis derived product" means a product other than



1	whole plant comparis that is mean for three differences his and
1	whole plant cannabis that is manufactured from cannabis and
2	is intended for use or consumption by humans through means
3	including food stuffs, extracts, oils, tinctures, topicals, and
4	suppositories.
5	(4) "Dispensing facility" means a person or organization that:
6	(A) holds a valid medical cannabis production license; and
7	(B) acquires and possesses cannabis and cannabis derived
8	products for the purpose of sales, delivery, transport,
9	transfer, and distribution to:
10	(i) cardholding qualifying patients;
11	(ii) cardholding personal caregivers;
12	(iii) other dispensing facilities; and
13	(iv) independent testing laboratories.
14	(5) "Independent testing laboratory" means a private and
15	independent testing facility that:
16	(A) holds a valid medical cannabis production license; and
17	(B) tests cannabis or cannabis derived products to be sold
18	by a medical cannabis establishment to identify the content
19	of the cannabis or cannabis derived products, including
20	constitutive elements such as cannabinoids, to detect the
21	presence of any pesticides, bacteria, or other contaminants,
22	and for other purposes determined by the state
23	department.
24	(6) "Manufacturing facility" means a person or organization
25	that:
26	(A) holds a valid medical cannabis production license; and
27	(B) acquires, possesses, manufactures, and packages
28	cannabis derived products for the purpose of delivery,
29	transfer, transport, supply, or sale to:
30	(i) dispensing facilities;
31	(ii) other manufacturing facilities;
32	(iii) processing facilities; or
33	(iv) independent testing laboratories.
34	(7) "Medical cannabis agent" means an employee, staff
35	volunteer, officer, or board member of a medical cannabis
36	establishment.
37	(8) "Medical cannabis establishment" means a person,
38	organization, or company in possession of a valid medical
39	cannabis production license for the dispensing of medical
40	cannabis.
41	(9) "Medical cannabis production license" means a license
42	issued by the state department:



(A) glithorizing the commercial cultivation of	
1 (A) authorizing the commercial cultivation o	
 2 cannabis by a person, organization, or components 3 operates a medical cannabis establishment; and 	
•	
4 (B) allowing the person, organization, or compa 5 (i) cultivate;	any to:
6 (ii) process; 7 (iii) manufacture; or	
8 (iv) test;	
9 medical cannabis.	
10 (10) "Medical cannabis program license" means	a licansa
11 issued by the state department authorizing a d	
12 patient or a personal caregiver to acquire, possess	
12 patient of a personal caregiver to acquire, possess 13 deliver cannabis for the medical benefit of a d	
14 patient.	quantying
15 (11) "Medical use of cannabis" means the ad	cauisition
16 cultivation, possession, processing, manufacturing	• ·
17 transportation, sale, distribution, dispen	
18 administration of cannabis or cannabis derived pr	0.
19 the benefit of qualifying patients.	outers for
20 (12) "Nonresident card" means a card or other iden	ntification
21 that:	ntincation
22 (A) is issued by another jurisdiction; and	
23 (B) is substantially similar to a medical cannabis	s program
24 license.	5 pi ogi uni
25 (13) "Patient cardholder" means a person holdin	ng a valid
26 medical cannabis program license.	
27 (14) "Personal caregiver" means an individual	who has
agreed to assist with the medical use of canna	
29 qualifying patient holding an unexpired medical	•
30 program license.	
31 (15) "Physician" means an individual holding an	unlimited
32 license to practice medicine under IC 25-22.5.	
33 (16) "Processing facility" means a business that:	
34 (A) holds a medical cannabis production license	e; and
35 (B) acquires, possesses, trims, inspects, or grades	s cannabis,
36 or places cannabis in bulk storage or retail cont	tainers for
37 the purpose of delivery, transfer, transport, s	supply, or
38 sales to:	
39 (i) a dispensing facility;	
40 (ii) a manufacturing facility;	
41 (iii) another processing facility; or	
42 (iv) an independent testing laboratory.	

1	(17) "Producer cardholder" means a person holding a valid
2	medical cannabis production license.
3	(18) "Qualifying medical condition" means:
4	(A) cancer;
5	(B) glaucoma;
6	(C) positive status for human immunodeficiency virus;
7	(D) acquired immune deficiency syndrome;
8	(E) hepatitis C;
9	(F) amyotrophic lateral sclerosis;
10	(G) Crohn's disease;
11	(H) Alzheimer's disease;
12	(I) nail-patella;
13	(J) multiple sclerosis;
14	(K) injury or disease to the spinal cord, spinal column, or
15	vertebra;
16	(L) myelomalacia;
17	(M) celiac disease;
18	(N) sickle cell anemia;
19	(O) a chronic or debilitating disease or medical condition
20	or the treatment of a chronic or debilitating disease or
21	medical condition that produces:
22	(i) cachexia or wasting syndrome;
23	(ii) severe or chronic pain;
24	(iii) severe or chronic nausea;
25	(iv) seizures, including seizures that are characteristic of
26	epilepsy; or
27	(v) severe or persistent muscle spasms;
28	(P) posttraumatic stress disorder; or
29	(Q) any other disease, condition, or symptom that the state
30	department determines by its rulemaking authority under
31	IC 4-22-2 is a debilitating medical condition.
32	(19) "Qualifying patient" means an individual who:
33	(A) has a written recommendation from a physician for the
34	medical use of cannabis; and
35	(B) holds an unexpired medical cannabis program license.
36	(20) "Restricted access area" means a location, not visible
37	from a public right-of-way, where cannabis is cultivated or
38	stored. The term includes an open field, a greenhouse, in row
39	cover, or a structure that secures the cannabis from access by
40	unauthorized persons. The term includes a personal garden if
41	measures are taken to prohibit access by unauthorized
42	persons.



1	(21) "Visiting qualifying patient" means the holder of a valid
2	nonresident card.
$\frac{2}{3}$	(22) "Written recommendation" means a document
4	authorizing a qualifying patient's medical use of cannabis
5	that:
6	(A) is written on tamper resistant paper;
7	(A) is written on tamper resistant paper, (B) is signed by a physician;
8	(C) is made only in the course of a bona fide medical
9	physician-patient relationship; and
10	(D) includes the qualifying medical condition.
11	(b) Before July 1, 2018, the state department shall adopt rules
12	under IC 4-22-2 to do the following:
13	(1) Determine who may serve as a personal caregiver for a
14	qualifying patient. A personal caregiver may include:
15	(A) a health care provider; and
16	(B) an individual who is providing care to a qualifying
17	patient.
18	(2) Provide for the issuance of a:
19	(A) medical cannabis program license to a qualifying
20	patient or a personal caregiver; and
21	(B) medical cannabis production license to a medical
22	cannabis agent and a medical cannabis establishment.
23	(c) Before July 1, 2018, the state department shall adopt rules
24	under IC 4-22-2 to establish an application process and a
25	procedure for the issuance of a medical cannabis production
26	license to an independent testing laboratory. The state department
27	may issue a license under this subsection only if the independent
28	testing laboratory is capable of accurately determining the
29	following:
30	(1) The concentration of tetrahydrocannabinol (THC) in a
31	sample.
32	(2) The presence and identification of mold or fungus in a
33	sample.
34	(3) The presence and concentration of pesticide and fertilizer
35	in a sample.
36	(d) Before July 1, 2018, the state department shall adopt rules
37 38	under IC 4-22-2 to establish an application process and procedure for the issuance of a medical cannabis production license to a
38 39	qualifying patient or a personal caregiver for the cultivation of
39 40	cannabis for personal use. Rules adopted under this subsection
40 41	must:
42	(1) permit not more than two (2) qualifying patients and
74	(1) permit not more than two (2) quantying patients and

1 personal caregivers to jointly cultivate cannabis for the 2 personal use of one (1) or more qualifying patients; 3 (2) limit the amount of cannabis that may be cultivated to not 4 more than a ninety (90) day supply for each qualifying 5 patient; and 6 (3) require that cultivation and storage of cannabis be 7 conducted in a restricted access area. 8 (e) Before July 1, 2018, the state department shall adopt rules 9 under IC 4-22-2 to establish an application process and procedure 10 for the issuance of a medical cannabis production license to a 11 medical cannabis agent. Rules adopted under this subsection must 12 require that a medical cannabis establishment notify the state 13 department not later than three (3) business days after a medical 14 cannabis agent ceases to be associated with the medical cannabis 15 establishment. 16 (f) Before July 1, 2018, the state department shall adopt rules 17 under IC 4-22-2 to establish an application process and procedure 18 for the issuance of a medical cannabis production license to a 19 medical cannabis establishment. Rules adopted under this 20 subsection: 21 (1) may require a medical cannabis establishment to pay a 22 reasonable application and licensing fee; 23 (2) must require that the state department oversee and inspect 24 a medical cannabis establishment at regular intervals; 25 (3) must prohibit an individual who serves or served as a 26 principal officer or board member of a medical cannabis 27 establishment from concurrently serving as a principal officer 28 or board member of another medical cannabis establishment; 29 and 30 (4) may limit the total number of medical cannabis 31 establishments in: 32 (A) Indiana; and 33 (B) any one (1) county. 34 (g) Before July 1, 2018, the state department shall adopt rules 35 under IC 4-22-2 to establish a procedure to revoke, for good cause 36 shown, a license issued under this section. Rules adopted under this 37 subsection: 38 (1) must provide a patient cardholder and a producer 39 cardholder with notice and an opportunity to be heard before 40 the state board before permanent license revocation; 41 (2) may provide for license suspension for a limited time on an 42 emergency ex parte basis; and



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1 2	(3) may authorize the use of sanctions short of revocation (including temperature supportion on a probationary period)
$\frac{2}{3}$	(including temporary suspension or a probationary period)
3 4	for a minor or technical violation of this chapter or the rules adopted under this chapter.
4 5	1 1
	(h) Before July 1, 2018, the state department shall adopt rules
6	under IC 4-22-2 concerning:
7 8	(1) product safety standards for the:
8 9	(A) cultivation;
9 10	(B) processing;
10	(C) manufacturing; (D) labeling:
11	(D) labeling; (T) testing and
12	(E) testing; and
	(F) distribution;
14	of cannabis; and
15	(2) oversight and enforcement of product safety standards
16	adopted under this subsection.
17	Rules adopted under this subsection may be based on the cannabis
18	standards adopted by the American Herbal Products Association.
19	(i) A visiting qualifying patient shall receive limited reciprocity
20	while in Indiana. In order to receive limited reciprocity, the visiting
21	qualifying patient must:
22	(1) not be a resident of Indiana or have resided in Indiana for
23	a period greater than thirty (30) days;
24	(2) be diagnosed with a qualifying medical condition listed
25	under subsection (a)(18); and
26 27	(3) possess a valid and unexpired nonresident card.
	A valid and unexpired nonresident card has the same force and
28	effect as a medical cannabis program license issued in Indiana,
29	except that the visiting qualifying patient may not purchase
30 31	medical cannabis in Indiana.
31 32	(j) Before July 1, 2018, the state department shall adopt rules
32 33	under IC 4-22-2 concerning the issuance of a medical cannabis
	program license to the holder of a valid and unexpired nonresident
34	card.
35	(k) The state department may establish and collect reasonable
36 37	fees for the application and issuance of a license under this section.
37 38	The state department may establish a fee for each type of license.
38 39	A fee may not exceed the cost of services provided, including the
39 40	costs of oversight, inspection, and enforcement.
40 41	(1) Identifying information relating to a qualifying patient or a new one leave given (including on individual, who excluse to be
41 42	personal caregiver (including an individual who seeks to be
7∠	recognized as a qualifying patient or a personal caregiver) is



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1 confidential. 2 (m) A physician is immune from civil and criminal liability for: 3 (1) advising a qualifying patient about the risks and benefits 4 of the medical use of cannabis; and 5 (2) providing a qualifying patient with a written 6 recommendation based upon a full assessment of the 7 qualifying patient's medical history and condition. 8 However, the immunity described in this subsection does not apply 9 to a physician who commits gross negligence or engages in willful 10 or wanton misconduct. 11 (n) The medical licensing board may not take any action against 12 a physician who is immune under subsection (m) for performing an 13 act described in subsection (m)(1) or (m)(2). 14 (o) Unless required by federal law or to obtain federal funding, 15 a person may not discriminate in employment or housing based 16 solely on an individual's: 17 (1) status as a patient cardholder; or 18 (2) positive test for use of cannabis if the individual is a 19 patient cardholder. 20 However, this subsection does not prevent an employer from 21 taking an adverse employment action against an employee who is 22 impaired by the use of cannabis while on the employer's premises 23 or while carrying out the employee's duties. 24 SECTION 2. IC 16-19-5-1 IS AMENDED TO READ AS 25 FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 1. (a) In addition to 26 other fees provided by this title, the state department may establish and 27 collect reasonable fees for specific services described under subsection 28 (b) provided by the state department. The fees may not exceed the cost 29 of services provided. 30 (b) Fees may be charged for the following services: (1) Plan reviews conducted under rules adopted under 31 32 IC 16-19-3-4(b)(13). 33 (2) Licensing of agricultural labor camps under IC 16-41-26. 34 (3) Services provided to persons other than governmental entities 35 under rules adopted under IC 16-19-3-5. 36 (4) Services provided by the state health laboratory under 37 IC 16-19-8. 38 (5) Services provided under IC 16-19-11-3. 39 (6) Services provided under IC 24-6 by the state metrology 40 laboratory. 41 (7) Licensing under IC 16-19-3-32. SECTION 3. IC 34-30-2-64.5 IS ADDED TO THE INDIANA 42



1 CODE AS A NEW SECTION TO READ AS FOLLOWS 2 [EFFECTIVE JULY 1, 2017]: Sec. 64.5. IC 16-19-3-32 (Concerning 3 a physician and medical cannabis). 4 SECTION 4. IC 35-48-4-8.3, AS AMENDED BY P.L.187-2015, 5 SECTION 49, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE 6 JULY 1, 2017]: Sec. 8.3. (a) This section does not apply to a rolling 7 paper. 8 (b) A person who knowingly or intentionally possesses a raw 9 material, an instrument, a device, or another object that the person 10 intends to use for: 11 (1) introducing into the person's body a controlled substance; 12 (2) testing the strength, effectiveness, or purity of a controlled 13 substance: or 14 (3) enhancing the effect of a controlled substance; 15 commits a Class C misdemeanor. However, the offense is a Class A 16 misdemeanor if the person has a prior unrelated judgment or conviction 17 under this section. 18 (c) It is a defense to an action, arrest, or prosecution under this 19 section that: 20 (1) the person who possesses the raw material, instrument, 21 device, or another object is: 22 (A) the owner or agent of a dispensing facility as defined 23 under IC 16-19-3-32(a)(4); 24 (B) the owner or agent of an independent testing 25 laboratory as defined under IC 16-19-3-32(a)(5); (C) the owner or agent of a manufacturing facility as 26 defined under IC 16-19-3-32(a)(6); 27 28 (D) a medical cannabis agent as defined under 29 IC 16-19-3-32(a)(7); 30 (E) the owner or agent of a medical cannabis establishment 31 as defined under IC 16-19-3-32(a)(8); or 32 (F) a patient cardholder as defined in IC 16-19-3-32(a)(13); 33 and 34 (2) the raw material, instrument, device, or another object is 35 for a purpose authorized by the person's license issued under 36 IC 16-19-3-32. 37 SECTION 5. IC 35-48-4-10, AS AMENDED BY P.L.44-2016, 38 SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE 39 JULY 1, 2017]: Sec. 10. (a) A person who: (1) knowingly or intentionally: 40 41 (A) manufactures; 42 (B) finances the manufacture of;



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1	(C) delivers; or
2	(D) finances the delivery of;
3	marijuana, hash oil, hashish, or salvia, pure or adulterated; or
4	(2) possesses, with intent to:
5	(A) manufacture;
6	(B) finance the manufacture of;
7	(C) deliver; or
8	(D) finance the delivery of;
9	marijuana, hash oil, hashish, or salvia, pure or adulterated;
10	commits dealing in marijuana, hash oil, hashish, or salvia, a Class A
11	misdemeanor, except as provided in subsections (b) through (d).
12	(b) A person may be convicted of an offense under subsection $(a)(2)$
13	only if:
14	(1) there is evidence in addition to the weight of the drug that the
15	person intended to manufacture, finance the manufacture of,
16	deliver, or finance the delivery of the drug; or
17	(2) the amount of the drug involved is at least:
18	(A) ten (10) pounds, if the drug is marijuana; or
19	(B) three hundred (300) grams, if the drug is hash oil, hashish,
20	or salvia.
21	(c) The offense is a Level 6 felony if:
22	(1) the person has a prior conviction for a drug offense and the
23	amount of the drug involved is:
24	(A) less than thirty (30) grams of marijuana; or
25	(B) less than five (5) grams of hash oil, hashish, or salvia; or
26	(2) the amount of the drug involved is:
27	(A) at least thirty (30) grams but less than ten (10) pounds of
28	marijuana; or
29	(B) at least five (5) grams but less than three hundred (300)
30	grams of hash oil, hashish, or salvia.
31	(d) The offense is a Level 5 felony if:
32	(1) the person has a prior conviction for a drug dealing offense
33	and the amount of the drug involved is:
34	(A) at least thirty (30) grams but less than ten (10) pounds of
35	marijuana; or
36	(B) at least five (5) grams but less than three hundred (300)
37	grams of hash oil, hashish, or salvia; or
38	(2) the:
39	(A) amount of the drug involved is:
40	(i) at least ten (10) pounds of marijuana; or
41	(ii) at least three hundred (300) grams of hash oil, hashish,
42	or salvia; or



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1	(B) offense involved a sale to a minor.
2	(e) It is a defense to a prosecution under this section for an
3	offense involving marijuana, hash oil, or hashish that:
4	(1) the person is:
5	(A) the owner or agent of a dispensing facility as defined
6	under IC 16-19-3-32(a)(4);
7	(B) the owner or agent of an independent testing
8	laboratory as defined under IC 16-19-3-32(a)(5);
9	(C) the owner or agent of a manufacturing facility as
10	defined under IC 16-19-3-32(a)(6);
11	(D) a medical cannabis agent as defined under
12	IC 16-19-3-32(a)(7);
13	(E) the owner or agent of a medical cannabis establishment
14	as defined under IC 16-19-3-32(a)(8); or
15	(F) a patient cardholder as defined under
16	IC 16-19-3-32(a)(13); and
17	(2) the conduct involving the marijuana, hash oil, or hashish
18	is authorized by the person's license issued under
19	IC 16-19-3-32.
20	SECTION 6. IC 35-48-4-11, AS AMENDED BY P.L.226-2014(ts),
21	SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
22	JULY 1, 2017]: Sec. 11. (a) A person who:
23	(1) knowingly or intentionally possesses (pure or adulterated)
24	marijuana, hash oil, hashish, or salvia;
25	(2) knowingly or intentionally grows or cultivates marijuana; or
26	(3) knowing that marijuana is growing on the person's premises,
27	fails to destroy the marijuana plants;
28	commits possession of marijuana, hash oil, hashish, or salvia, a Class
29	B misdemeanor, except as provided in subsections (b) through (c).
30	(b) The offense described in subsection (a) is a Class A
31	misdemeanor if the person has a prior conviction for a drug offense.
32	(c) The offense described in subsection (a) is a Level 6 felony if:
33	(1) the person has a prior conviction for a drug offense; and
34	(2) the person possesses:
35	(A) at least thirty (30) grams of marijuana; or
36	(B) at least five (5) grams of hash oil, hashish, or salvia.
37	(d) It is a defense to a prosecution under this section for an
38	offense involving marijuana, hash oil, or hashish that:
39	(1) the person is:
40	(A) the owner or agent of a dispensing facility as defined
41	under IC 16-19-3-32(a)(4);
42	(B) the owner or agent of an independent testing



1	laboratory as defined under IC 16-19-3-32(a)(5);
2	(C) the owner or agent of a manufacturing facility as
3	defined under IC 16-19-3-32(a)(6);
4	(D) a medical cannabis agent as defined under
5	IC 16-19-3-32(a)(7);
6	(E) the owner or agent of a medical cannabis establishment
7	as defined under IC 16-19-3-32(a)(8); or
8	(F) a patient cardholder as defined under
9	IC 16-19-3-32(a)(13); and
10	(2) the conduct involving the marijuana, hash oil, or hashish
11	is authorized by the person's license issued under
12	IC 16-19-3-32.

