



January 29, 2019

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## SENATE BILL No. 516

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DIGEST OF SB 516 (Updated January 24, 2019 3:16 pm - DI 119)

**Citations Affected:** IC 15-11; IC 15-15; IC 24-4; IC 35-48.

**Synopsis:** Regulation of hemp. Establishes the Indiana hemp advisory committee to provide advice to the office of the state seed commissioner and the Indiana state department of agriculture. Amends the definition of "industrial hemp" to conform with the federal definition. Changes references from "industrial hemp" to "hemp". Allows the state seed commissioner to perform a criminal background check of an applicant for a hemp license or agricultural hemp seed production license. Establishes a uniform expiration date for hemp licenses and agricultural hemp seed production licenses. Requires a person who sells agricultural hemp to have a seed distribution permit. Establishes requirements for negligent violations of the hemp law. Requires any civil penalties collected under the hemp law to be transferred to the Indiana state department of agriculture and used for hemp marketing and research purposes. Allows the state seed commissioner to adopt emergency rules to comply with federal requirements. Establishes procedures to apply for approval from the United States Department of Agriculture to receive approval to produce hemp. Requires a person who sells hemp to: (1) be licensed in Indiana and in the jurisdiction in which the hemp was grown; and (2) provide certain information to the buyer. Makes conforming changes.

**Effective:** Upon passage.

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**Head, Doriot, Perfect, Ford J.D.,  
Buck, Glick, Stoops**

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January 14, 2019, read first time and referred to Committee on Commerce and Technology.  
January 28, 2019, amended, reported favorably — Do Pass.

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SB 516—LS 7546/DI 77





January 29, 2019

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. 516

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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 15-11-15 IS ADDED TO THE INDIANA CODE  
2 AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE  
3 UPON PASSAGE]:

4 **Chapter 15. Indiana Hemp Advisory Committee**

5 **Sec. 1. As used in this chapter, "advisory committee" refers to**  
6 **the Indiana hemp advisory committee established by section 5 of**  
7 **this chapter.**

8 **Sec. 2. As used in this chapter, "hemp" has the meaning set**  
9 **forth in IC 15-15-13-6.**

10 **Sec. 3. As used in this chapter, "hemp products" means**  
11 **products derived from, or made by, processing hemp plants or**  
12 **plant parts that are prepared in a form available for sale, including**  
13 **cosmetics, personal care products, food intended for consumption**  
14 **by humans or animals, fiber, fuel, and products that contain one**  
15 **(1) or more cannabidoids. However, the term does not include**  
16 **products that contain a delta-9 tetrahydrocannabinol**  
17 **concentration of more than three-tenths of one percent (0.3%) on**

SB 516—LS 7546/DI 77



1 a dry weight basis.

2 Sec. 4. As used in this chapter, "marketing" means promoting  
3 or selling hemp within Indiana, in another state, or outside of the  
4 United States. The term includes efforts to advertise and gather  
5 information about the needs or preferences of potential consumers  
6 or suppliers.

7 Sec. 5. (a) The Indiana hemp advisory committee is established  
8 for the purpose of providing advice to:

9 (1) the office of the state seed commissioner with respect to  
10 plans, policies, rules, fees, and procedures applicable to the  
11 administration of IC 15-15-13; and

12 (2) the department concerning marketing and promotion of  
13 hemp and hemp products.

14 (b) The advisory committee consists of the following members:

15 (1) The dean of the college of agriculture of Purdue University  
16 or the dean's designee.

17 (2) One (1) member of the largest Indiana organization  
18 representing general farm interests in Indiana, who is  
19 appointed by the secretary for a term of three (3) years.

20 (3) One (1) member of the largest Indiana organization  
21 representing the interests of the hemp seed trade in Indiana,  
22 who is appointed by the state seed commissioner for a term of  
23 three (3) years.

24 (4) One (1) member of the largest Indiana organization  
25 representing the interests of hemp industries in Indiana, who  
26 is appointed by the secretary for a term of three (3) years.

27 (5) One (1) member who cultivates hemp, who is appointed by  
28 the state seed commissioner for a term of three (3) years.

29 (6) One (1) member who processes hemp, who is appointed by  
30 the secretary for a term of three (3) years.

31 (7) One (1) member who represents the hemp retail industry,  
32 who is appointed by the secretary for a term of three (3)  
33 years.

34 (8) The director of the department or the director's designee,  
35 as a nonvoting member.

36 (9) The state seed commissioner, or the state seed  
37 commissioner's designee, as a nonvoting member.

38 (10) The superintendent of the state police department or the  
39 superintendent's designee, as a nonvoting member.

40 (11) The commissioner of the state department of health or  
41 the commissioner's designee, as a nonvoting member.

42 (c) The director or the director's designee shall serve as



1 chairperson.

2 (d) A majority of the voting members of the advisory committee  
3 shall constitute a quorum. The affirmative votes of four (4) voting  
4 members are needed for the advisory committee to take any official  
5 action.

6 (e) The advisory committee shall meet at the call of the  
7 chairperson or the state seed commissioner but not less than one  
8 (1) time annually.

9 (f) A member may be appointed for consecutive terms.

10 (g) An appointing authority may replace a member at any time  
11 during the member's term to serve the remainder of the member's  
12 term.

13 (h) Any group entitled to representation on the advisory  
14 committee may submit nominations to the appointing authority.  
15 The appointing authority shall select the advisory committee  
16 members from the submitted nominations. If nominations are not  
17 submitted, the appointing authority may appoint any person who  
18 meets the requirements for the appointment.

19 Sec. 6. The department shall provide administrative and staff  
20 support for the advisory committee.

21 Sec. 7. (a) Each member of the board who is not a state  
22 employee is entitled to receive both:

23 (1) the minimum salary per diem; and  
24 (2) reimbursement for travel expenses and other expenses  
25 actually incurred in connection with the member's duties;  
26 as provided in the Purdue University travel policies and  
27 procedures established by the Purdue University department of  
28 transportation and approved by the Purdue University vice  
29 president of business services.

30 (b) Each member of the board who is a state employee is entitled  
31 to reimbursement for travel expenses as provided under  
32 IC 4-13-1-4 and other expenses actually incurred in connection  
33 with the member's duties, as provided in the state travel policies  
34 and procedures established by the Indiana department of  
35 administration and approved by the budget agency.

36 SECTION 2. IC 15-15-13-3, AS ADDED BY P.L.165-2014,  
37 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
38 UPON PASSAGE]: Sec. 3. As used in this chapter, "crop" means any  
39 ~~industrial~~ hemp grown under a single license.

40 SECTION 3. IC 15-15-13-4, AS ADDED BY P.L.165-2014,  
41 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
42 UPON PASSAGE]: Sec. 4. As used in this chapter, "grower" means:



1 (1) an individual, a partnership, a company, or a corporation that  
2 produces ~~industrial~~ hemp for commercial purposes; or

3 (2) a person, as part of an ~~industrial~~ a hemp research program  
4 conducted by a state educational institution (as defined by  
5 IC 21-7-13-32).

6 SECTION 4. IC 15-15-13-5, AS ADDED BY P.L.165-2014,  
7 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
8 UPON PASSAGE]: Sec. 5. As used in this chapter, "handler" means an  
9 individual, a partnership, a company, or a corporation that receives  
10 ~~industrial~~ hemp for scientific research, or for processing into  
11 commodities, products, or agricultural hemp seed.

12 SECTION 5. IC 15-15-13-6, AS ADDED BY P.L.165-2014,  
13 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
14 UPON PASSAGE]: Sec. 6. As used in this chapter, "~~industrial~~ "hemp"  
15 means

16 ~~(1) all nonseed parts and varieties of the plant Cannabis sativa~~  
17 ~~plant; L. and any part of that plant, including the seeds thereof~~  
18 ~~and all derivatives, extracts, cannabinoids, isomers, acids,~~  
19 ~~salts, and salts of isomers, whether growing or not, that contain~~  
20 ~~a crop wide average tetrahydrocannabinol (THC) concentration~~  
21 ~~that does not exceed the lesser of:~~

22 ~~(A) with a delta-9 tetrahydrocannabinol concentration of~~  
23 ~~not more than three-tenths of one percent (0.3%) on a dry~~  
24 ~~weight basis. or~~

25 ~~(B) the percent based on a dry weight basis determined by the~~  
26 ~~federal Controlled Substances Act (21 U.S.C. 801 et seq.); or~~

27 ~~(2) any Cannabis sativa seed that is:~~

28 ~~(A) part of a growing crop;~~

29 ~~(B) retained by a grower for future planting; or~~

30 ~~(C) for processing into, or use as, agricultural hemp seed.~~

31 ~~The term does not include industrial hemp commodities or products.~~

32 SECTION 6. IC 15-15-13-7, AS ADDED BY P.L.165-2014,  
33 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
34 UPON PASSAGE]: Sec. 7. (a) Subject to section 15 of this chapter, the  
35 production of, possession of, scientific study of, and commerce in  
36 ~~industrial~~ hemp is authorized in Indiana. ~~Industrial~~ Hemp is an  
37 ~~agricultural product~~ that is subject to regulation by the state seed  
38 commissioner. The state seed commissioner shall adopt rules to  
39 oversee the licensing, production, and management of:

40 (1) ~~industrial~~ hemp; and

41 (2) agricultural hemp seed.

42 to ensure integrity of audits and security of field sites of each



1 commodity.

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

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

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

9 (2) The name and address of the ~~industrial~~ hemp operation of the  
10 applicant.

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

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

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

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

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

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

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

38 SECTION 7. IC 15-15-13-8, AS ADDED BY P.L.165-2014,  
39 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
40 UPON PASSAGE]: Sec. 8. (a) Each license application received under  
41 this chapter must be processed as follows:

42 (1) Upon receipt of a license application, the state seed



- 1 commissioner shall **do one (1) of the following:**
- 2 **(A)** Forward a copy of the application to the state police  
3 department. The state police department shall do the  
4 following:
- 5 ~~(A)~~ **(i)** Perform a state or national criminal history  
6 background check of the applicant.
- 7 ~~(B)~~ **(ii)** Determine if the requirements under section 7(c)(5)  
8 of this chapter concerning prior criminal convictions have  
9 been met.
- 10 ~~(C)~~ **(iii)** Return the application to the state seed  
11 commissioner along with the state police department's  
12 determinations and a copy of the state or national criminal  
13 history background check.
- 14 **(B) The state seed commissioner shall do the following:**
- 15 **(i) Perform a state or national criminal history**  
16 **background check of the applicant under the same**  
17 **standards as the state police department would perform.**
- 18 **(ii) Determine if the requirements under section 7(c)(5)**  
19 **of this chapter concerning prior criminal convictions**  
20 **have been met.**
- 21 (2) The state seed commissioner shall review the license  
22 application ~~returned from the state police department.~~ **and the**  
23 **criminal history background check.**
- 24 (b) If the state seed commissioner determines that all the  
25 requirements under this chapter have been met and that a license  
26 should be granted to the applicant, the state seed commissioner shall  
27 approve the application for issuance of a license.
- 28 (c) ~~An industrial A~~ **A** hemp license or agricultural hemp seed  
29 production license ~~is valid for a one (1) year term expires on~~  
30 **December 31 of the year for which the license was issued,** unless  
31 revoked. ~~An industrial A~~ **A** hemp license or agricultural hemp seed  
32 production license may be renewed in accordance with rules adopted  
33 by the state seed commissioner and is nontransferable.
- 34 SECTION 8. IC 15-15-13-9, AS AMENDED BY P.L.139-2016,  
35 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
36 UPON PASSAGE]: Sec. 9. (a) An agricultural hemp seed production  
37 license issued under this chapter authorizes a grower or handler to  
38 produce and handle agricultural hemp seed for sale to licensed  
39 ~~industrial~~ hemp growers and handlers. A seller of agricultural hemp  
40 seed shall ensure that the seed complies with any standards set by the  
41 state seed commissioner. The state seed commissioner shall make  
42 available to growers information that identifies sellers of agricultural





1 hemp seed.

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

4 ~~(b)~~ **(c)** All growers and handlers must keep records in accordance  
 5 with rules adopted by the state seed commissioner. Upon at least three  
 6 (3) days notice, the state seed commissioner may audit the required  
 7 records during normal business hours. The state seed commissioner  
 8 may conduct an audit for the purpose of ensuring compliance with:

- 9 (1) this chapter;  
 10 (2) rules adopted by the state seed commissioner; or  
 11 (3) ~~industrial~~ hemp license or agricultural hemp seed production  
 12 license requirements, terms, and conditions.

13 ~~(c)~~ **(d)** In addition to an audit conducted in accordance with  
 14 subsection (b), the state seed commissioner may inspect independently,  
 15 or in cooperation with the state police department, a federal law  
 16 enforcement agency, or a local law enforcement agency, any ~~industrial~~  
 17 hemp crop during the crop's growth phase and take a representative  
 18 composite sample for field analysis. If a crop contains an average  
 19 **delta-9** tetrahydrocannabinol (THC) concentration exceeding the lesser  
 20 of:

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

24 the state seed commissioner may detain, seize, or embargo the crop.

25 SECTION 9. IC 15-15-13-11, AS ADDED BY P.L.165-2014,  
 26 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 27 UPON PASSAGE]: Sec. 11. Only an ~~an industrial~~ a hemp licensee, the  
 28 licensee's designee, or the licensee's agents may be permitted to  
 29 transport ~~industrial~~ hemp off a production site. When transporting  
 30 ~~industrial~~ hemp off the production site, the ~~industrial~~ hemp licensee,  
 31 designee, or agent shall have in the licensee's, designee's, or agent's  
 32 possession the licensing documents from the state seed commissioner  
 33 evidencing that the ~~industrial~~ hemp is from certified seed produced by  
 34 a licensed grower.

35 SECTION 10. IC 15-15-13-12, AS ADDED BY P.L.165-2014,  
 36 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 37 UPON PASSAGE]: Sec. 12. The state seed commissioner is  
 38 responsible for the following:

- 39 (1) Monitoring the ~~industrial~~ hemp grown by any license holder.  
 40 (2) Conducting random testing of the ~~industrial~~ hemp for  
 41 compliance with tetrahydrocannabinol (THC) levels.  
 42 (3) Establishing necessary testing criteria and protocols,



1 **including a procedure for testing, using post decarboxylation**  
 2 **or other similarly reliable methods, delta-9**  
 3 **tetrahydrocannabinol concentration levels of the hemp**  
 4 **produced.**

5 (4) Establishing the minimum number of acres to be planted  
 6 under each license issued under this chapter.

7 **(5) Regulating any propagative material of a hemp plant.**

8 SECTION 11. IC 15-15-13-13, AS ADDED BY P.L.165-2014,  
 9 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 10 UPON PASSAGE]: Sec. 13. (a) **Subject to section 13.5 of this**  
 11 **chapter**, in addition to any other liability or penalty provided by law,  
 12 the state seed commissioner may revoke or refuse to issue or renew an  
 13 ~~industrial~~ hemp license or an agricultural hemp seed production license  
 14 and may impose a civil penalty for a violation of:

15 (1) a license requirement;

16 (2) license terms or conditions; or

17 (3) a rule relating to growing or handling ~~industrial~~ hemp.

18 (b) The state seed commissioner may not impose a civil penalty  
 19 under this section that exceeds two thousand five hundred dollars  
 20 (\$2,500).

21 (c) The state seed commissioner may revoke or refuse to issue or  
 22 renew an ~~industrial~~ hemp license or an agricultural hemp seed  
 23 production license for a violation of any rule of the state seed  
 24 commissioner that pertains to agricultural operations or activities other  
 25 than ~~industrial~~ hemp growing or handling.

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

29 SECTION 12. IC 15-15-13-13.5 IS ADDED TO THE INDIANA  
 30 CODE AS A NEW SECTION TO READ AS FOLLOWS  
 31 [EFFECTIVE UPON PASSAGE]: **Sec. 13.5. (a) Except as provided**  
 32 **in subsection (b), the state seed commissioner shall give a person**  
 33 **who negligently violates this section a reasonable time, determined**  
 34 **by the state seed commissioner, to correct the violation without**  
 35 **imposing a penalty. However, the state seed commissioner may**  
 36 **require the person who committed the violation to comply with a**  
 37 **corrective action plan determined by the state seed commissioner**  
 38 **and report to the state seed commissioner on compliance with the**  
 39 **corrective action plan.**

40 (b) A person who commits a negligent violation of this section  
 41 three (3) times in a five (5) year period shall immediately be  
 42 ineligible to produce hemp for five (5) years.



1           (c) If the state seed commissioner believes that a person has  
2 knowingly or intentionally violated this chapter, the state seed  
3 commissioner shall notify the superintendent of the state police  
4 department and the attorney general of the violation.

5           SECTION 13. IC 15-15-13-14, AS ADDED BY P.L.165-2014,  
6 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
7 UPON PASSAGE]: Sec. 14. (a) The state seed commissioner shall  
8 adopt rules under IC 4-22-2 to implement and administer this chapter.

9           (b) The state seed commissioner may adopt emergency rules in  
10 the manner provided under IC 4-22-2-37.1 to comply with any  
11 federal requirement under the Agriculture Improvement Act of  
12 2018 to implement and administer this chapter. This subsection  
13 expires December 31, 2021.

14           SECTION 14. IC 15-15-13-15, AS ADDED BY P.L.165-2014,  
15 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
16 UPON PASSAGE]: Sec. 15. (a) Notwithstanding any other law, the  
17 state seed commissioner may not grant any license until the state seed  
18 commissioner has secured any necessary permissions, waivers, or other  
19 form of legal status by the United States Drug Enforcement Agency or  
20 other appropriate federal agency concerning industrial hemp.

21           (b) Before July 1, 2019, the state seed commissioner, shall apply  
22 for any necessary permissions, waivers, or other forms of legal status  
23 by the United States Drug Enforcement Agency or other appropriate  
24 federal agency that are necessary to implement this chapter before  
25 January 1, 2015. after consultation with the governor, the director  
26 of the Indiana state department of agriculture, and the  
27 superintendent of the state police department, shall submit a plan  
28 that monitors and regulates the production of hemp to the United  
29 States Department of Agriculture. If the United States Department  
30 of Agriculture disapproves the plan, the state seed commissioner  
31 shall submit an amended plan to the United States Department of  
32 Agriculture.

33           (c) The state seed commissioner may not implement a waiver under  
34 this section until the state seed commissioner files an affidavit with the  
35 governor attesting that the federal permission or waiver applied for  
36 under this section is in effect. The state seed commissioner shall file  
37 the affidavit under this subsection not later than five (5) days after the  
38 state seed commissioner is notified that the waiver is approved.

39           (d) If the state seed commissioner receives a waiver permission  
40 under this section from all the appropriate federal agencies and the  
41 governor receives the affidavit filed under subsection (c), the state seed  
42 commissioner shall implement this chapter, subject to the terms and



1 conditions of the permission or waiver received, not more than sixty  
2 (60) days after the governor receives the affidavit.

3 SECTION 15. IC 15-15-13-17, AS ADDED BY P.L.134-2015,  
4 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
5 UPON PASSAGE]: Sec. 17. (a) The seed commissioner may keep the:

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

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

10 (b) The seed commissioner may share confidential information  
11 under subsection (a) with the state police department and law  
12 enforcement officers.

13 SECTION 16. IC 15-15-13-18 IS ADDED TO THE INDIANA  
14 CODE AS A NEW SECTION TO READ AS FOLLOWS  
15 [EFFECTIVE UPON PASSAGE]: **Sec. 18. (a) A person who sells  
16 hemp in Indiana:**

17 **(1) must be licensed in Indiana and in the jurisdiction where  
18 the hemp was grown; and**

19 **(2) provide the buyer with a receipt that contains the seller's  
20 name, place of business, and license number and quantity of  
21 hemp sold.**

22 **(b) A person who buys hemp in Indiana must retain the receipt  
23 described in subsection (a)(2) for a period of two (2) years.**

24 SECTION 17. IC 24-4-21-1, AS ADDED BY P.L.153-2018,  
25 SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
26 UPON PASSAGE]: Sec. 1. The following definitions apply throughout  
27 this chapter:

28 (1) "Certificate of analysis" means a certificate from an  
29 independent testing laboratory describing the results of the  
30 laboratory's testing of a sample.

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

32 (A) with respect to which no person having a direct or indirect  
33 interest in the laboratory also has a direct or indirect interest  
34 in a facility that:

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

37 (ii) cultivates, processes, distributes, dispenses, or sells  
38 marijuana; or

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

40 (B) that is accredited as a testing laboratory to International  
41 Organization for Standardization (ISO) 17025 by a third party  
42 accrediting body such as the American Association for



1 Laboratory Accreditation (A2LA) or Assured Calibration and  
 2 Laboratory Accreditation Select Services (ACCLASS).  
 3 (3) "Low THC hemp extract" has the meaning set forth in  
 4 IC 35-48-1-17.5.  
 5 SECTION 18. IC 35-48-1-17.5, AS ADDED BY P.L.153-2018,  
 6 SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 7 UPON PASSAGE]: Sec. 17.5. "Low THC hemp extract" means a  
 8 substance or compound that:  
 9 (1) is derived from or contains any part of the plant Cannabis  
 10 sativa L. that meets the definition of ~~industrial~~ hemp under  
 11 IC 15-15-13-6;  
 12 (2) contains not more than three-tenths percent (0.3%) total  
 13 delta-9-tetrahydrocannabinol (THC), including precursors, by  
 14 weight; and  
 15 (3) contains no other controlled substances.  
 16 SECTION 19. IC 35-48-1-19, AS AMENDED BY P.L.153-2018,  
 17 SECTION 22, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 18 UPON PASSAGE]: Sec. 19. (a) "Marijuana" means any part of the  
 19 plant genus Cannabis whether growing or not; the seeds thereof; the  
 20 resin extracted from any part of the plant, including hashish and hash  
 21 oil; any compound, manufacture, salt, derivative, mixture, or  
 22 preparation of the plant, its seeds or resin.  
 23 (b) The term does not include:  
 24 (1) the mature stalks of the plant;  
 25 (2) fiber produced from the stalks;  
 26 (3) oil or cake made from the seeds of the plant;  
 27 (4) any other compound, manufacture, salt, derivative, mixture,  
 28 or preparation of the mature stalks (except the resin extracted  
 29 therefrom);  
 30 (5) the sterilized seed of the plant which is incapable of  
 31 germination;  
 32 (6) ~~industrial~~ hemp (as defined by IC 15-15-13-6); or  
 33 (7) low THC hemp extract.  
 34 SECTION 20. **An emergency is declared for this act.**



## COMMITTEE REPORT

Madam President: The Senate Committee on Commerce and Technology, to which was referred Senate Bill No. 516, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 2, line 27, delete "or processes".

Page 2, line 30, delete "manufactures products using" and insert "**processes**".

Page 4, line 38, strike "is an".

Page 4, line 39, strike "agricultural product that".

Page 5, line 1, delete "seed;" and insert "seed."

Page 5, strike lines 2 through 3.

Page 5, delete lines 40 through 42.

Page 6, delete lines 1 through 24, begin a new paragraph and insert:  
 "SECTION 7. IC 15-15-13-8, AS ADDED BY P.L.165-2014, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 8. (a) Each license application received under this chapter must be processed as follows:

(1) Upon receipt of a license application, the state seed commissioner shall **do one (1) of the following:**

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

~~(A)~~ **(i)** Perform a state or national criminal history background check of the applicant.

~~(B)~~ **(ii)** Determine if the requirements under section 7(c)(5) of this chapter concerning prior criminal convictions have been met.

~~(C)~~ **(iii)** Return the application to the state seed commissioner along with the state police department's determinations and a copy of the state or national criminal history background check.

**(B)** The state seed commissioner shall do the following:

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

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

(2) The state seed commissioner shall review the license



application returned from the state police department: and the criminal history background check.

(b) If the state seed commissioner 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 shall approve the application for issuance of a license.

(c) ~~An industrial A~~ hemp license or agricultural hemp seed production license is valid for a one (1) year term expires on December 31 of the year for which the license was issued, unless revoked. ~~An industrial A~~ hemp license or agricultural hemp seed production license may be renewed in accordance with rules adopted by the state seed commissioner and is nontransferable."

Page 6, between lines 34 and 35, begin a new paragraph and insert:

**"(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."**

Page 6, line 35, strike "(b)" and insert "(c)".

Page 7, line 2, strike "(c)" and insert "(d)".

Page 7, line 7, after "average" insert "delta-9".

Page 7, line 8, strike "the lesser of:".

Page 7, line 9, strike "(1)".

Page 7, line 9, delete "basis;" and insert "basis,".

Page 7, line 9, strike "or".

Page 7, strike lines 10 through 11.

Page 9, line 13, delete "governor" and insert **"governor, the director of the Indiana state department of agriculture,"**.

Page 10, line 4, delete "or" and insert **"and"**.

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to SB 516 as introduced.)

PERFECT, Chairperson

Committee Vote: Yeas 8, Nays 3.

