

SENATE BILL No. 211

DIGEST OF INTRODUCED BILL

Citations Affected: IC 2-5-45; IC 7.1-8; IC 15-15-13; IC 15-16-2-36; IC 24-4-21; IC 24-4-22.

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, 2019.

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January 3, 2019, read first time and referred to Committee on Commerce and Technology.



First Regular Session of the 121st General Assembly (2019)

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 2018 Regular and Special Session of the General Assembly.

SENATE BILL No. 211

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

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

1 SECTION 1. IC 2-5-45 IS ADDED TO THE INDIANA CODE AS
2 A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY
3 1, 2019]:
4 **Chapter 45. 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 2019]:

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.

40 (c) Action of the cannabis compliance commission executive
41 committee may be taken only upon the affirmative votes of at least
42 two (2) commissioners. If a vote is a tie, the position for which the



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

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

11 **Chapter 3. Employees and Administration**

12 **Sec. 1. (a) The cannabis compliance commission executive**
13 **committee shall appoint an executive director to assist the cannabis**
14 **compliance commission in the efficient administration of its powers**
15 **and duties.**

16 **(b) The cannabis compliance commission executive committee**
17 **shall fix the salary of the executive director, subject to the approval**
18 **of the budget agency.**

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

20 **(1) is the executive agent of the cannabis compliance**
21 **commission executive committee in the administration of the**
22 **committee's policies; and**

23 **(2) has the other powers and duties delegated to the executive**
24 **director by the cannabis compliance commission executive**
25 **committee or specifically assigned to the executive director by**
26 **statute.**

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

31 **Chapter 4. Powers and Duties**

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

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

41 **(1) this article;**

42 **(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 its duties.**
 17 **(3) To issue orders to:**
 18 **(A) secure compliance with:**
 19 **(i) this article;**
 20 **(ii) IC 15-15-13 (industrial hemp);**
 21 **(iii) IC 24-4-21 (distribution of low THC hemp extract);**
 22 **(iv) IC 24-4-22 (sale of low THC hemp extract); and**
 23 **(v) rules adopted by the cannabis compliance**
 24 **commission; and**
 25 **(B) assess civil penalties.**
 26 **(4) To bring an appropriate action in court to:**
 27 **(A) enforce any order of the cannabis compliance**
 28 **commission;**
 29 **(B) collect any penalties or fees; and**
 30 **(C) procure or secure compliance with:**
 31 **(i) this article;**
 32 **(ii) IC 15-15-13 (industrial hemp);**
 33 **(iii) IC 24-4-21 (distribution of low THC hemp extract);**
 34 **(iv) IC 24-4-22 (sale of low THC hemp extract); and**
 35 **(v) rules adopted by the cannabis compliance**
 36 **commission.**
 37 **(5) To hold hearings before the cannabis compliance**
 38 **commission or its representative.**
 39 **(6) To take testimony and receive evidence.**
 40 **(7) To conduct inquiries with or without a hearing.**
 41 **(8) To receive reports of investigators or other governmental**
 42 **officers and employees.**



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



1 **Sec. 1. To permit and encourage research concerning cannabis:**

2 (1) an accredited institution of higher education with a
3 physical presence in Indiana; and

4 (2) a pharmaceutical or agricultural business having a
5 research facility in Indiana;

6 may apply to the cannabis compliance commission for a license to
7 conduct research concerning cannabis.

8 **Sec. 2. An application under this chapter must include the**
9 **following:**

10 (1) The nature of the research project.

11 (2) The names of the individuals who will conduct the
12 research project.

13 (3) The approximate quantity of cannabis that will be used in
14 the research project.

15 (4) The security protocol to be implemented to ensure that
16 cannabis is not diverted for uses other than the research
17 project.

18 (5) Any other information required by the cannabis
19 compliance commission.

20 **Sec. 3. Upon receipt of a completed application, the cannabis**
21 **compliance commission may issue a research license to the**
22 **accredited institution of higher education or pharmaceutical or**
23 **agricultural business. The research license must specifically list the**
24 **names of each individual participating in the research project who**
25 **will have custody or control of cannabis for research purposes and**
26 **the approximate quantity of cannabis that will be used in the**
27 **research project.**

28 **Sec. 4. The cannabis compliance commission may charge a**
29 **reasonable fee for issuance of a research license.**

30 SECTION 3. IC 15-15-13-0.5, AS ADDED BY P.L.165-2014,
31 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
32 JULY 1, 2019]: Sec. 0.5. The ~~state seed commissioner~~ **cannabis**
33 **compliance commission** shall administer this chapter.

34 SECTION 4. IC 15-15-13-2, AS ADDED BY P.L.165-2014,
35 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
36 JULY 1, 2019]: Sec. 2. As used in this chapter, "agricultural hemp
37 seed" means Cannabis sativa seed that meets any labeling, quality, and
38 other standards set by the ~~state seed commissioner~~ **cannabis**
39 **compliance commission** and that is intended for sale or is sold to, or
40 purchased by, licensed growers for planting.

41 SECTION 5. IC 15-15-13-2.5 IS ADDED TO THE INDIANA
42 CODE AS A **NEW** SECTION TO READ AS FOLLOWS



1 [EFFECTIVE JULY 1, 2019]: **Sec. 2.5. As used in this chapter,**
 2 **"cannabis compliance commission" means the cannabis**
 3 **compliance commission established by IC 7.1-8-2-1.**

4 SECTION 6. IC 15-15-13-7, AS ADDED BY P.L.165-2014,
 5 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 6 JULY 1, 2019]: Sec. 7. (a) Subject to section 15 of this chapter, the
 7 production of, possession of, scientific study of, and commerce in
 8 industrial hemp is authorized in Indiana. Industrial hemp is an
 9 agricultural product that is subject to regulation by the ~~state seed~~
 10 ~~commissioner~~ **cannabis compliance commission**. The ~~state seed~~
 11 ~~commissioner~~ **cannabis compliance commission** shall adopt rules to
 12 oversee the licensing, production, and management of:

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

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

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

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

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



1 the plants meet the definition of industrial hemp as set forth in
 2 section 6 of this chapter. Not more than two (2) physical
 3 inspections may be conducted under this subdivision per year,
 4 unless a valid search warrant for an inspection has been issued by
 5 a court of competent jurisdiction.
 6 (8) A nonrefundable application fee, which must include the
 7 amount necessary to conduct a state or national criminal history
 8 background check, in an amount determined by the ~~state seed~~
 9 ~~commissioner~~ **cannabis compliance commission**.
 10 (9) Any other information required by the ~~state seed~~
 11 ~~commissioner~~ **cannabis compliance commission**.
 12 **(d) Rules adopted by the state seed commissioner before July 1,**
 13 **2019, concerning industrial hemp are considered, after June 30,**
 14 **2019, rules of the cannabis compliance commission.**
 15 SECTION 7. IC 15-15-13-8, AS ADDED BY P.L.165-2014,
 16 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 17 JULY 1, 2019]: Sec. 8. (a) Each license application received under this
 18 chapter must be processed as follows:
 19 (1) Upon receipt of a license application, the ~~state seed~~
 20 ~~commissioner~~ **cannabis compliance commission** shall forward
 21 a copy of the application to the state police department. The state
 22 police department shall do the following:
 23 (A) Perform a state or national criminal history background
 24 check of the applicant.
 25 (B) Determine if the requirements under section 7(c)(5) of this
 26 chapter concerning prior criminal convictions have been met.
 27 (C) Return the application to the ~~state seed commissioner~~
 28 **cannabis compliance commission** along with the state police
 29 department's determinations and a copy of the state or national
 30 criminal history background check.
 31 (2) The ~~state seed commissioner~~ **cannabis compliance**
 32 **commission** shall review the license application returned from
 33 the state police department.
 34 (b) If the ~~state seed commissioner~~ **cannabis compliance**
 35 **commission** determines that all the requirements under this chapter
 36 have been met and that a license should be granted to the applicant, the
 37 ~~state seed commissioner~~ **cannabis compliance commission** shall
 38 approve the application for issuance of a license.
 39 (c) An industrial hemp license or agricultural hemp seed production
 40 license is valid for a one (1) year term unless revoked. An industrial
 41 hemp license or agricultural hemp seed production license may be
 42 renewed in accordance with rules adopted by the ~~state seed~~



1 ~~commissioner cannabis compliance commission~~ and is
2 nontransferable.

3 SECTION 8. IC 15-15-13-9, AS AMENDED BY P.L.139-2016,
4 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
5 JULY 1, 2019]: Sec. 9. (a) An agricultural hemp seed production
6 license issued under this chapter authorizes a grower or handler to
7 produce and handle agricultural hemp seed for sale to licensed
8 industrial hemp growers and handlers. A seller of agricultural hemp
9 seed shall ensure that the seed complies with any standards set by the
10 ~~state seed commissioner cannabis compliance commission~~. The ~~state~~
11 ~~seed commissioner cannabis compliance commission~~ shall make
12 available to growers information that identifies sellers of agricultural
13 hemp seed.

14 (b) All growers and handlers must keep records in accordance with
15 rules adopted by the ~~state seed commissioner~~; ~~cannabis compliance~~
16 ~~commission~~. Upon at least three (3) days notice, the ~~state seed~~
17 ~~commissioner cannabis compliance commission~~ may audit the
18 required records during normal business hours. The ~~state seed~~
19 ~~commissioner cannabis compliance commission~~ may conduct an
20 audit for the purpose of ensuring compliance with:

- 21 (1) this chapter;
22 (2) rules adopted by the ~~state seed commissioner~~; ~~cannabis~~
23 ~~compliance commission~~; or
24 (3) industrial hemp license or agricultural hemp seed production
25 license requirements, terms, and conditions.

26 (c) In addition to an audit conducted in accordance with subsection
27 (b), the ~~state seed commissioner cannabis compliance commission~~
28 may inspect independently, or in cooperation with the state police
29 department, a federal law enforcement agency, or a local law
30 enforcement agency, any industrial hemp crop during the crop's growth
31 phase and take a representative composite sample for field analysis. If
32 a crop contains an average tetrahydrocannabinol (THC) concentration
33 exceeding the lesser of:

- 34 (1) three-tenths of one percent (0.3%) on a dry weight basis; or
35 (2) the percent based on a dry weight basis determined by the
36 federal Controlled Substance Act (21 U.S.C. 801 et seq.);

37 the ~~state seed commissioner cannabis compliance commission~~ may
38 detain, seize, or embargo the crop.

39 SECTION 9. IC 15-15-13-10, AS ADDED BY P.L.165-2014,
40 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
41 JULY 1, 2019]: Sec. 10. The amount of any fees charged growers and
42 handlers by the ~~state seed commissioner cannabis compliance~~



1 **commission** under this chapter must be sufficient to cover the cost of
 2 the administration of this chapter, including the cost of conducting
 3 audits and testing.

4 SECTION 10. IC 15-15-13-11, AS ADDED BY P.L.165-2014,
 5 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 6 JULY 1, 2019]: Sec. 11. Only an industrial hemp licensee, the
 7 licensee's designee, or the licensee's agents may be permitted to
 8 transport industrial hemp off a production site. When transporting
 9 industrial hemp off the production site, the industrial hemp licensee,
 10 designee, or agent shall have in the licensee's, designee's, or agent's
 11 possession the licensing documents from the ~~state seed commissioner~~
 12 **cannabis compliance commission** evidencing that the industrial hemp
 13 is from certified seed produced by a licensed grower.

14 SECTION 11. IC 15-15-13-12, AS ADDED BY P.L.165-2014,
 15 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 16 JULY 1, 2019]: Sec. 12. The ~~state seed commissioner~~ **cannabis**
 17 **compliance commission** is responsible for the following:

- 18 (1) Monitoring the industrial hemp grown by any license holder.
- 19 (2) Conducting random testing of the industrial hemp for
 20 compliance with tetrahydrocannabinol (THC) levels.
- 21 (3) Establishing necessary testing criteria and protocols.
- 22 (4) Establishing the minimum number of acres to be planted
 23 under each license issued under this chapter.

24 SECTION 12. IC 15-15-13-13, AS ADDED BY P.L.165-2014,
 25 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 26 JULY 1, 2019]: Sec. 13. (a) In addition to any other liability or penalty
 27 provided by law, the ~~state seed commissioner~~ **cannabis compliance**
 28 **commission** may revoke or refuse to issue or renew an industrial hemp
 29 license or an agricultural hemp seed production license and may
 30 impose a civil penalty for a violation of:

- 31 (1) a license requirement;
- 32 (2) license terms or conditions; or
- 33 (3) a rule relating to growing or handling industrial hemp.

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

37 (c) The ~~state seed commissioner~~ **cannabis compliance commission**
 38 may revoke or refuse to issue or renew an industrial hemp license or an
 39 agricultural hemp seed production license for a violation of any rule of
 40 the ~~state seed commissioner~~ **cannabis compliance commission** that
 41 pertains to agricultural operations or activities other than industrial
 42 hemp growing or handling.



1 SECTION 13. IC 15-15-13-14, AS ADDED BY P.L.165-2014,
2 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2019]: Sec. 14. The ~~state seed commissioner~~ **cannabis**
4 **compliance commission** shall adopt rules under IC 4-22-2 to
5 implement and administer this chapter.

6 SECTION 14. IC 15-15-13-15, AS ADDED BY P.L.165-2014,
7 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
8 JULY 1, 2019]: Sec. 15. (a) Notwithstanding any other law, the ~~state~~
9 ~~seed commissioner~~ **cannabis compliance commission** may not grant
10 any license until the ~~state seed commissioner~~ **cannabis compliance**
11 **commission** has secured any necessary permissions, waivers, or other
12 form of legal status by the United States Drug Enforcement Agency or
13 other appropriate federal agency concerning industrial hemp.

14 (b) The ~~state seed commissioner~~ **cannabis compliance commission**
15 shall apply for any necessary permissions, waivers, or other forms of
16 legal status by the United States Drug Enforcement Agency or other
17 appropriate federal agency that are necessary to implement this chapter
18 before January 1, 2015.

19 (c) The ~~state seed commissioner~~ **cannabis compliance commission**
20 may not implement a waiver under this section until the ~~state seed~~
21 ~~commissioner~~ **cannabis compliance commission** files an affidavit
22 with the governor attesting that the federal permission or waiver
23 applied for under this section is in effect. The ~~state seed commissioner~~
24 **cannabis compliance commission** shall file the affidavit under this
25 subsection not later than five (5) days after the ~~state seed commissioner~~
26 **cannabis compliance commission** is notified that the waiver is
27 approved.

28 (d) If the ~~state seed commissioner~~ **cannabis compliance**
29 **commission** receives a waiver permission under this section from all
30 the appropriate federal agencies and the governor receives the affidavit
31 filed under subsection (c), the ~~state seed commissioner~~ **cannabis**
32 **compliance commission** shall implement this chapter, subject to the
33 terms and conditions of the permission or waiver received, not more
34 than sixty (60) days after the governor receives the affidavit.

35 SECTION 15. IC 15-15-13-16, AS ADDED BY P.L.165-2014,
36 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
37 JULY 1, 2019]: Sec. 16. (a) The ~~state seed commissioner~~ **cannabis**
38 **compliance commission** shall pay all fees collected under this chapter
39 to the treasurer of Purdue University.

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



- 1 (1) The employment of inspectors and seed analysts.
 2 (2) Procuring samples.
 3 (3) Printing bulletins giving the results of inspection.
 4 (4) Any other expenses of the Purdue University agricultural
 5 programs authorized by law and for implementing this chapter.
 6 (c) The dean of agriculture of Purdue University shall make and
 7 submit a financial report to the governor in such form as the state board
 8 of accounts requires, showing the total receipts and expenditures of all
 9 fees received under this chapter.
 10 (d) Excess funds from the collection of fees under this chapter are
 11 subject to IC 15-16-2-36.
 12 SECTION 16. IC 15-15-13-17, AS ADDED BY P.L.134-2015,
 13 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 14 JULY 1, 2019]: Sec. 17. (a) The ~~seed commissioner~~ **cannabis**
 15 **compliance commission** may keep the:
 16 (1) names of growers and handlers who are licensed under this
 17 chapter; and
 18 (2) locations of licensed industrial hemp crops;
 19 confidential for purposes of IC 5-14-3.
 20 (b) The ~~seed commissioner~~ **cannabis compliance commission** may
 21 share confidential information under subsection (a) with the state
 22 police department and law enforcement officers.
 23 SECTION 17. IC 15-16-2-36, AS AMENDED BY P.L.141-2018,
 24 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 25 JULY 1, 2019]: Sec. 36. (a) Notwithstanding any other law, all excess
 26 funds accumulated from the fees collected by:
 27 (1) the state chemist, under this chapter, IC 15-15-2, IC 15-16-4,
 28 IC 15-16-5, and IC 15-19-7; ~~and~~
 29 (2) the state seed commissioner under IC 15-15-1 and, **before**
 30 **July 1, 2019**, IC 15-15-13; ~~and~~
 31 **(3) after June 30, 2019, the cannabis compliance commission**
 32 **under IC 15-15-13;**
 33 shall be paid to the treasurer of Purdue University. The funds shall be
 34 administered by the board of trustees of Purdue University.
 35 (b) On approval of the governor and the budget agency, the board
 36 of trustees may spend the excess funds for the construction, operation,
 37 rehabilitation, and repair of buildings, structures, or other facilities
 38 used for:
 39 (1) carrying out the purposes of those chapters referred to in
 40 subsection (a) under which the fees are collected; or
 41 (2) the agricultural programs authorized by law and in support of
 42 the purposes of the chapters referred to in subsection (a).



1 SECTION 18. IC 24-4-21-1, AS ADDED BY P.L.153-2018,
 2 SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 3 JULY 1, 2019]: Sec. 1. The following definitions apply throughout this
 4 chapter:

5 (1) "Certificate of analysis" means a certificate from an
 6 independent testing laboratory describing the results of the
 7 laboratory's testing of a sample.

8 (2) "Independent testing laboratory" means a laboratory:

9 (A) with respect to which no person having a direct or indirect
 10 interest in the laboratory also has a direct or indirect interest
 11 in a facility that:

12 (i) processes, distributes, or sells low THC hemp extract, or
 13 a substantially similar substance in another jurisdiction;

14 (ii) cultivates, processes, distributes, dispenses, or sells
 15 marijuana; or

16 (iii) cultivates, processes, or distributes industrial hemp; and

17 (B) that is accredited as a testing laboratory to International
 18 Organization for Standardization (ISO) 17025 by a third party
 19 accrediting body such as the American Association for
 20 Laboratory Accreditation (A2LA) or Assured Calibration and
 21 Laboratory Accreditation Select Services (ACLASS).

22 (3) "Low THC hemp extract" has the meaning set forth in
 23 IC 35-48-1-17.5.

24 (4) "**Cannabis compliance commission**" means the **cannabis**
 25 **compliance commission established by IC 7.1-8-2-1.**

26 SECTION 19. IC 24-4-21-1.5 IS ADDED TO THE INDIANA
 27 CODE AS A **NEW SECTION** TO READ AS FOLLOWS
 28 [EFFECTIVE JULY 1, 2019]: **Sec. 1.5. (a) The cannabis compliance**
 29 **commission shall administer and enforce this chapter.**

30 **(b) The cannabis compliance commission may:**

31 **(1) conduct inspections, review certifications, inspect**
 32 **packaging, and engage in other enforcement actions to ensure**
 33 **compliance with this chapter; and**

34 **(2) seek injunctions and impose civil penalties to enforce this**
 35 **chapter.**

36 SECTION 20. IC 24-4-21-5, AS ADDED BY P.L.153-2018,
 37 SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 38 JULY 1, 2019]: Sec. 5. **(a)** This section applies after June 30, 2018.

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



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

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

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

7 SECTION 21. IC 24-4-22-1, AS AMENDED BY THE
8 TECHNICAL CORRECTIONS BILL OF THE 2019 GENERAL
9 ASSEMBLY, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
10 JULY 1, 2019]: Sec. 1. ~~The following definitions apply throughout~~ **As**
11 **used in this chapter:**

12 (+) ~~"Certificate of analysis" has the meaning set forth in~~
13 ~~IC 24-4-21-1.~~

14 (2) (1) "low THC hemp extract" has the meaning set forth in
15 IC 35-48-1-17.5; **and**

16 (2) **"cannabis compliance commission" means the cannabis**
17 **compliance commission established by IC 7.1-8-2-1.**

18 SECTION 22. IC 24-4-22-4, AS ADDED BY P.L.153-2018,
19 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
20 JULY 1, 2019]: Sec. 4. (a) This section applies after June 30, 2018.

21 (b) A person who violates section 3 of this chapter commits a Class
22 C infraction. However, the violation is a Class B infraction if the
23 person has one (1) prior unrelated judgment for a violation of section
24 3 of this chapter, and a Class A infraction if the person has two (2) or
25 more prior unrelated judgments for a violation of section 3 of this
26 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 unlawful
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 23. [EFFECTIVE JULY 1, 2019] (a) **On July 1, 2019,**
34 **all powers, duties, agreements, and liabilities of the state seed**
35 **commissioner with respect to industrial hemp are transferred to**
36 **the cannabis compliance commission, as the successor agency.**

37 (b) **On July 1, 2019, all records and property of the state seed**
38 **commissioner relating to industrial hemp, including appropriations**
39 **and other funds under the control or supervision of the state seed**
40 **commissioner that are designated for the industrial hemp program,**
41 **are transferred to the cannabis compliance commission, as the**
42 **successor agency.**



1 (c) After June 30, 2019, any amounts owed to the state seed
2 commissioner before July 1, 2019, in connection with industrial
3 hemp are considered to be owed to the cannabis compliance
4 commission, as the successor agency.

5 (d) After June 30, 2019, a reference to the state seed
6 commissioner in a statute, rule, or other document related to
7 industrial hemp is considered a reference to the cannabis
8 compliance commission, as the successor agency.

9 (e) Proceedings relating to industrial hemp that are pending
10 before the state seed commissioner on July 1, 2019, shall be
11 transferred from the state seed commissioner to the cannabis
12 compliance commission and treated as if initiated by the cannabis
13 compliance commission.

14 (f) A license or permit relating to industrial hemp that is issued
15 by the state seed commissioner before July 1, 2019, shall be treated
16 after June 30, 2019, as a license or permit issued by the cannabis
17 compliance commission.

18 (g) This SECTION expires July 1, 2020.

