

SENATE BILL No. 197

DIGEST OF INTRODUCED BILL

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

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

Effective: July 1, 2022.

Pol Jr.

January 10, 2022, read first time and referred to Committee on Commerce and Technology.



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

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2021 Regular Session of the General Assembly.

SENATE BILL No. 197

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

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

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



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



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

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

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

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

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

12 **ARTICLE 8. CANNABIS REGULATION**

13 **Chapter 1. Definitions**

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

17 **Sec. 2. As used in this article, "commission" refers to the**
 18 **cannabis compliance commission established by IC 7.1-8-2-1.**

19 **Sec. 3. As used in this article, "executive committee" refers to**
 20 **the cannabis compliance commission executive committee**
 21 **established by IC 7.1-8-2-2.**

22 **Chapter 2. General Provisions**

23 **Sec. 1. (a) The cannabis compliance commission is established**
 24 **to regulate the growth, processing, distribution, and sale of legal**
 25 **cannabis in Indiana, including hemp and low THC hemp extract.**

26 **(b) The commission consists of:**

27 **(1) the cannabis compliance commission executive committee;**

28 **(2) the executive director; and**

29 **(3) other employees necessary to carry out the duties of the**
 30 **commission.**

31 **Sec. 2. (a) The cannabis compliance commission executive**
 32 **committee is established.**

33 **(b) The cannabis compliance commission executive committee**
 34 **consists of four (4) commissioners, who shall hire the executive**
 35 **director and direct and oversee the operation of the commission.**

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

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

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

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

42 **(e) A commissioner serves the commissioner's term at the**



1 pleasure of the governor.

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

4 (1) **The individual may not be employed by the state in any**
 5 **other capacity.**

6 (2) **The individual must have good moral character.**

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

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

11 (1) **one (1) commissioner to serve as chairperson; and**

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

13 **of the executive committee.**

14 (b) **The vice chairperson shall act as the chairperson if the**
 15 **chairperson is unable to attend a meeting of the executive**
 16 **committee.**

17 **Sec. 6. A commissioner appointed to fill a vacancy in the**
 18 **executive committee shall serve only for the unexpired part of the**
 19 **original vacated term. In all other respects, an appointment to fill**
 20 **a vacancy shall be made in the same manner that an original**
 21 **appointment is made.**

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

30 **Sec. 8. (a) Each commissioner shall execute:**

31 (1) **a surety bond in the amount of ten thousand dollars**
 32 **(\$10,000), with surety approved by the governor; and**

33 (2) **an oath of office.**

34 (b) **The surety bond and the oath of office shall be filed in the**
 35 **office of the secretary of state.**

36 **Sec. 9. The required surety bond executed and filed on behalf of**
 37 **a commissioner shall be made payable to the state of Indiana and**
 38 **conditioned upon the faithful discharge of the commissioner's**
 39 **duties.**

40 **Sec. 10. (a) The executive committee shall hold meetings at the**
 41 **call of the chairperson.**

42 (b) **The executive committee may establish rules governing**



1 meetings.

2 **Sec. 11. (a) Three (3) commission commissioners constitute a**
3 **quorum for the transaction of business.**

4 **(b) Action of the executive committee may be taken only upon**
5 **the affirmative votes of at least two (2) commissioners. If a vote is**
6 **a tie, the position for which the chairperson voted prevails, as long**
7 **as that position has received the affirmative votes of at least two (2)**
8 **commissioners.**

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

16 **Chapter 3. Employees and Administration**

17 **Sec. 1. (a) The executive committee shall appoint an executive**
18 **director to assist the commission in the efficient administration of**
19 **its powers and duties.**

20 **(b) The commission executive committee shall fix the salary of**
21 **the executive director, subject to the approval of the budget**
22 **agency.**

23 **(c) The executive director:**

24 **(1) is the executive agent of the executive committee in the**
25 **administration of the committee's policies; and**

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

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

33 **Chapter 4. Powers and Duties**

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

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

42 **(1) this article;**



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



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



1 **physical presence in Indiana.**

2 **(2) A pharmaceutical or agricultural business having a**
 3 **research facility in Indiana.**

4 **Sec. 2. An application under this chapter must include the**
 5 **following:**

6 **(1) The nature of the research project.**

7 **(2) The names of the individuals who will conduct the**
 8 **research project.**

9 **(3) The approximate quantity of cannabis that will be used in**
 10 **the research project.**

11 **(4) The security protocol to be implemented to ensure that**
 12 **cannabis is not diverted for uses other than the research**
 13 **project.**

14 **(5) Any other information required by the commission.**

15 **Sec. 3. Upon receipt of a completed application, the commission**
 16 **may issue a research license to the accredited institution of higher**
 17 **education or the pharmaceutical or agricultural business. The**
 18 **research license must specifically list:**

19 **(1) the names of each individual participating in the research**
 20 **project who will have custody or control of cannabis for**
 21 **research purposes; and**

22 **(2) the approximate quantity of cannabis that will be used in**
 23 **the research project.**

24 **Sec. 4. The commission may charge a reasonable fee for issuance**
 25 **of a research license.**

26 SECTION 3. IC 15-15-13-0.5, AS ADDED BY P.L.165-2014,
 27 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 28 JULY 1, 2022]: Sec. 0.5. The ~~state seed commissioner~~ **cannabis**
 29 **compliance commission** shall administer this chapter.

30 SECTION 4. IC 15-15-13-1, AS AMENDED BY P.L.190-2019,
 31 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 32 JULY 1, 2022]: Sec. 1. ~~(a)~~ Nothing in this chapter authorizes any
 33 person to violate any federal law or regulation.

34 ~~(b) Nothing in this chapter authorizes the state seed commissioner~~
 35 ~~to regulate a hemp product.~~

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



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

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

- 14 (1) hemp; and
 15 (2) agricultural hemp seed.

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

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

- 22 (1) The name and address of the applicant.
 23 (2) The name and address of the hemp operation of the applicant.
 24 (3) The global positioning system coordinates and legal
 25 description of the property used for the hemp operation.
 26 (4) If the hemp license or agricultural hemp seed production
 27 license application is made by a grower, the acreage size of the
 28 field where the hemp will be grown.
 29 (5) A statement signed by the applicant, under penalty of perjury,
 30 that the person applying for the hemp license or agricultural hemp
 31 seed production license has not been convicted of a drug related
 32 felony or misdemeanor in the previous ten (10) years.
 33 (6) A written consent allowing the state police department to
 34 conduct a state or national criminal history background check.
 35 (7) A written consent allowing the state police department, the
 36 ~~state seed commissioner,~~ **cannabis compliance commission,** or
 37 the ~~state seed commissioner's~~ **cannabis compliance**
 38 **commission's** authorized representative, if a license is issued to
 39 the applicant, to conduct aerial inspections and to enter the
 40 premises on which the hemp is grown to conduct physical
 41 inspections of hemp planted and grown by the applicant, and to
 42 ensure the plants meet the definition of hemp as set forth in



1 section 6 of this chapter.

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

6 (9) Any other information required by the ~~state seed~~
7 ~~commissioner~~ **cannabis compliance commission**.

8 **(d) Rules adopted by the state seed commissioner before July 1,**
9 **2022, concerning hemp are considered, after June 30, 2022, rules**
10 **of the cannabis compliance commission.**

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

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

18 (A) Forward a copy of the application to the state police
19 department. The state police department shall **then** do the
20 following:

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

23 (ii) Determine if the requirements under section 7(c)(5) of
24 this chapter concerning prior criminal convictions have been
25 met.

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

30 (B) Do the following:

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

34 (ii) Determine if the requirements under section 7(c)(5) of
35 this chapter concerning prior criminal convictions have been
36 met.

37 (2) The ~~state seed commissioner~~ **cannabis compliance**
38 **commission** shall review the license application and the criminal
39 history background check.

40 (b) If the ~~state seed commissioner~~ **cannabis compliance**
41 **commission** determines that all the requirements under this chapter
42 have been met and that a license should be granted to the applicant, the



1 ~~state seed commissioner~~ **cannabis compliance commission** shall
2 approve the application for issuance of a license.

3 (c) A hemp license or agricultural hemp seed production license
4 expires on December 31 of the year for which the license was issued,
5 unless revoked. A hemp license or agricultural hemp seed production
6 license may be renewed in accordance with rules adopted by the ~~state~~
7 ~~seed commissioner~~ **cannabis compliance commission** and is
8 nontransferable.

9 SECTION 9. IC 15-15-13-9, AS AMENDED BY P.L.190-2019,
10 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
11 JULY 1, 2022]: Sec. 9. (a) An agricultural hemp seed production
12 license issued under this chapter authorizes a grower or handler to
13 produce and handle agricultural hemp seed for sale to licensed hemp
14 growers and handlers. A seller of agricultural hemp seed shall ensure
15 that the seed complies with any standards set by the ~~state seed~~
16 ~~commissioner~~ **cannabis compliance commission**. The ~~state seed~~
17 ~~commissioner~~ **cannabis compliance commission** shall make available
18 to growers information that identifies sellers of agricultural hemp seed.

19 (b) A person who sells agricultural hemp seed to a grower must be
20 a seed distributor who has a permit under IC 15-15-1-34.

21 (c) All growers and handlers must keep records in accordance with
22 rules adopted by the ~~state seed commissioner~~ **cannabis compliance**
23 **commission**. Upon at least three (3) days notice, the ~~state seed~~
24 ~~commissioner~~ **cannabis compliance commission** may audit the
25 required records during normal business hours. The ~~state seed~~
26 ~~commissioner~~ **cannabis compliance commission** may conduct an
27 audit for the purpose of ensuring compliance with:

- 28 (1) this chapter;
29 (2) rules adopted by the ~~state seed commissioner~~ **cannabis**
30 **compliance commission**; or
31 (3) hemp license or agricultural hemp seed production license
32 requirements, terms, and conditions.

33 (d) In addition to an audit conducted in accordance with subsection
34 (c), the ~~state seed commissioner~~ **cannabis compliance commission**
35 may inspect independently, or in cooperation with the state police
36 department, a federal law enforcement agency, or a local law
37 enforcement agency, any hemp crop during the crop's growth phase and
38 take a representative composite sample for field analysis. If a crop
39 contains an average delta-9-tetrahydrocannabinol (THC) concentration
40 exceeding three-tenths of one percent (0.3%) on a dry weight basis, the
41 ~~state seed commissioner~~ **cannabis compliance commission** may
42 detain, seize, or embargo the crop.



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

- 4 (1) the ~~state seed commissioner~~; **cannabis compliance**
 5 **commission**;
 6 (2) the state police;
 7 (3) a federal law enforcement agency; or
 8 (4) a local law enforcement agency;

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

10 (f) A failure to cooperate described in subsection (e) constitutes
 11 probable cause for the ~~state seed commissioner~~, **cannabis compliance**
 12 **commission**, state police, federal law enforcement agency, or local law
 13 enforcement agency to search the premises of the licensee's hemp
 14 operation.

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

- 19 (1) the state police department, federal law enforcement agency,
 20 or local law enforcement agency; and
 21 (2) any officer or employee of the state police department, federal
 22 law enforcement agency, or local law enforcement agency who is
 23 involved in the detention, seizure, or embargo;

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

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

34 (i) A grower shall reimburse the ~~state seed commissioner~~ **cannabis**
 35 **compliance commission** for the cost of testing conducted on the
 36 grower's crop under this section.

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



- 1 (1) Complies with the requirements of this chapter.
- 2 (2) Reports the variety and quantity of each variety of the
- 3 propagative material of plant sold.
- 4 (3) Pays the inspection fee on the basis of the report.
- 5 (4) Labels the propagative material with the information required
- 6 by the ~~state seed commissioner~~ **cannabis compliance**
- 7 **commission**.
- 8 (5) Keeps records to accurately determine the named varieties and
- 9 the number of plants of each variety distributed.
- 10 (6) Grants the ~~state seed commissioner~~ **cannabis compliance**
- 11 **commission** or the ~~state seed commissioner's~~ **cannabis**
- 12 **compliance commission's** authorized representative access to
- 13 examine the handler's records and verify the quantity and each
- 14 variety of propagative material distributed.
- 15 (7) Report, under oath, to the ~~state seed commissioner~~ **cannabis**
- 16 **compliance commission** on forms furnished by the ~~state seed~~
- 17 ~~commissioner~~ **cannabis compliance commission** each variety
- 18 and quantity of propagative material sold during each semiannual
- 19 period.
- 20 (8) Any other information or conditions stated in the application.
- 21 (b) The ~~state seed commissioner~~ **cannabis compliance commission**
- 22 may revoke a handler's license if the ~~commissioner~~ **commission**
- 23 determines any of the following:
- 24 (1) That the licensee has not complied with the requirements
- 25 under this chapter.
- 26 (2) The report required in subsection (a) has not been submitted
- 27 and is more than ten (10) days late.
- 28 (3) The report required in subsection (a) contained false
- 29 information.
- 30 (4) The labeling requirements under this chapter have not been
- 31 met.
- 32 (c) If the inspection fee has not been paid and is more than ten (10)
- 33 days late, the ~~state seed commissioner~~ **cannabis compliance**
- 34 **commission** shall assess a late fee.
- 35 (d) Each year the:
- 36 (1) report required under subsection (a)(7); and
- 37 (2) inspection fees required under this chapter;
- 38 for the period beginning on January 1 and ending on June 30 and for
- 39 the period beginning on July 1 and ending on December 31 are due not
- 40 more than thirty (30) days after the end of the semiannual period.
- 41 SECTION 11. IC 15-15-13-10, AS ADDED BY P.L.165-2014,
- 42 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE



1 JULY 1, 2022]: Sec. 10. The amount of any fees charged growers and
 2 handlers by the ~~state seed commissioner~~ **cannabis compliance**
 3 **commission** under this chapter must be sufficient to cover the cost of
 4 the administration of this chapter, including the cost of conducting
 5 audits and testing.

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

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

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

32 SECTION 14. IC 15-15-13-13, AS AMENDED BY P.L.190-2019,
 33 SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 34 JULY 1, 2022]: Sec. 13. (a) Subject to section 13.5 of this chapter, in
 35 addition to any other liability or penalty provided by law, the ~~state seed~~
 36 ~~commissioner~~ **cannabis compliance commission** may revoke or refuse
 37 to issue or renew a hemp license or an agricultural hemp seed
 38 production license and may impose a civil penalty for a violation of:

- 39 (1) a license requirement;
- 40 (2) license terms or conditions;
- 41 (3) a rule relating to growing or handling hemp; or
- 42 (4) section 19 of this chapter.



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

4 (c) The ~~state seed commissioner~~ **cannabis compliance commission**
 5 may revoke or refuse to issue or renew a hemp license or an
 6 agricultural hemp seed production license for a violation of any rule of
 7 the ~~state seed commissioner~~ **cannabis compliance commission** that
 8 pertains to agricultural operations or activities other than hemp
 9 growing or handling.

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

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

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

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

36 (c) If the ~~state seed commissioner~~ **cannabis compliance**
 37 **commission** believes that a person has knowingly or intentionally
 38 violated this chapter, the ~~state seed commissioner~~ **cannabis**
 39 **compliance commission** shall notify:

- 40 (1) the superintendent of the state police department; and
 41 (2) the prosecuting attorney of the county in which the violation
 42 occurred;



1 of the violation.

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

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

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

15 SECTION 17. IC 15-15-13-15 IS REPEALED [EFFECTIVE JULY
16 1, 2022]. ~~Sec. 15. Before December 31, 2019, the state seed~~
17 ~~commissioner, after consultation with the governor, the director of the~~
18 ~~state department of agriculture, and the superintendent of the state~~
19 ~~police department, shall submit a plan that monitors and regulates the~~
20 ~~production of hemp to the United States Department of Agriculture. If~~
21 ~~the United States Department of Agriculture disapproves the plan, the~~
22 ~~state seed commissioner shall submit an amended plan to the United~~
23 ~~States Department of Agriculture.~~

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

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

- 32 (1) The employment of inspectors and seed analysts.
- 33 (2) Procuring samples.
- 34 (3) Printing bulletins giving the results of inspection.
- 35 (4) Any other expenses of the Purdue University agricultural
36 programs authorized by law and for implementing this chapter.

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

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



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

5 (1) names of growers and handlers who are licensed under this
 6 chapter; and

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

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

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

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

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

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

27 (2) a rule adopted;

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

33 (b) A person who knowingly or intentionally:

34 (1) grows hemp;

35 (2) handles hemp; or

36 (3) sells agricultural hemp seed;

37 not including smokable hemp (as defined by IC 35-48-1-26.6), and is
 38 not licensed under this chapter, commits a Class A misdemeanor.

39 SECTION 22. IC 15-16-2-36, AS AMENDED BY P.L.141-2018,
 40 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 41 JULY 1, 2022]: Sec. 36. (a) Notwithstanding any other law, all excess
 42 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, 2022**, IC 15-15-13; ~~and~~
- 5 **(3) after June 30, 2022, 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
 10 of trustees may spend the excess funds for the construction, operation,
 11 rehabilitation, and repair of buildings, structures, or other facilities
 12 used for:

- 13 (1) carrying out the purposes of those chapters referred to in
- 14 subsection (a) under which the fees are collected; or
- 15 (2) the agricultural programs authorized by law and in support of
- 16 the purposes of the chapters referred to in subsection (a).

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

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

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

26 ~~(=)~~ **(3) "Independent testing laboratory" means a laboratory:**
 27 **(A) with respect to which no person having a direct or indirect**
 28 **interest in the laboratory also has a direct or indirect interest**
 29 **in a facility that:**

- 30 (i) processes, distributes, or sells low THC hemp extract, or
- 31 a substantially similar substance in another jurisdiction;
- 32 (ii) cultivates, processes, distributes, dispenses, or sells
- 33 marijuana; or
- 34 (iii) cultivates, processes, or distributes hemp; and

35 **(B) that is accredited as a testing laboratory to International**
 36 **Organization for Standardization (ISO) 17025 by a third party**
 37 **accrediting body such as the American Association for**
 38 **Laboratory Accreditation (A2LA) or Assured Calibration and**
 39 **Laboratory Accreditation Select Services (ACLASS).**

40 ~~(=)~~ **(4) "Low THC hemp extract" has the meaning set forth in**
 41 **IC 35-48-1-17.5.**

42 SECTION 24. IC 24-4-21-1.5 IS ADDED TO THE INDIANA



1 CODE AS A NEW SECTION TO READ AS FOLLOWS
 2 [EFFECTIVE JULY 1, 2022]: **Sec. 1.5. (a) The cannabis compliance**
 3 **commission shall administer and enforce this chapter.**

4 **(b) The cannabis compliance commission may:**
 5 **(1) conduct inspections, review certifications, inspect**
 6 **packaging, and engage in other enforcement actions to ensure**
 7 **compliance with this chapter; and**
 8 **(2) seek injunctions and impose civil penalties to enforce this**
 9 **chapter.**

10 SECTION 25. IC 24-4-21-5, AS ADDED BY P.L.153-2018,
 11 SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 12 JULY 1, 2022]: Sec. 5. **(a)** This section applies after June 30, 2018.

13 **(b)** A person who distributes low THC hemp extract in violation of
 14 this chapter commits a Class B infraction. However, the offense is a
 15 Class A infraction if the person has a prior unrelated judgment for a
 16 violation of this chapter.

17 **(c) ~~These~~ The penalties described in this section** are in addition to
 18 any:

19 **(1)** criminal penalties that may be imposed for unlawful
 20 possession or distribution of a controlled substance; **or**
 21 **(2) civil penalties or injunctive relief imposed by or sought by**
 22 **the cannabis compliance commission.**

23 SECTION 26. IC 24-4-22-1, AS AMENDED BY P.L.10-2019,
 24 SECTION 106, IS AMENDED TO READ AS FOLLOWS
 25 [EFFECTIVE JULY 1, 2022]: Sec. 1. As used in this chapter:

26 **(1)** "low THC hemp extract" has the meaning set forth in
 27 IC 35-48-1-17.5; **and**
 28 **(2) "cannabis compliance commission" means the cannabis**
 29 **compliance commission established by IC 7.1-8-2-1.**

30 SECTION 27. IC 24-4-22-4, AS ADDED BY P.L.153-2018,
 31 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 32 JULY 1, 2022]: Sec. 4. **(a)** This section applies after June 30, 2018.

33 **(b)** A person who violates section 3 of this chapter commits a Class
 34 C infraction. However, the violation is a Class B infraction if the
 35 person has one (1) prior unrelated judgment for a violation of section
 36 3 of this chapter, and a Class A infraction if the person has two (2) or
 37 more prior unrelated judgments for a violation of section 3 of this
 38 chapter.

39 **(c) ~~These~~ The penalties described in this section** are in addition to
 40 any:

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



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

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

7 **(b) On July 1, 2022, all powers, duties, agreements, and**
8 **liabilities of the state seed commissioner with respect to hemp are**
9 **transferred to the cannabis compliance commission, as the**
10 **successor agency.**

11 **(c) On July 1, 2022, all records and property of the state seed**
12 **commissioner relating to hemp, including appropriations and other**
13 **funds under the control or supervision of the state seed**
14 **commissioner that are designated for the hemp program, are**
15 **transferred to the cannabis compliance commission, as the**
16 **successor agency.**

17 **(d) After June 30, 2022, any amounts owed to the state seed**
18 **commissioner before July 1, 2022, in connection with hemp are**
19 **considered to be owed to the cannabis compliance commission, as**
20 **the successor agency.**

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

25 **(f) Any rules adopted under IC 15-15-13 by the state seed**
26 **commissioner before July 1, 2022, concerning hemp are**
27 **considered, after June 30, 2022, rules of the cannabis compliance**
28 **commission.**

29 **(g) Proceedings relating to hemp that are pending before the**
30 **state seed commissioner on July 1, 2022, shall be transferred from**
31 **the state seed commissioner to the cannabis compliance**
32 **commission and treated as if initiated by the cannabis compliance**
33 **commission.**

34 **(h) A license or permit relating to hemp that is issued by the**
35 **state seed commissioner before July 1, 2022, shall be treated after**
36 **June 30, 2022, as a license or permit issued by the cannabis**
37 **compliance commission.**

38 **(i) This SECTION expires July 1, 2023.**

