SENATE BILL No. 112

DIGEST OF INTRODUCED BILL

Citations Affected: IC 2-5-46; IC 7.1-8; IC 15-11-15-3; IC 15-15-13; IC 15-16-2-36; IC 24-4.

Synopsis: Cannabis compliance commission. 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, 2020.

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January 6, 2020, read first time and referred to Committee on Public Policy.



Second Regular Session of the 121st General Assembly (2020)

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 2019 Regular Session of the General Assembly.

SENATE BILL No. 112

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, 2020]:
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	2020]:
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. The governor shall appoint one (1) commissioner to serve
5	as chairperson of the cannabis compliance commission executive
6	committee and one (1) commissioner to serve as vice chairperson.
7	The vice chairperson shall act as the chairperson if the chairperson
8	is unable to attend a meeting of the cannabis compliance
9	commission executive committee.
10	Sec. 6. A commissioner appointed to fill a vacancy in the
11	cannabis compliance commission executive committee shall serve
12	only for the unexpired part of the original vacated term. In all
13	other respects, an appointment to fill a vacancy shall be made in
14	the same manner that an original appointment is made.
15	Sec. 7. As compensation for services, each commissioner is
16	entitled to the minimum salary per diem provided by
17	IC 4-10-11-2.1(b). A commissioner is also entitled to
18	reimbursement for traveling expenses as provided under
19	IC 4-13-1-4 and other expenses actually incurred in connection
20	with the commissioner's duties as provided in the state policies and
21	procedures established by the Indiana department of
22	administration and approved by the budget agency.
23	Sec. 8. (a) Each commissioner shall execute:
24	(1) a surety bond in the amount of ten thousand dollars
25	(\$10,000), with surety approved by the governor; and
26	(2) an oath of office.
27	(b) The surety bond and the oath of office shall be filed in the
28	office of the secretary of state.
29	Sec. 9. The required surety bond executed and filed on behalf of
30	a commissioner shall be made payable to the state of Indiana and
31	conditioned upon the faithful discharge of the commissioner's
32	duties.
33	Sec. 10. The cannabis compliance commission executive
34	committee shall hold meetings at the call of the chairperson. The
35	cannabis compliance commission executive committee may
36	establish rules governing meetings.
37	Sec. 11. (a) Three (3) cannabis compliance commission
38	commissioners constitute a quorum for the transaction of business.
39	(b) Each commissioner has one (1) vote.

(c) Action of the cannabis compliance commission executive

committee may be taken only upon the affirmative votes of at least

two (2) commissioners. If a vote is a tie, the position for which the



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chairperson voted prevails, as long as that position has received the affirmative votes of at least two (2) commissioners.

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

Chapter 3. Employees and Administration

- Sec. 1. (a) The cannabis compliance commission executive committee shall appoint an executive director to assist the cannabis compliance commission in the efficient administration of its powers and duties.
- (b) The cannabis compliance commission executive committee shall fix the salary of the executive director, subject to the approval of the budget agency.
 - (c) The executive director:

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- (1) is the executive agent of the cannabis compliance commission executive committee in the administration of the committee's policies; and
- (2) has the other powers and duties delegated to the executive director by the cannabis compliance commission executive committee or specifically assigned to the executive director by statute.
- Sec. 2. The executive director has the power to employ all necessary employees, determine their duties, and, subject to the approval of the cannabis compliance commission executive committee and the budget agency, fix their salaries.

Chapter 4. Powers and Duties

- Sec. 1. The chairperson is the presiding officer at the meetings of the cannabis compliance commission executive committee. The chairperson, together with the executive director, shall prepare, certify, and authenticate all proceedings, minutes, records, rules, and regulations of the cannabis compliance commission executive committee. The chairperson shall also perform all other duties as imposed on the chairperson by this title.
- Sec. 2. (a) The cannabis compliance commission has the general power to organize its work, and to enforce and administer:
 - (1) this article;

(2) IC 15-15-13 (industrial hemp);



1	(3) IC 24-4-21 (distribution of low THC hemp extract);					
2	(4) IC 24-4-22 (sale of low THC hemp extract); and					
3	(5) rules adopted by the cannabis compliance commission.					
4	(b) The cannabis compliance commission has the following					
5	additional powers and duties:					
6	(1) To have a designated agent, upon presentation of proper					
7	credentials, enter upon private or public property to inspect					
8	for and investigate possible violations of:					
9	(A) this article;					
10	(B) IC 15-15-13 (industrial hemp);					
11	(C) IC 24-4-21 (distribution of low THC hemp extract);					
12	(D) IC 24-4-22 (sale of low THC hemp extract); and					
13	(E) rules adopted by the cannabis compliance commission.					
14	(2) To employ or contract for the legal, professional, and					
15	other personnel and assistance that is necessary for the					
16	efficient performance of the cannabis compliance					
17	commission's duties.					
18	(3) To issue orders to:					
19	(A) secure compliance with:					
20	(i) this article;					
21	(ii) IC 15-15-13 (industrial hemp);					
22	(iii) IC 24-4-21 (distribution of low THC hemp extract);					
23	(iv) IC 24-4-22 (sale of low THC hemp extract); and					
24	(v) rules adopted by the cannabis compliance					
25	commission; and					
26	(B) assess civil penalties.					
27	(4) To bring an appropriate action in court to:					
28	(A) enforce any order of the cannabis compliance					
29	commission;					
30	(B) collect any penalties or fees; and					
31	(C) procure or secure compliance with:					
32	(i) this article;					
33	(ii) IC 15-15-13 (industrial hemp);					
34	(iii) IC 24-4-21 (distribution of low THC hemp extract);					
35	(iv) IC 24-4-22 (sale of low THC hemp extract); and					
36	(v) rules adopted by the cannabis compliance					
37	commission.					
38	(5) To hold hearings before the cannabis compliance					
39	commission or its representative.					
40	(6) To take testimony and receive evidence.					
41	(7) To conduct inquiries with or without a hearing.					
12	(2) To receive reports of investigators or other governmental					



1	officers and employees.
2	(9) To administer oaths.
3	(10) To subpoena witnesses and to compel them to appear and
4	testify.
5	(11) To certify copies of records of the cannabis compliance
6	commission or any other document or record on file with the
7	cannabis compliance commission.
8	(12) To fix the form, mode, manner, time, and number of
9	times for the posting or publication of any required notices if
10	not otherwise provided.
11	(13) To adopt rules under IC 4-22-2 to carry out:
12	(A) this article;
13	(B) IC 15-15-13 (industrial hemp);
14	(C) IC 24-4-21 (distribution of low THC hemp extract);
15	and
16	(D) IC 24-4-22 (sale of low THC hemp extract).
17	(14) To establish fees for licenses, permits, and applications.
18	(15) To retain and consult with experts and other consultants.
19	(16) To carry out any other duties assigned by statute.
20	Sec. 3. The cannabis compliance commission shall adopt rules
21	under IC 4-22-2 to prescribe the forms for all applications,
22	documents, permits, and licenses used in the administration of:
23	(1) this article;
24	(2) IC 15-15-13 (industrial hemp);
25	(3) IC 24-4-21 (distribution of low THC hemp extract);
26	(4) IC 24-4-22 (sale of low THC hemp extract); and
27	(5) rules adopted by the cannabis compliance commission.
28	Sec. 4. The cannabis compliance commission has the following
29	duties:
30	(1) To regulate, enforce, and carry out the provisions of
31	IC 15-15-13 (industrial hemp).
32	(2) To regulate, enforce, and carry out the provisions of
33	IC 24-4-21 and IC 24-4-22 (distribution and sale of low THC
34	hemp extract).
35	(3) To adopt protocols to:
36	(A) prevent fraud;
37	(B) ensure the accuracy of information contained in an
38	application relating to industrial hemp and low THC hemp
39	extract; and
40	(C) protect the privacy of an applicant.
41	(4) To encourage research concerning cannabis and issue
42	research licenses as described in IC 7.1-8-5.



Chapter 5. Research and Development

2	Sec. 1. To permit and encourage research concerning cannabis:
3	(1) an accredited institution of higher education with a
4	physical presence in Indiana; and
5	(2) a pharmaceutical or agricultural business having a
6	research facility in Indiana;
7	may apply to the cannabis compliance commission for a license to
8	conduct research concerning cannabis.
9	Sec. 2. An application under this chapter must include the
10	following:
11	(1) The nature of the research project.
12	(2) The names of the individuals who will conduct the
13	research project.
14	(3) The approximate quantity of cannabis that will be used in
15	the research project.
16	(4) The security protocol to be implemented to ensure that
17	cannabis is not diverted for uses other than the research
18	project.
19	(5) Any other information required by the cannabis
20	compliance commission.
21	Sec. 3. Upon receipt of a completed application, the cannabis
22	compliance commission may issue a research license to the
23	accredited institution of higher education or pharmaceutical or
24	agricultural business. The research license must specifically list the
25	names of each individual participating in the research project who
26	will have custody or control of cannabis for research purposes and
27	the approximate quantity of cannabis that will be used in the
28	research project.
29	Sec. 4. The cannabis compliance commission may charge a
30	reasonable fee for issuance of a research license.
31	SECTION 3. IC 15-11-15-3, AS ADDED BY P.L.190-2019
32	SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
33	JULY 1, 2020]: Sec. 3. (a) The Indiana hemp advisory committee is
34	established for the purpose of providing advice to the office of the state
35	seed commissioner cannabis compliance commission with respect to
36	plans, policies, rules, fees, and procedures applicable to the
37	administration of IC 15-15-13.
38	(b) The advisory committee consists of the following members:
39	(1) The director of the department or the director's designee.
40	(2) The state seed commissioner or the state seed commissioner's
41	designee.

(3) The superintendent of the state police department or the



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1	superintendent's designee.
2	(4) The commissioner of the state department of health or the
3	commissioner's designee.
4	(5) The chairman of the alcohol and tobacco commission or the
5	chairman's designee.
6	(6) One (1) individual who is an elected sheriff who is appointed
7	by the governor.
8	(7) One (1) individual who is a member of the Midwest Hemp
9	Council who is appointed by the governor.
10	(8) One (1) individual who has experience in hemp crop
11	production who is appointed by the president of the Indiana Farm
12	Bureau, Inc.
13	(9) One (1) individual who has experience in hemp production
14	who is appointed by the president of Agribusiness Council of
15	Indiana.
16	(10) One (1) individual who is a seed distributor with an active
17	permit under IC 15-15-1-34 and who sells agricultural hemp seed
18	who is appointed by the president of Indiana Crop Improvement
19	Association.
20	(11) The director of the department of financial institutions or the
21	director's designee.
22	(c) The state seed commissioner is the chairperson of the advisory
23	committee and is a nonvoting member.
24	(d) A member appointed to the advisory committee shall serve for
25	a term of three (3) years.
26	(e) The advisory committee shall meet at the call of the chairperson
27	but not less than one (1) time annually.
28	(f) A member may be appointed for consecutive terms.
29	(g) An appointing authority may replace a member at any time
30	during the member's term to serve the remainder of the member's term.
31	SECTION 4. IC 15-15-13-0.5, AS ADDED BY P.L.165-2014,
32	SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
33	JULY 1, 2020]: Sec. 0.5. The state seed commissioner cannabis
34	compliance commission shall administer this chapter.
35	SECTION 5. IC 15-15-13-1, AS AMENDED BY P.L.190-2019,
36	SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
37	JULY 1, 2020]: Sec. 1. (a) Nothing in this chapter authorizes any
38	person to violate any federal law or regulation.
39	(b) Nothing in this chapter authorizes the state seed commissioner
40	to regulate a hemp product.
41	SECTION 6. IC 15-15-13-2, AS ADDED BY P.L.165-2014,
	,

SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE



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JULY 1, 2020]: Sec. 2. As used in this chapter, "agricultural hemp seed" means Cannabis sativa seed that meets any labeling, quality, and other standards set by the state seed commissioner cannabis compliance commission and that is intended for sale or is sold to, or purchased by, licensed growers for planting.

SECTION 7. IC 15-15-13-2.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2020]: **Sec. 2.5. As used in this chapter,** "cannabis compliance commission" means the cannabis compliance commission established by IC 7.1-8-2-1.

SECTION 8. IC 15-15-13-7, AS AMENDED BY P.L.190-2019, SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2020]: Sec. 7. (a) Subject to section 15 of this chapter, the production of, possession of, scientific study of, and commerce in hemp is authorized in Indiana. Hemp is subject to regulation by the state seed commissioner: cannabis compliance commission. The state seed commissioner cannabis compliance commission shall adopt rules to oversee the licensing, production, and management of:

(1) hemp; and

- (2) agricultural hemp seed.
- (b) All growers and handlers must have a hemp license issued by the state seed commissioner: cannabis compliance commission. Growers and handlers engaged in the production of agricultural hemp seed must also have an agricultural hemp seed production license.
- (c) An application for a 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 hemp operation of the applicant.
 - (3) The global positioning system coordinates and legal description of the property used for the hemp operation.
 - (4) If the hemp license or agricultural hemp seed production license application is made by a grower, the acreage size of the field where the hemp will be grown.
 - (5) A statement signed by the applicant, under penalty of perjury, that the person applying for the 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, the state seed commissioner, cannabis compliance commission, or the state seed commissioner's cannabis compliance



1	commission's authorized representative, if a license is issued to						
2	the applicant, to conduct aerial inspections and to enter the						
3	premises on which the hemp is grown to conduct physical						
4	inspections of hemp planted and grown by the applicant, and to						
5	ensure the plants meet the definition of hemp as set forth in						
6	section 6 of this chapter.						
7	(8) A nonrefundable application fee, which must include the						
8	amount necessary to conduct a state or national criminal history						
9	background check, in an amount determined by the state seed						
10	commissioner. cannabis compliance commission.						
11	(9) Any other information required by the state seed						
12	commissioner: cannabis compliance commission.						
13	(d) Rules adopted by the state seed commissioner before July 1,						
14	2020, concerning industrial hemp are considered, after June 30,						
15	2020, rules of the cannabis compliance commission.						
16	SECTION 9. IC 15-15-13-8, AS AMENDED BY THE						
17	TECHNICAL CORRECTIONS BILL OF THE 2020 GENERAL						
18	ASSEMBLY, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE						
19	JULY 1, 2020]: Sec. 8. (a) Each license application received under this						
20	chapter must be processed as follows:						
21	(1) Upon receipt of a license application, the state seed						
22	$\textcolor{red}{\textbf{commissioner}} \textbf{ cannabis compliance commission} \textbf{ shall do one} (1)$						
23	of the following:						
24	(A) Forward a copy of the application to the state police						
25	department. The state police department shall do the						
26	following:						
27	(i) Perform a state or national criminal history background						
28	check of the applicant.						
29	(ii) Determine if the requirements under section 7(c)(5) of						
30	this chapter concerning prior criminal convictions have been						
31	met.						
32	(iii) Return the application to the state seed commissioner						
33	cannabis compliance commission along with the state						
34	police department's determinations and a copy of the state or						
35	national criminal history background check.						
36	(B) The state seed commissioner shall Do the following:						
37	(i) Perform a state or national criminal history background						
38	check of the applicant under the same standards as the state						
39	police department would perform.						
40	(ii) Determine if the requirements under section 7(c)(5) of						
41	this chapter concerning prior criminal convictions have been						



met.

- (2) The state seed commissioner cannabis compliance commission shall review the license application and the criminal history background check.
- (b) If the state seed commissioner cannabis compliance commission determines that all the requirements under this chapter have been met and that a license should be granted to the applicant, the state seed commissioner cannabis compliance commission shall approve the application for issuance of a license.
- (c) A hemp license or agricultural hemp seed production license expires on December 31 of the year for which the license was issued, unless revoked. A hemp license or agricultural hemp seed production license may be renewed in accordance with rules adopted by the state seed commissioner cannabis compliance commission and is nontransferable.

SECTION 10. IC 15-15-13-9, AS AMENDED BY P.L.190-2019, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2020]: Sec. 9. (a) An agricultural hemp seed production license issued under this chapter authorizes a grower or handler to produce and handle agricultural hemp seed for sale to licensed hemp growers and handlers. A seller of agricultural hemp seed shall ensure that the seed complies with any standards set by the state seed commissioner. cannabis compliance commission. The state seed commissioner cannabis compliance commission shall make available to growers information that identifies sellers of agricultural hemp seed.

- (b) A person who sells agricultural hemp seed to a grower must be a seed distributor who has a permit under IC 15-15-1-34.
- (c) All growers and handlers must keep records in accordance with rules adopted by the state seed commissioner. cannabis compliance commission. Upon at least three (3) days notice, the state seed commissioner cannabis compliance commission may audit the required records during normal business hours. The state seed commissioner cannabis compliance commission may conduct an audit for the purpose of ensuring compliance with:
 - (1) this chapter;
 - (2) rules adopted by the state seed commissioner; cannabis compliance commission; or
 - (3) hemp license or agricultural hemp seed production license requirements, terms, and conditions.
- (d) In addition to an audit conducted in accordance with subsection (c), the state seed commissioner cannabis compliance commission may inspect independently, or in cooperation with the state police department, a federal law enforcement agency, or a local law



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1	enforcement agency, any hemp crop during the crop's growth phase and					
2	take a representative composite sample for field analysis. If a crop					
3	contains an average delta-9-tetrahydrocannabinol (THC) concentration					
4	exceeding three-tenths of one percent (0.3%) on a dry weight basis, the					
5	state seed commissioner cannabis compliance commission may					
6	detain, seize, or embargo the crop.					
7	(e) The state seed commissioner cannabis compliance commission					
8	may revoke a license issued under this chapter to a person that fails to					
9	cooperate with:					
10	(1) the state seed commissioner; cannabis compliance					
11	commission;					
12	(2) the state police;					
13	(3) a federal law enforcement agency; or					
14	(4) a local law enforcement agency;					
15	in an inspection, or in the taking of a sample, under subsection (d).					
16	(f) A failure to cooperate described in subsection (e) constitutes					
17	probable cause for the state seed commissioner, cannabis compliance					
18	commission, state police, federal law enforcement agency, or local law					
19	enforcement agency to search the premises of the licensee's hemp					
20	operation.					
21	(g) If the state police department, a federal law enforcement agency,					
22	or a local law enforcement agency cooperates with the state seed					
23	commissioner cannabis compliance commission in the detention,					
24	seizure, or embargo of a crop under this section:					
25	(1) the state police department, federal law enforcement agency,					
26	or local law enforcement agency; and					
27	(2) any officer or employee of the state police department, federal					
28	law enforcement agency, or local law enforcement agency who is					
29	involved in the detention, seizure, or embargo;					
30	is immune from civil liability for the detention, seizure, or embargo.					
31	(h) The state seed commissioner cannabis compliance commission					
32	may order a hemp crop that is detained, seized, or embargoed for					
33	noncompliance with this chapter to be destroyed by the owner.					
34	However, except as prohibited by federal law, the grower may appeal					
35	to the state seed commissioner cannabis compliance commission for					
36	the hemp crop to be diverted to a willing licensed processor for					
37	processing and sale for industrial use. A hemp crop that is detained,					
38	seized, or embargoed may not be used for cannabidiol, other extracts,					
39	oil, food, or cosmetic products that are used for humans or animals.					
40	(i) A grower shall reimburse the state seed commissioner cannabis					

compliance commission for the cost of testing conducted on the

grower's crop under this section.



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1	SECTION 11. IC 15-15-13-9.5, AS ADDED BY P.L.190-2019,					
2	SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE					
3	JULY 1, 2020]: Sec. 9.5. (a) A person who is a handler licensed under					
4	this section may distribute clones and other nonseed propagative					
5	materials of a hemp plant using the person's own labeling, if the					
6	distributor does the following:					
7	(1) Complies with the requirements of this chapter.					
8	(2) Reports the variety and quantity of each variety of the					
9	propagative material of plant sold.					
10	(3) Pays the inspection fee on the basis of the report.					
11	(4) Labels the propagative material with the information required					
12	by the state seed commissioner: cannabis compliance					
13	commission.					
14	(5) Keeps records to accurately determine the named varieties and					
15	the number of plants of each variety distributed.					
16	(6) Grants the state seed commissioner cannabis compliance					
17	commission or the state seed commissioner's cannabis					
18	compliance commission's authorized representative access to					
19	examine the handler's records and verify the quantity and each					
20	variety of propagative material distributed.					
21	(7) Report, under oath, to the state seed commissioner cannabis					
22	compliance commission on forms furnished by the state seed					
23	commissioner cannabis compliance commission each variety					
24	and quantity of propagative material sold during each semiannual					
25	period.					
26	(8) Any other information or conditions stated in the application.					
27	(b) The state seed commissioner cannabis compliance commission					
28	may revoke a handler's license if the commissioner commission					
29	determines any of the following:					
30	(1) That the licensee has not complied with the requirements					
31	under this chapter.					
32	(2) The report required in subsection (a) has not been submitted					
33	and is more than ten (10) days late.					
34	(3) The report required in subsection (a) contained false					
35	information.					
36	(4) The labeling requirements under this chapter have not been					
37	met.					
38	(c) If the inspection fee has not been paid and is more than ten (10)					
39	days late, the state seed commissioner cannabis compliance					
40	commission shall assess a late fee.					
41	(d) Each year the:					

(1) report required under subsection (a)(7); and



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

SECTION 12. IC 15-15-13-10, AS ADDED BY P.L.165-2014, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2020]: Sec. 10. The amount of any fees charged growers and handlers by the state seed commissioner cannabis compliance commission under this chapter must be sufficient to cover the cost of the administration of this chapter, including the cost of conducting audits and testing.

SECTION 13. IC 15-15-13-11, AS AMENDED BY P.L.190-2019, SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2020]: Sec. 11. Only a hemp licensee, the licensee's designee, or the licensee's agents may be permitted to transport hemp off a production site. When transporting hemp off the production site, the hemp licensee, designee, or agent shall have in the licensee's, designee's, or agent's possession the licensing documents from the state seed commissioner cannabis compliance commission evidencing that the hemp is from certified seed produced by a licensed grower.

SECTION 14. IC 15-15-13-12, AS AMENDED BY THE TECHNICAL CORRECTIONS BILL OF THE 2020 GENERAL ASSEMBLY, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2020]: Sec. 12. The state seed commissioner cannabis compliance commission is responsible for the following:

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

SECTION 15. IC 15-15-13-13, AS AMENDED BY P.L.190-2019, SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2020]: Sec. 13. (a) Subject to section 13.5 of this chapter, in addition to any other liability or penalty provided by law, the state seed



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

(1) a license requirement;

- (2) license terms or conditions;
- (3) a rule relating to growing or handling hemp; or
- (4) section 19 of this chapter.
- (b) The state seed commissioner cannabis compliance commission may not impose a civil penalty under this section that exceeds two thousand five hundred dollars (\$2,500).
- (c) The state seed commissioner cannabis compliance commission may revoke or refuse to issue or renew a hemp license or an agricultural hemp seed production license for a violation of any rule of the state seed commissioner cannabis compliance commission that pertains to agricultural operations or activities other than hemp growing or handling.
- (d) Any civil penalties collected under this section shall be transferred to the Indiana state department of agriculture and used for hemp marketing and research purposes.
- (e) In addition to payment of any civil penalty imposed under this section, a person who commits a violation described in subsection (a) shall reimburse the state seed commissioner cannabis compliance commission for any costs incurred by the state seed commissioner cannabis compliance commission for laboratory testing of material pertaining to the violation.

SECTION 16. IC 15-15-13-13.5, AS AMENDED BY THE TECHNICAL CORRECTIONS BILL OF THE 2020 GENERAL ASSEMBLY, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2020]: Sec. 13.5. (a) Except as provided in subsection (b), the state seed commissioner cannabis compliance commission shall give a person who negligently violates this chapter a reasonable time, determined by the state seed commissioner, cannabis compliance commission, to correct the violation without imposing a penalty under section 13 of this chapter. However, the state seed commissioner cannabis compliance commission may require the person who committed the violation to comply with a corrective action plan determined by the state seed commissioner cannabis compliance commission and report to the state seed commissioner cannabis compliance commission on compliance with the corrective action plan.

(b) A person who commits a negligent violation of this chapter three (3) times in a five (5) year period shall immediately be ineligible to



produce	hemp	for	five	(5)) vears.

- (c) If the state seed commissioner cannabis compliance commission believes that a person has knowingly or intentionally violated this chapter, the state seed commissioner cannabis compliance commission shall notify:
 - (1) the superintendent of the state police department; and
 - (2) the prosecuting attorney of the county in which the violation occurred;

of the violation.

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

SECTION 17. IC 15-15-13-14, AS AMENDED BY P.L.190-2019, SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2020]: Sec. 14. (a) The state seed commissioner cannabis compliance commission shall adopt rules under IC 4-22-2 to implement and administer this chapter.

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

SECTION 18. IC 15-15-13-15, AS AMENDED BY P.L.190-2019, SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2020]: Sec. 15. Before December 31, 2019, the state seed commissioner, after consultation with the governor, the director of the state department of agriculture, and the superintendent of the state police department, shall submit a plan that monitors and regulates the production of hemp to the United States Department of Agriculture. If the United States Department of Agriculture disapproves the plan, the state seed commissioner cannabis compliance commission, after June 30, 2020, shall submit an amended plan to the United States Department of Agriculture.

SECTION 19. IC 15-15-13-16, AS ADDED BY P.L.165-2014, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2020]: Sec. 16. (a) The state seed commissioner cannabis compliance commission shall pay all fees collected under this chapter to the treasurer of Purdue University.

- (b) The board of trustees of Purdue University shall expend the fees on proper vouchers filed with the treasurer of Purdue University. The treasurer shall pay vouchers for the following expenses:
 - (1) The employment of inspectors and seed analysts.



1	(2) Procuring samples.	
2	(3) Printing bulletins giving the results of inspection.	
3	(4) Any other expenses of the Purdue University agricultural	
4	programs authorized by law and for implementing this chapter.	
5	(c) The dean of agriculture of Purdue University shall make and	
6	submit a financial report to the governor in such form as the state board	
7	of accounts requires, showing the total receipts and expenditures of all	
8	fees received under this chapter.	
9	(d) Excess funds from the collection of fees under this chapter are	
10	subject to IC 15-16-2-36.	
11	SECTION 20. IC 15-15-13-17, AS AMENDED BY P.L.190-2019,	
12	SECTION 18, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE	
13	JULY 1, 2020]: Sec. 17. (a) The seed commissioner cannabis	
14	compliance commission may keep the:	
15	(1) names of growers and handlers who are licensed under this	
16	chapter; and	
17	(2) locations of licensed hemp crops;	
18	confidential for purposes of IC 5-14-3.	
19	(b) The seed commissioner cannabis compliance commission may	
20	share confidential information under subsection (a) with the state	
21	police department, law enforcement officers (as defined in	
22	IC 35-31.5-2-185), and federal enforcement officers (as defined in	
23	IC 35-31.5-2-129).	
24	SECTION 21. IC 15-15-13-19, AS ADDED BY P.L.190-2019,	
25	SECTION 20, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE	
26	JULY 1, 2020]: Sec. 19. (a) Hemp bud (as defined in IC 35-48-1-17.2)	
27	and hemp flower (as defined in IC 35-48-1-17.3) may be sold only to	
28	a processor licensed under this chapter.	
29	(b) The state seed commissioner cannabis compliance commission	
30	may impose a civil penalty under section 13 of this chapter for a	
31	violation of subsection (a).	
32	SECTION 22. IC 15-15-13-20, AS ADDED BY P.L.190-2019,	
33	SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE	
34	JULY 1, 2020]: Sec. 20. (a) A person who knowingly or intentionally	
35	violates:	
36	(1) a term, condition, or requirement of a license issued; or	
37	(2) a rule adopted;	
38	under this chapter is subject to a civil penalty, determined by the state	
39	seed commissioner; cannabis compliance commission, not to exceed	
40	ten thousand dollars (\$10,000) per violation. The state seed	

commissioner cannabis compliance commission may also revoke the

license of a person who violates this subsection.



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1	(b) A person who knowingly or intentionally:		
2	(1) grows hemp;		
3	(2) handles hemp; or		
4	(3) sells agricultural hemp seed;		
5	not including smokable hemp (as defined by IC 35-48-1-26.6), and is		
6	not licensed under this chapter, commits a Class A misdemeanor.		
7	SECTION 23. IC 15-16-2-36, AS AMENDED BY P.L.141-2018,		
8	SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE		
9	JULY 1, 2020]: Sec. 36. (a) Notwithstanding any other law, all excess		
.0	funds accumulated from the fees collected by:		
1	(1) the state chemist, under this chapter, IC 15-15-2, IC 15-16-4.		
2	IC 15-16-5, and IC 15-19-7; and		
.3	(2) the state seed commissioner under IC 15-15-1 and, before		
4	July 1, 2020, IC 15-15-13; and		
.5	(3) after June 30, 2020, the cannabis compliance commission		
6	under IC 15-15-13;		
7	shall be paid to the treasurer of Purdue University. The funds shall be		
.8	administered by the board of trustees of Purdue University.		
9	(b) On approval of the governor and the budget agency, the board		
20	of trustees may spend the excess funds for the construction, operation,		
21	rehabilitation, and repair of buildings, structures, or other facilities		
22	used for:		
23	(1) carrying out the purposes of those chapters referred to in		
24	subsection (a) under which the fees are collected; or		
25	(2) the agricultural programs authorized by law and in support of		
26	the purposes of the chapters referred to in subsection (a).		
27	SECTION 24. IC 24-4-21-1, AS AMENDED BY P.L.190-2019		
28	SECTION 23, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE		
29	JULY 1, 2020]: Sec. 1. The following definitions apply throughout this		
80	chapter:		
31	(1) "Cannabis compliance commission" means the cannabis		
32	compliance commission established by IC 7.1-8-2-1.		
33	(1) (2) "Certificate of analysis" means a certificate from an		
34	independent testing laboratory describing the results of the		
35	laboratory's testing of a sample.		
86	(2) (3) "Independent testing laboratory" means a laboratory:		
37	(A) with respect to which no person having a direct or indirect		
88	interest in the laboratory also has a direct or indirect interest		
39	in a facility that:		
10	(i) processes, distributes, or sells low THC hemp extract, or		
1	a substantially similar substance in another jurisdiction;		
12	(ii) cultivates processes distributes dispenses or sells		



1	marijuana; or		
2	(iii) cultivates, processes, or distributes hemp; and		
3	(B) that is accredited as a testing laboratory to Internationa		
4	Organization for Standardization (ISO) 17025 by a third party		
5	accrediting body such as the American Association for		
6	Laboratory Accreditation (A2LA) or Assured Calibration and		
7	Laboratory Accreditation Select Services (ACLASS).		
8	(3) (4) "Low THC hemp extract" has the meaning set forth in		
9	IC 35-48-1-17.5.		
10	SECTION 25. IC 24-4-21-1.5 IS ADDED TO THE INDIANA		
11	CODE AS A NEW SECTION TO READ AS FOLLOWS		
12	[EFFECTIVE JULY 1, 2020]: Sec. 1.5. (a) The cannabis compliance		
13	commission shall administer and enforce this chapter.		
14	(b) The cannabis compliance commission may:		
15	(1) conduct inspections, review certifications, inspec		
16	packaging, and engage in other enforcement actions to ensure		
17	compliance with this chapter; and		
18	(2) seek injunctions and impose civil penalties to enforce this		
19	chapter.		
20	SECTION 26. IC 24-4-21-5, AS ADDED BY P.L.153-2018		
21	SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE		
22	JULY 1, 2020]: Sec. 5. (a) This section applies after June 30, 2018.		
23	(b) A person who distributes low THC hemp extract in violation of		
24	this chapter commits a Class B infraction. However, the offense is a		
25	Class A infraction if the person has a prior unrelated judgment for a		
26	violation of this chapter.		
27	(c) These The penalties described in this section are in addition to		
28	any:		
29	(1) criminal penalties that may be imposed for unlawfu		
30	possession or distribution of a controlled substance; or		
31	(2) civil penalties or injunctive relief imposed by or sought by		
32	the cannabis compliance commission.		
33	SECTION 27. IC 24-4-22-1, AS AMENDED BY P.L.10-2019		
34	SECTION 106, IS AMENDED TO READ AS FOLLOWS		
35	[EFFECTIVE JULY 1, 2020]: Sec. 1. As used in this chapter:		
36	(1) "low THC hemp extract" has the meaning set forth in		
37	IC 35-48-1-17.5; and		
38	(2) "cannabis compliance commission" means the cannabis		
39	compliance commission established by IC 7.1-8-2-1.		
40	SECTION 28. IC 24-4-22-4, AS ADDED BY P.L.153-2018		
41	SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE		
12	IIII V 1 20201: Sec. 4 (a) This section applies after June 30, 2018		



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(b) A person who violates section C infraction. However, the violation person has one (1) prior unrelated ju	on is a Class B infraction if the adgment for a violation of section
3 of this chapter, and a Class A infra more prior unrelated judgments fo chapter.	1
(c) These The penalties describe	d in this section are in addition to
any:	
possession or distribution of a	may be imposed for unlawful controlled substance; or re relief imposed by or sought by
the cannabis compliance com	1
•	IIIIISSIOII. LY 1, 2020] (a) As used in this
SECTION. "cannabis compliance of	, , ,

- SECTION, "cannabis compliance commission" means the cannabis compliance commission established by IC 7.1-8-2-1, as added by this act.

 (b) On July 1, 2020, all powers, duties, agreements, and
- (b) On July 1, 2020, all powers, duties, agreements, and liabilities of the state seed commissioner with respect to hemp and industrial hemp are transferred to the cannabis compliance commission, as the successor agency.
- (c) On July 1, 2020, all records and property of the state seed commissioner relating to hemp and industrial hemp, including appropriations and other funds under the control or supervision of the state seed commissioner that are designated for the hemp and industrial hemp program, are transferred to the cannabis compliance commission, as the successor agency.
- (d) After June 30, 2020, any amounts owed to the state seed commissioner before July 1, 2020, in connection with hemp and industrial hemp are considered to be owed to the cannabis compliance commission, as the successor agency.
- (e) After June 30, 2020, a reference to the state seed commissioner in a statute, rule, or other document related to industrial hemp is considered a reference to the cannabis compliance commission, as the successor agency.
- (f) Any rules adopted under IC 15-11-15-3 or IC 15-15-13 by the state seed commissioner before July 1, 2020, concerning hemp and industrial hemp are considered, after June 30, 2020, rules of the cannabis compliance commission.
- (g) Proceedings relating to hemp and industrial hemp that are pending before the state seed commissioner on July 1, 2020, shall be transferred from the state seed commissioner to the cannabis compliance commission and treated as if initiated by the cannabis



1	compliance	commission.

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- (h) A license or permit relating to hemp and industrial hemp that is issued by the state seed commissioner before July 1, 2020, shall be treated after June 30, 2020, as a license or permit issued by the cannabis compliance commission.
 - (i) This SECTION expires July 1, 2021.

