



April 5, 2019

ENGROSSED SENATE BILL No. 516

DIGEST OF SB 516 (Updated April 4, 2019 11:19 am - DI 77)

Citations Affected: IC 15-11; IC 15-15; IC 24-4; IC 34-30; IC 35-48; IC 35-52.

Synopsis: Regulation of hemp. Establishes the Indiana hemp advisory committee to provide advice to the office of the state seed commissioner regarding Indiana's hemp laws. Prohibits the state seed commissioner (commissioner) from regulating a hemp commodity or product. Changes references from "industrial hemp" to "hemp" and amends the definition of hemp to conform with the federal definition. Allows for aerial inspection of hemp crops. Removes the limitation on the number of inspections that the state police department may conduct on a licensed hemp operation. Allows the 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. Provides that: (1) the commissioner
(Continued next page)

Effective: Upon passage; July 1, 2019.

**Head, Doriot, Perfect, Ford J.D.,
Buck, Glick, Stoops, Spartz,
Randolph Lonnie M, Bohacek, Raatz**
(HOUSE SPONSORS — EBERHART, KARICKHOFF, MANNING,
KLINKER)

January 14, 2019, read first time and referred to Committee on Commerce and Technology.
January 28, 2019, amended, reported favorably — Do Pass.
February 21, 2019, read second time, amended, ordered engrossed.
February 22, 2019, engrossed.
February 25, 2019, read third time, passed. Yeas 47, nays 1.

HOUSE ACTION

March 5, 2019, read first time and referred to Committee on Agriculture and Rural Development.
April 4, 2019, amended, reported — Do Pass.

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may revoke the hemp license of a licensee who fails to cooperate with the commissioner, the state police, a federal law enforcement agency, or a local law enforcement agency in an inspection of the licensee's crop; and (2) the failure to cooperate constitutes probable cause for the commissioner, state police, federal law enforcement agency, or local law enforcement agency to search the premises of the licensee's hemp operation. Provides that if the state police department, a federal law enforcement agency, or a local law enforcement agency cooperates with the commissioner in the detention, seizure, or embargo of a hemp crop, the state police department, federal law enforcement agency, or local law enforcement agency is immune from civil liability for the detention, seizure, or embargo. Provides that a hemp grower shall reimburse the commissioner for the cost of testing conducted on the grower's crop. Allows the commissioner to order a hemp crop that is detained, seized, or embargoed for noncompliance to be destroyed by the owner. Subject to federal law, allows the commissioner to divert for processing a hemp crop that is detained, seized, or embargoed. Establishes requirements for a licensed handler to distribute clones and other nonseed propagative material. Provides that the commissioner may enter into agreements with laboratories selected by the Indiana state police department to perform testing of hemp samples. 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. Provides that in addition to payment of any civil penalty imposed by the commissioner, a person who violates certain requirements shall reimburse the commissioner for any costs incurred by the commissioner for laboratory testing of material pertaining to the violation. Allows negligent violations of the hemp law to be corrected without a penalty. Allows the commissioner to adopt emergency rules to comply with federal requirements. Establishes procedures by which the commissioner shall apply to the United States Department of Agriculture for approval of Indiana's hemp regulation. Requires a person who sells hemp to: (1) be licensed in Indiana and in the jurisdiction in which the hemp is grown; and (2) provide certain information to the buyer. Provides that hemp bud and hemp flower may be sold only to a licensed hemp processor and that the commissioner may assess a civil penalty of not more than \$2,500 for a violation. Provides that a person who knowingly or intentionally violates: (1) a term, condition, or requirement of a hemp license; or (2) a rule adopted under the hemp law; is subject to a civil penalty and possible license revocation. Provides that growing or handling hemp or selling hemp seed without a license is a Class A misdemeanor. Prohibits a local government unit from adopting or enforcing an ordinance that restricts or regulates the growth, production, or processing of hemp. Provides that the cannabinoid percent present in low THC hemp extract be certified. Provides that: (1) dealing in smokable hemp is a Class A misdemeanor; and (2) possession of smokable hemp is a Class C misdemeanor. Specifies that financial institutions are not subject to certain crimes concerning financing the manufacture or distribution of smokable hemp. Provides that civil penalties collected under the controlled substance laws shall be first used to reimburse the commissioner for any expenses incurred by the commissioner for laboratory testing of material pertaining to the violation, with the remainder deposited in the state general fund. Makes conforming changes. Removes expired provisions.



April 5, 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.

ENGROSSED SENATE BILL No. 516

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 3 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. (a) The Indiana hemp advisory committee is established**
11 **for the purpose of providing advice to the office of the state seed**
12 **commissioner with respect to plans, policies, rules, fees, and**
13 **procedures applicable to the administration of IC 15-15-13.**

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

15 **(1) The director of the department or the director's designee.**

16 **(2) The state seed commissioner or the state seed**
17 **commissioner's designee.**

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- 1 **(3) The superintendent of the state police department or the**
 2 **superintendent's designee.**
 3 **(4) The commissioner of the state department of health or the**
 4 **commissioner's designee.**
 5 **(5) The chairman of the alcohol and tobacco commission or**
 6 **the chairman's designee.**
 7 **(6) One (1) individual who is an elected sheriff who is**
 8 **appointed by the governor.**
 9 **(7) One (1) individual who is a member of the Midwest Hemp**
 10 **Council who is appointed by the governor.**
 11 **(8) One (1) individual who has experience in hemp crop**
 12 **production who is appointed by the president of the Indiana**
 13 **Farm Bureau, Inc.**
 14 **(9) One (1) individual who has experience in hemp production**
 15 **who is appointed by the president of Agribusiness Council of**
 16 **Indiana.**
 17 **(10) One (1) individual who is a seed distributor with an active**
 18 **permit under IC 15-15-1-34 and who sells agricultural hemp**
 19 **seed who is appointed by the president of Indiana Crop**
 20 **Improvement Association.**
 21 **(11) The director of the department of financial institutions or**
 22 **the director's designee.**
 23 **(c) The state seed commissioner is the chairperson of the**
 24 **advisory committee and is a nonvoting member.**
 25 **(d) A member appointed to the advisory committee shall serve**
 26 **for a term of three (3) years.**
 27 **(e) The advisory committee shall meet at the call of the**
 28 **chairperson but not less than one (1) time annually.**
 29 **(f) A member may be appointed for consecutive terms.**
 30 **(g) An appointing authority may replace a member at any time**
 31 **during the member's term to serve the remainder of the member's**
 32 **term.**
 33 **Sec. 4. The department shall provide administrative and staff**
 34 **support for the advisory committee.**
 35 **Sec. 5. (a) Each member of the board who is not a state**
 36 **employee is entitled to receive both:**
 37 **(1) the minimum salary per diem; and**
 38 **(2) reimbursement for travel expenses and other expenses**
 39 **actually incurred in connection with the member's duties;**
 40 **as provided in the Purdue University travel policies and**
 41 **procedures established by the Purdue University department of**
 42 **transportation and approved by the Purdue University vice**



1 president of business services.

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

8 Sec. 6. The advisory committee shall hold a public meeting to
9 discuss and receive public comment regarding the plan described
10 in IC 15-15-13-15 before the plan is submitted to the United States
11 Department of Agriculture under IC 15-15-13-15.

12 SECTION 2. IC 15-15-13-1, AS ADDED BY P.L.165-2014,
13 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
14 UPON PASSAGE]: Sec. 1. (a) Nothing in this chapter authorizes any
15 person to violate any federal law or regulation.

16 (b) Nothing in this chapter authorizes the state seed
17 commissioner to regulate a hemp commodity or product.

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

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

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

27 (2) a person, as part of an industrial hemp research program
28 conducted by a state educational institution (as defined by
29 IC 21-7-13-32).

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

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

40 (†) all nonseed parts and varieties of the plant *Cannabis sativa*
41 plant, L. and any part of that plant, including the seeds thereof
42 and all derivatives, extracts, cannabinoids, isomers, acids,



1 **salts, and salts of isomers**, whether growing or not, ~~that contain~~
 2 ~~a crop wide average tetrahydrocannabinol (THC) concentration~~
 3 ~~that does not exceed the lesser of:~~

4 (A) **with a delta-9-tetrahydrocannabinol concentration of**
 5 **not more than** three-tenths of one percent (0.3%)
 6 on a dry weight basis, **for any part of the Cannabis sativa L.**
 7 **plant. or**

8 (B) ~~the percent based on a dry weight basis determined by the~~
 9 ~~federal Controlled Substances Act (21 U.S.C. 801 et seq.); or~~
 10 (2) any Cannabis sativa seed that is:

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

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

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

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

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

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

24 (2) agricultural hemp seed.

25 ~~to ensure integrity of audits and security of field sites of each~~
 26 ~~commodity.~~

27 (b) All growers and handlers must have ~~an industrial a~~ hemp license
 28 issued by the state seed commissioner. Growers and handlers engaged
 29 in the production of agricultural hemp seed must also have an
 30 agricultural hemp seed production license.

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

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

34 (2) The name and address of the ~~industrial~~ hemp operation of the
 35 applicant.

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

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

41 (5) A statement signed by the applicant, under penalty of perjury,
 42 that the person applying for the ~~industrial~~ hemp license or



- 1 agricultural hemp seed production license has not been convicted
 2 of a drug related felony or misdemeanor in the previous ten (10)
 3 years.
- 4 (6) A written consent allowing the state police department to
 5 conduct a state or national criminal history background check.
- 6 (7) A written consent allowing the state police department, **the**
 7 **state seed commissioner, or the state seed commissioner's**
 8 **authorized representative**, if a license is issued to the applicant,
 9 **to conduct aerial inspections and** to enter the premises on which
 10 the ~~industrial~~ hemp is grown to conduct physical inspections of
 11 ~~industrial~~ hemp planted and grown by the applicant, and to ensure
 12 the plants meet the definition of ~~industrial~~ hemp as set forth in
 13 section 6 of this chapter. ~~Not more than two (2) physical~~
 14 ~~inspections may be conducted under this subdivision per year;~~
 15 ~~unless a valid search warrant for an inspection has been issued by~~
 16 ~~a court of competent jurisdiction.~~
- 17 (8) A nonrefundable application fee, which must include the
 18 amount necessary to conduct a state or national criminal history
 19 background check, in an amount determined by the state seed
 20 commissioner.
- 21 (9) Any other information required by the state seed
 22 commissioner.
- 23 SECTION 8. IC 15-15-13-8, AS ADDED BY P.L.165-2014,
 24 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 25 UPON PASSAGE]: Sec. 8. (a) Each license application received under
 26 this chapter must be processed as follows:
- 27 (1) Upon receipt of a license application, the state seed
 28 commissioner shall **do one (1) of the following**:
- 29 (A) Forward a copy of the application to the state police
 30 department. The state police department shall do the
 31 following:
- 32 (A) (i) Perform a state or national criminal history
 33 background check of the applicant.
- 34 (B) (ii) Determine if the requirements under section 7(c)(5)
 35 of this chapter concerning prior criminal convictions have
 36 been met.
- 37 (C) (iii) Return the application to the state seed
 38 commissioner along with the state police department's
 39 determinations and a copy of the state or national criminal
 40 history background check.
- 41 (B) **The state seed commissioner shall do the following:**
- 42 (i) **Perform a state or national criminal history**



1 **background check of the applicant under the same**
 2 **standards as the state police department would perform.**
 3 **(ii) Determine if the requirements under section 7(c)(5)**
 4 **of this chapter concerning prior criminal convictions**
 5 **have been met.**

6 (2) The state seed commissioner shall review the license
 7 application ~~returned from the state police department.~~ **and the**
 8 **criminal history background check.**

9 (b) If the state seed commissioner determines that all the
 10 requirements under this chapter have been met and that a license
 11 should be granted to the applicant, the state seed commissioner shall
 12 approve the application for issuance of a license.

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

19 SECTION 9. IC 15-15-13-9, AS AMENDED BY P.L.139-2016,
 20 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 21 UPON PASSAGE]: Sec. 9. (a) An agricultural hemp seed production
 22 license issued under this chapter authorizes a grower or handler to
 23 produce and handle agricultural hemp seed for sale to licensed
 24 ~~industrial~~ hemp growers and handlers. A seller of agricultural hemp
 25 seed shall ensure that the seed complies with any standards set by the
 26 state seed commissioner. The state seed commissioner shall make
 27 available to growers information that identifies sellers of agricultural
 28 hemp seed.

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

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

- 36 (1) this chapter;
 37 (2) rules adopted by the state seed commissioner; or
 38 (3) ~~industrial~~ hemp license or agricultural hemp seed production
 39 license requirements, terms, and conditions.

40 ~~(c)~~ (d) In addition to an audit conducted in accordance with
 41 subsection ~~(b)~~; (c), the state seed commissioner may inspect
 42 independently, or in cooperation with the state police department, a



1 federal law enforcement agency, or a local law enforcement agency,
 2 any industrial hemp crop during the crop's growth phase and take a
 3 representative composite sample for field analysis. If a crop contains
 4 an average ~~tetrahydrocannabinol~~ **delta-9-tetrahydrocannabinol**
 5 (THC) concentration exceeding the lesser of:

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

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

10 (e) **The state seed commissioner may revoke a license issued**
 11 **under this chapter to a person that fails to cooperate with:**

- 12 (1) the state seed commissioner;
- 13 (2) the state police;
- 14 (3) a federal law enforcement agency; or
- 15 (4) a local law enforcement agency;

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

17 (f) **A failure to cooperate described in subsection (e) constitutes**
 18 **probable cause for the state seed commissioner, state police,**
 19 **federal law enforcement agency, or local law enforcement agency**
 20 **to search the premises of the licensee's hemp operation.**

21 (g) **If the state police department, a federal law enforcement**
 22 **agency, or a local law enforcement agency cooperates with the**
 23 **state seed commissioner in the detention, seizure, or embargo of a**
 24 **crop under this section:**

- 25 (1) the state police department, federal law enforcement
- 26 agency, or local law enforcement agency; and
- 27 (2) any officer or employee of the state police department,
- 28 federal law enforcement agency, or local law enforcement
- 29 agency who is involved in the detention, seizure, or embargo;

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

32 (h) **The state seed commissioner may order a hemp crop that is**
 33 **detained, seized, or embargoed for noncompliance with this**
 34 **chapter to be destroyed by the owner. However, except as**
 35 **prohibited by federal law, the grower may appeal to the state seed**
 36 **commissioner for the hemp crop to be diverted to a willing licensed**
 37 **processor for processing and sale for industrial use. A hemp crop**
 38 **that is detained, seized, or embargoed may not be used for**
 39 **cannabidiol, other extracts, oil, food, or cosmetic products that are**
 40 **used for humans or animals.**

41 (i) **A grower shall reimburse the state seed commissioner for the**
 42 **cost of testing conducted on the grower's crop under this section.**



1 SECTION 10. IC 15-15-13-9.5 IS ADDED TO THE INDIANA
 2 CODE AS A NEW SECTION TO READ AS FOLLOWS
 3 [EFFECTIVE UPON PASSAGE]: **Sec. 9.5. (a) A person who is a**
 4 **handler licensed under this section may distribute clones and other**
 5 **nonseed propagative materials of a hemp plant using the person's**
 6 **own labeling, if the distributor does the following:**

- 7 (1) **Complies with the requirements of this chapter.**
- 8 (2) **Reports the variety and quantity of each variety of the**
 9 **propagative material of plant sold.**
- 10 (3) **Pays the inspection fee on the basis of the report.**
- 11 (4) **Labels the propagative material with the information**
 12 **required by the state seed commissioner.**
- 13 (5) **Keeps records to accurately determine the named varieties**
 14 **and the number of plants of each variety distributed.**
- 15 (6) **Grants the state seed commissioner or the state seed**
 16 **commissioner's authorized representative access to examine**
 17 **the handler's records and verify the quantity and each variety**
 18 **of propagative material distributed.**
- 19 (7) **Report, under oath, to the state seed commissioner on**
 20 **forms furnished by the state seed commissioner each variety**
 21 **and quantity of propagative material sold during each**
 22 **semiannual period.**
- 23 (8) **Any other information or conditions stated in the**
 24 **application.**

25 (b) **The state seed commissioner may revoke a handler's license**
 26 **if the commissioner determines any of the following:**

- 27 (1) **That the licensee has not complied with the requirements**
 28 **under this chapter.**
- 29 (2) **The report required in subsection (a) has not been**
 30 **submitted and is more than ten (10) days late.**
- 31 (3) **The report required in subsection (a) contained false**
 32 **information.**
- 33 (4) **The labeling requirements under this chapter have not**
 34 **been met.**

35 (c) **If the inspection fee has not been paid and is more than ten**
 36 **(10) days late, the state seed commissioner shall assess a late fee.**

37 (d) **Each year the:**

- 38 (1) **report required under subsection (a)(7); and**
- 39 (2) **inspection fees required under this chapter;**

40 **for the period beginning on January 1 and ending on June 30 and**
 41 **for the period beginning on July 1 and ending on December 31 are**
 42 **due not more than thirty (30) days after the end of the semiannual**



- 1 **period.**
- 2 SECTION 11. IC 15-15-13-11, AS ADDED BY P.L.165-2014,
 3 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 4 UPON PASSAGE]: Sec. 11. Only ~~an industrial~~ a hemp licensee, the
 5 licensee's designee, or the licensee's agents may be permitted to
 6 transport ~~industrial~~ hemp off a production site. When transporting
 7 ~~industrial~~ hemp off the production site, the ~~industrial~~ hemp licensee,
 8 designee, or agent shall have in the licensee's, designee's, or agent's
 9 possession the licensing documents from the state seed commissioner
 10 evidencing that the ~~industrial~~ hemp is from certified seed produced by
 11 a licensed grower.
- 12 SECTION 12. IC 15-15-13-12, AS ADDED BY P.L.165-2014,
 13 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 14 UPON PASSAGE]: Sec. 12. The state seed commissioner is
 15 responsible for the following:
- 16 (1) Monitoring the ~~industrial~~ hemp grown by any license holder.
 - 17 (2) Conducting random testing of the ~~industrial~~ hemp for
 18 compliance with tetrahydrocannabinol (THC) levels. **The state**
 19 **seed commissioner may enter into agreements with one (1) or**
 20 **more laboratories selected by the Indiana state police**
 21 **department to perform testing under this subdivision.**
 - 22 (3) Establishing necessary testing criteria and protocols,
 23 **including a procedure for testing, using post decarboxylation**
 24 **or other similarly reliable methods, delta-9-tetrahydrocannabinol concentration levels of the**
 25 **hemp produced.**
 - 26 (4) Establishing the minimum number of acres to be planted
 27 under each license issued under this chapter.
 - 28 **(5) Regulating any propagative material of a hemp plant.**
- 29 SECTION 13. IC 15-15-13-13, AS ADDED BY P.L.165-2014,
 30 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 31 UPON PASSAGE]: Sec. 13. (a) **Subject to section 13.5 of this**
 32 **chapter**, in addition to any other liability or penalty provided by law,
 33 the state seed commissioner may revoke or refuse to issue or renew ~~an~~
 34 ~~industrial~~ a hemp license or an agricultural hemp seed production
 35 license and may impose a civil penalty for a violation of:
 36 (1) a license requirement;
 37 (2) license terms or conditions; ~~or~~
 38 (3) a rule relating to growing or handling ~~industrial~~ hemp; **or**
 39 **(4) section 19 of this chapter.**
- 40 (b) The state seed commissioner may not impose a civil penalty
 41 under this section that exceeds two thousand five hundred dollars
 42



1 (\$2,500).

2 (c) The state seed commissioner may revoke or refuse to issue or
3 renew ~~an industrial a~~ hemp license or an agricultural hemp seed
4 production license for a violation of any rule of the state seed
5 commissioner that pertains to agricultural operations or activities other
6 than ~~industrial~~ hemp growing or handling.

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

10 **(e) In addition to payment of any civil penalty imposed under**
11 **this section, a person who commits a violation described in**
12 **subsection (a) shall reimburse the state seed commissioner for any**
13 **costs incurred by the state seed commissioner for laboratory**
14 **testing of material pertaining to the violation.**

15 SECTION 14. IC 15-15-13-13.5 IS ADDED TO THE INDIANA
16 CODE AS A NEW SECTION TO READ AS FOLLOWS
17 [EFFECTIVE UPON PASSAGE]: **Sec. 13.5. (a) Except as provided**
18 **in subsection (b), the state seed commissioner shall give a person**
19 **who negligently violates this chapter a reasonable time, determined**
20 **by the state seed commissioner, to correct the violation without**
21 **imposing a penalty under section 13 of this chapter. However, the**
22 **state seed commissioner may require the person who committed**
23 **the violation to comply with a corrective action plan determined by**
24 **the state seed commissioner and report to the state seed**
25 **commissioner on compliance with the corrective action plan.**

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

29 **(c) If the state seed commissioner believes that a person has**
30 **knowingly or intentionally violated this chapter, the state seed**
31 **commissioner shall notify:**

32 **(1) the superintendent of the state police department; and**

33 **(2) the prosecuting attorney of the county in which the**
34 **violation occurred;**

35 **of the violation.**

36 **(d) A person who commits a negligent violation under this**
37 **chapter is subject to a late fee as established by rule adopted by the**
38 **seed commission.**

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



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

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

12 **(b) Before December 31, 2019, the state seed commissioner, shall**
 13 **apply for any necessary permissions, waivers, or other forms of legal**
 14 **status by the United States Drug Enforcement Agency or other**
 15 **appropriate federal agency that are necessary to implement this chapter**
 16 **before January 1, 2015; after consultation with the governor, the**
 17 **director of the Indiana state department of agriculture, and the**
 18 **superintendent of the state police department, shall submit a plan**
 19 **that monitors and regulates the production of hemp to the United**
 20 **States Department of Agriculture. If the United States Department**
 21 **of Agriculture disapproves the plan, the state seed commissioner**
 22 **shall submit an amended plan to the United States Department of**
 23 **Agriculture.**

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

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

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

- 39 (1) names of growers and handlers who are licensed under this
 40 chapter; and
 41 (2) locations of licensed industrial hemp crops;
 42 confidential for purposes of IC 5-14-3.



1 (b) The seed commissioner may share confidential information
 2 under subsection (a) with the state police department, and law
 3 enforcement officers **(as defined in IC 35-31.5-2-185), and federal**
 4 **enforcement officers (as defined in IC 35-31.5-2-129).**

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

9 (1) **be licensed in Indiana and in the jurisdiction where the**
 10 **hemp was grown; and**

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

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

16 SECTION 19. IC 15-15-13-19 IS ADDED TO THE INDIANA
 17 CODE AS A NEW SECTION TO READ AS FOLLOWS
 18 [EFFECTIVE JULY 1, 2019]: **Sec. 19. (a) Hemp bud (as defined in**
 19 **IC 35-48-1-17.2) and hemp flower (as defined in IC 35-48-1-17.3)**
 20 **may be sold only to a processor licensed under this chapter.**

21 (b) **The state seed commissioner may impose a civil penalty**
 22 **under section 13 of this chapter for a violation of subsection (a).**

23 SECTION 20. IC 15-15-13-20 IS ADDED TO THE INDIANA
 24 CODE AS A NEW SECTION TO READ AS FOLLOWS
 25 [EFFECTIVE UPON PASSAGE]: **Sec. 20. (a) A person who**
 26 **knowingly or intentionally violates:**

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

28 (2) **a rule adopted;**

29 **under this chapter is subject to a civil penalty, determined by the**
 30 **state seed commission, not to exceed ten thousand dollars (\$10,000)**
 31 **per violation. The state seed commissioner 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**
 38 **is not licensed under this chapter, commits a Class A misdemeanor.**

39 SECTION 21. IC 15-15-13-21 IS ADDED TO THE INDIANA
 40 CODE AS A NEW SECTION TO READ AS FOLLOWS
 41 [EFFECTIVE UPON PASSAGE]: **Sec. 21. A county, city, town, or**
 42 **township may not adopt or enforce an ordinance restricting or**



1 **regulating:**

2 **(1) the growth, production, or processing of hemp; or**

3 **(2) any subject regulated by this chapter.**

4 SECTION 22. IC 24-4-21-1, AS ADDED BY P.L.153-2018,
5 SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
6 JULY 1, 2019]: Sec. 1. The following definitions apply throughout this
7 chapter:

8 (1) "Certificate of analysis" means a certificate from an
9 independent testing laboratory describing the results of the
10 laboratory's testing of a sample.

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

12 (A) with respect to which no person having a direct or indirect
13 interest in the laboratory also has a direct or indirect interest
14 in a facility that:

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

17 (ii) cultivates, processes, distributes, dispenses, or sells
18 marijuana; or

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

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

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

27 SECTION 23. IC 24-4-21-3, AS ADDED BY P.L.153-2018,
28 SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
29 UPON PASSAGE]: Sec. 3. ~~(a) Except as provided in subsection (b);~~ A
30 person may distribute low THC hemp extract in Indiana only if the
31 distributor has a certificate of analysis prepared by an independent
32 testing laboratory showing: ~~that:~~

33 (1) ~~that~~ the low THC hemp extract is the product of a batch tested
34 by the independent testing laboratory; ~~and~~

35 (2) ~~that~~ the independent testing laboratory determined that the
36 batch contained not more than three-tenths percent (0.3%) total
37 delta-9-tetrahydrocannabinol (THC), including precursors, by
38 weight, based on the testing of a random sample of the batch; ~~and~~

39 **(3) the cannabinoid percent present of the low THC hemp**
40 **extract.**

41 ~~(b) Before July 1, 2018, a person may distribute low THC hemp~~
42 ~~extract in Indiana without having met the requirements described in~~

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- 1 subsection (a):
 2 SECTION 24. IC 34-30-2-62.4 IS ADDED TO THE INDIANA
 3 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
 4 [EFFECTIVE UPON PASSAGE]: **Sec. 62.4. IC 15-15-13-9**
 5 **(Concerning liability of the state police department, a federal law**
 6 **enforcement agency, or a local law enforcement agency for the**
 7 **detection, seizure, or embargo of a hemp crop).**
 8 SECTION 25. IC 35-48-1-17.5, AS ADDED BY P.L.153-2018,
 9 SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 10 JULY 1, 2019]: Sec. 17.5. (a) "Low THC hemp extract" means a
 11 substance or compound that:
 12 (1) is derived from or contains any part of the plant Cannabis
 13 sativa L. that meets the definition of ~~industrial~~ hemp under
 14 IC 15-15-13-6;
 15 (2) contains not more than three-tenths percent (0.3%) total
 16 delta-9-tetrahydrocannabinol (THC), including precursors, by
 17 weight; and
 18 (3) contains no other controlled substances.
 19 **(b) The term does not include:**
 20 **(1) the harvested reproductive organ, whether immature or**
 21 **mature, of the female hemp plant; or**
 22 **(2) smokable hemp.**
 23 SECTION 26. IC 35-48-1-19, AS AMENDED BY P.L.153-2018,
 24 SECTION 22, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 25 JULY 1, 2019]: Sec. 19. (a) "Marijuana" means any part of the plant
 26 genus Cannabis whether growing or not; the seeds thereof; the resin
 27 extracted from any part of the plant, including hashish and hash oil; any
 28 compound, manufacture, salt, derivative, mixture, or preparation of the
 29 plant, its seeds or resin.
 30 (b) The term does not include:
 31 (1) the mature stalks of the plant;
 32 (2) fiber produced from the stalks;
 33 (3) oil or cake made from the seeds of the plant;
 34 (4) any other compound, manufacture, salt, derivative, mixture,
 35 or preparation of the mature stalks (except the resin extracted
 36 therefrom);
 37 (5) the sterilized seed of the plant which is incapable of
 38 germination;
 39 (6) ~~industrial~~ hemp (as defined by IC 15-15-13-6); ~~or~~
 40 (7) low THC hemp extract; **or**
 41 **(8) smokable hemp.**
 42 SECTION 27. IC 35-48-1-17.2 IS ADDED TO THE INDIANA



1 CODE AS A NEW SECTION TO READ AS FOLLOWS
 2 [EFFECTIVE JULY 1, 2019]: **Sec. 17.2. (a) "Hemp bud" means the**
 3 **harvested immature reproductive organ of the female hemp plant.**

4 **(b) The term does not include agricultural hemp seed.**

5 SECTION 28. IC 35-48-1-17.3 IS ADDED TO THE INDIANA
 6 CODE AS A NEW SECTION TO READ AS FOLLOWS
 7 [EFFECTIVE JULY 1, 2019]: **Sec. 17.3. (a) "Hemp flower" means**
 8 **the harvested reproductive organ, whether immature or mature,**
 9 **of the female hemp plant.**

10 **(b) The term does not include agricultural hemp seed.**

11 SECTION 29. IC 35-48-1-26.6 IS ADDED TO THE INDIANA
 12 CODE AS A NEW SECTION TO READ AS FOLLOWS
 13 [EFFECTIVE JULY 1, 2019]: **Sec. 26.6. (a) Except as provided in**
 14 **subsection (b), "smokable hemp" means a product containing not**
 15 **more than three-tenths percent (0.3%)**
 16 **delta-9-tetrahydrocannabinol (THC), including precursors and**
 17 **derivatives of THC, in a form that allows THC to be introduced**
 18 **into the human body by inhalation of smoke. The term includes:**

19 **(1) hemp bud; and**

20 **(2) hemp flower.**

21 **(b) The term does not include:**

22 **(1) a hemp plant that is; or**

23 **(2) parts of a hemp plant that are;**

24 **grown or handled by a licensee for processing or manufacturing**
 25 **into a legal hemp product.**

26 SECTION 30. IC 35-48-4-10.1 IS ADDED TO THE INDIANA
 27 CODE AS A NEW SECTION TO READ AS FOLLOWS
 28 [EFFECTIVE JULY 1, 2019]: **Sec. 10.1. (a) Subject to subsection (b),**
 29 **a person who:**

30 **(1) knowingly or intentionally:**

31 **(A) manufactures;**

32 **(B) finances the manufacture of;**

33 **(C) delivers; or**

34 **(D) finances the delivery of;**

35 **smokable hemp; or**

36 **(2) possesses smokable hemp with intent to:**

37 **(A) manufacture;**

38 **(B) finance the manufacture of;**

39 **(C) deliver; or**

40 **(D) finance the delivery of;**

41 **smokable hemp;**

42 **commits dealing in smokable hemp, a Class A misdemeanor.**



1 (b) A person may be convicted of an offense under subsection
2 (a)(2) only if:

3 (1) there is evidence, in addition to the weight of the smokable
4 hemp, that the person intended to manufacture, finance the
5 manufacture of, deliver, or finance the delivery of smokable
6 hemp; or

7 (2) the amount of smokable hemp involved is at least ten (10)
8 pounds.

9 (c) Subsection (a)(1)(B), (a)(1)(D), (a)(2)(B), and (a)(2)(D) do not
10 apply to a financial institution organized or reorganized under the
11 laws of Indiana, any other state, or the United States.

12 SECTION 31. IC 35-48-4-11.1 IS ADDED TO THE INDIANA
13 CODE AS A NEW SECTION TO READ AS FOLLOWS
14 [EFFECTIVE JULY 1, 2019]: **Sec. 11.1. A person who knowingly or**
15 **intentionally possesses smokable hemp commits possession of**
16 **smokable hemp, a Class C misdemeanor.**

17 SECTION 32. IC 35-48-4-12, AS AMENDED BY P.L.168-2014,
18 SECTION 104, IS AMENDED TO READ AS FOLLOWS
19 [EFFECTIVE JULY 1, 2019]: **Sec. 12.** If a person who has no prior
20 conviction of an offense under this article or under a law of another
21 jurisdiction relating to controlled substances pleads guilty to possession
22 of marijuana, hashish, salvia, **smokable hemp**, or a synthetic drug or
23 a synthetic drug lookalike substance as a misdemeanor, the court,
24 without entering a judgment of conviction and with the consent of the
25 person, may defer further proceedings and place the person in the
26 custody of the court under conditions determined by the court. Upon
27 violation of a condition of the custody, the court may enter a judgment
28 of conviction. However, if the person fulfills the conditions of the
29 custody, the court shall dismiss the charges against the person. There
30 may be only one (1) dismissal under this section with respect to a
31 person.

32 SECTION 33. IC 35-48-4-18 IS ADDED TO THE INDIANA
33 CODE AS A NEW SECTION TO READ AS FOLLOWS
34 [EFFECTIVE UPON PASSAGE]: **Sec. 18. Notwithstanding**
35 **IC 34-28-5-5(c), funds collected as a civil penalty for a violation of**
36 **an infraction under this chapter shall be first used to reimburse the**
37 **state seed commissioner for any expenses incurred by the state seed**
38 **commissioner for laboratory testing of material pertaining to the**
39 **violation. Any excess funds shall be deposited in the state general**
40 **fund.**

41 SECTION 34. IC 35-52-15-2.5 IS ADDED TO THE INDIANA
42 CODE AS A NEW SECTION TO READ AS FOLLOWS



1 [EFFECTIVE UPON PASSAGE]: **Sec. 2.5. IC 15-15-13-20 defines a**
2 **crime concerning hemp regulation.**
3 SECTION 35. **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.

SENATE MOTION

Madam President: I move that Senate Bill 516 be amended to read as follows:

Page 1, line 15, delete "cannabidoids" and insert **"cannabinoids"**.

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Page 1, line 15, after "include" insert ":

**(1) smokable hemp (as defined by IC 35-48-1-26.6); or
(2)".**

Page 1, line 17, delete "on" and insert "**by weight.**".

Page 2, delete line 1.

Page 2, line 8, after "to" delete ":".

Page 2, line 9, delete "(1)".

Page 2, line 11, delete "; and" and insert ".".

Page 2, run in lines 8 through 9.

Page 2, delete lines 12 through 13.

Page 2, delete lines 15 through 32.

Page 2, line 33, delete "years."

Page 2, line 34, delete "(8)" and insert "**(1)**".

Page 2, line 34, after "designee" delete "," and insert ".".

Page 2, delete line 35.

Page 2, line 36, delete "(9)" and insert "**(2)**".

Page 2, line 36, delete ",".

Page 2, line 37, delete ", as a nonvoting member." and insert ".".

Page 2, line 38, delete "(10)" and insert "**(3)**".

Page 2, line 39, delete ", as a nonvoting member." and insert ".".

Page 2, line 40, delete "(11)" and insert "**(4)**".

Page 2, line 41, delete ", as a nonvoting member." and insert ".".

Page 2, between lines 41 and 42, begin a new line block indented and insert:

"(5) The chairman of the alcohol and tobacco commission or the chairman's designee.

(6) Two (2) individuals appointed by the governor, one (1) of whom must be an elected sheriff."

Page 2, line 42, delete "director or the director's designee shall serve as" and insert "**governor shall appoint a member of the advisory committee as chairperson of the advisory committee.**".

Page 3, delete line 1.

Page 3, line 2, delete "voting".

Page 3, line 3, delete "voting".

Page 3, delete lines 13 through 18.

Page 3, between lines 35 and 36, begin a new paragraph and insert:

"Sec. 8. The advisory committee shall hold a public meeting to discuss and receive public comment regarding the plan described in IC 15-15-13-15 before the plan is submitted to the United States Department of Agriculture under IC 15-15-13-15.

Sec. 9. In performing its duties under this chapter, the advisory committee shall consult with the following individuals designated



by the secretary:

(1) One (1) or more individuals who grow hemp under a license issued under this chapter.

(2) A representative of the Indiana Farm Bureau, Inc.

(3) A representative of the largest organization representing the interests of hemp industries in Indiana."

Page 4, line 23, after "(0.3%)" insert ":

(1)".

Page 4, line 24, delete "." and insert ", for any part of the **Cannabis sativa L. plant, including the seeds thereof;**".

Page 4, line 24, reset in roman "or".

Page 4, between lines 31 and 32, begin a new line block indented and insert:

"(2) by weight, for derivatives, extracts, cannabinoids, isomers, acids, salts, and salts of isomers of the Cannabis sativa L. plant."

Page 5, line 28, strike "Not more than two (2) physical".

Page 5, strike lines 29 through 31.

Page 7, line 14, strike "(b)," and insert "(c)".

Page 7, between lines 24 and 25, begin a new paragraph and insert:

"(e) The state seed commissioner may revoke a license issued under this chapter to a person that fails to cooperate with:

(1) the state seed commissioner;

(2) the state police;

(3) a federal law enforcement agency; or

(4) a local law enforcement agency;

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

(f) A failure to cooperate described in subsection (e) constitutes probable cause for the state seed commissioner, state police, federal law enforcement agency, or local law enforcement agency to search the premises of the licensee's hemp operation.

(g) If the state police department, a federal law enforcement agency, or a local law enforcement agency cooperates with the state seed commissioner in the detention, seizure, or embargo of a crop under this section:

(1) the state police department, federal law enforcement agency, or local law enforcement agency; and

(2) any officer or employee of the state police department, federal law enforcement agency, or local law enforcement agency who is involved in the detention, seizure, or embargo;

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



(h) A grower shall reimburse the state seed commissioner for the cost of testing conducted on the grower's crop under this section."

Page 7, line 41, after "levels." insert "**The state seed commissioner may enter into agreements with one (1) or more laboratories selected by the Indiana state police department to perform testing under this subdivision.**"

Page 8, line 12, strike "an".

Page 8, line 13, after "industrial" insert "**a**".

Page 8, line 16, strike "or".

Page 8, line 17, after "hemp" delete "." and insert "; **or**

(4) section 19 of this chapter."

Page 8, line 22, after "renew" strike "an".

Page 8, line 22, after "industrial" insert "**a**".

Page 8, between lines 28 and 29, begin a new paragraph and insert:

"(e) In addition to payment of any civil penalty imposed under this section, a person who commits a violation described in subsection (a) shall reimburse the state seed commissioner for any costs incurred by the state seed commissioner for laboratory testing of material pertaining to the violation."

Page 8, line 35, delete "." and insert "**under section 13 of this chapter.**"

Page 9, line 3, after "notify" insert ":

(1)".

Page 9, line 4, delete "and the attorney general of the violation." and insert "; **and**

(2) the prosecuting attorney of the county in which the violation occurred; of the violation."

Page 10, line 11, after "department" insert ",."

Page 10, line 11, strike "and".

Page 10, line 12, delete "." and insert "**(as defined in IC 35-31.5-2-185), and federal enforcement officers (as defined in IC 35-31.5-2-129).**"

Page 10, between lines 23 and 24, begin a new paragraph and insert:

"SECTION 17. IC 15-15-13-19 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 19. (a) Hemp bud (as defined in IC 35-48-1-17.2) and hemp flower (as defined in IC 35-48-1-17.3) may be sold only to a processor licensed under this chapter.

(b) The state seed commissioner may impose a civil penalty under section 13 of this chapter for a violation of subsection (a).



SECTION 18. IC 15-15-13-20 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 20. (a) Except as provided by subsection (b), a person who knowingly or intentionally violates:**

- (1) a term, condition, or requirement of a license issued; or**
- (2) a rule adopted;**

under this chapter commits a Class B misdemeanor.

(b) An offense under subsection (a) is a Class A misdemeanor if the person who commits the offense has a prior unrelated conviction for a drug offense (as defined by IC 35-48-1-16.4).

(c) A person who knowingly or intentionally:

- (1) grows hemp;**
- (2) handles hemp; or**
- (3) sells agricultural hemp seed;**

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

Page 11, between lines 4 and 5, begin a new paragraph and insert:

"SECTION 19. IC 34-30-2-62.4 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 62.4. IC 15-15-13-9 (Concerning liability of the state police department, a federal law enforcement agency, or a local law enforcement agency for the detention, seizure, or embargo of a hemp crop)."**

Page 11, line 7, after "17.5." insert "(a)".

Page 11, between lines 15 and 16, begin a new paragraph and insert:

"(b) The term does not include:

- (1) the harvested reproductive organ, whether immature or mature, of the female hemp plant; or**
- (2) smokable hemp."**

Page 11, line 32, strike "or".

Page 11, line 33, after "extract" delete "." and insert "; or

- (8) smokable hemp.**

SECTION 22. IC 35-48-1-17.2 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 17.2. (a) "Hemp bud" means the harvested immature reproductive organ of the female hemp plant.**

(b) The term does not include agricultural hemp seed.

SECTION 23. IC 35-48-1-17.3 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 17.3. (a) "Hemp flower"**



means the harvested reproductive organ, whether immature or mature, of the female hemp plant.

(b) The term does not include agricultural hemp seed.

SECTION 24. IC 35-48-1-26.6 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 26.6. (a) Except as provided in subsection (b), "smokable hemp" means a product containing not more than three-tenths percent (0.3%) delta-9-tetrahydrocannabinol (THC), including precursors and derivatives of THC, in a form that allows THC to be introduced into the human body by inhalation of smoke or vapor. The term includes:**

- (1) hemp bud; and**
- (2) hemp flower.**

(b) The term does not include:

- (1) a hemp plant that is; or**
- (2) parts of a hemp plant that are;**

grown or handled by a licensee for processing or manufacturing into a legal hemp product (as defined by IC 15-11-15-3).

SECTION 25. IC 35-48-4-10.1 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 10.1. (a) Subject to subsection (b), a person who:**

(1) knowingly or intentionally:

- (A) manufactures;**
- (B) finances the manufacture of;**
- (C) delivers; or**
- (D) finances the delivery of;**

smokable hemp; or

(2) possesses smokable hemp with intent to:

- (A) manufacture;**
- (B) finance the manufacture of;**
- (C) deliver; or**
- (D) finance the delivery of;**

smokable hemp;

commits dealing in smokable hemp, a Class A misdemeanor.

(b) A person may be convicted of an offense under subsection

(a)(2) only if:

- (1) there is evidence, in addition to the weight of the smokable hemp, that the person intended to manufacture, finance the manufacture of, deliver, or finance the delivery of smokable hemp; or**



(2) the amount of smokable hemp involved is at least ten (10) pounds.

SECTION 26. IC 35-48-4-11.1 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 11.1. A person who knowingly or intentionally possesses smokable hemp commits possession of smokable hemp, a Class C misdemeanor.**

SECTION 27. IC 35-48-4-12, AS AMENDED BY P.L.168-2014, SECTION 104, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 12. If a person who has no prior conviction of an offense under this article or under a law of another jurisdiction relating to controlled substances pleads guilty to possession of marijuana, hashish, salvia, **smokable hemp**, or a synthetic drug or a synthetic drug lookalike substance as a misdemeanor, the court, without entering a judgment of conviction and with the consent of the person, may defer further proceedings and place the person in the custody of the court under conditions determined by the court. Upon violation of a condition of the custody, the court may enter a judgment of conviction. However, if the person fulfills the conditions of the custody, the court shall dismiss the charges against the person. There may be only one (1) dismissal under this section with respect to a person.

SECTION 28. IC 35-48-4-18 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 18. Notwithstanding IC 34-28-5-5(c), funds collected as a civil penalty for a violation of an infraction under this chapter shall be first used to reimburse the state seed commissioner for any expenses incurred by the state seed commissioner for laboratory testing of material pertaining to the violation. Any excess funds shall be deposited in the state general fund.**

SECTION 29. IC 35-52-15-2.5 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 2.5. IC 15-15-13-19 defines a crime concerning hemp regulation."**

Renumber all SECTIONS consecutively.

(Reference is to SB 516 as printed January 29, 2019.)

HEAD



COMMITTEE REPORT

Mr. Speaker: Your Committee on Agriculture and Rural Development, to which was referred Senate Bill 516, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 1, line 6, delete "5" and insert "3".

Page 1, delete lines 10 through 17.

Page 2, delete lines 1 through 7.

Page 2, line 8, delete "5." and insert "3.".

Page 2, delete lines 22 through 28, begin a new line block indented and insert:

"(6) One (1) individual who is an elected sheriff who is appointed by the governor.

(7) One (1) individual who is a member of the Midwest Hemp Council who is appointed by the governor.

(8) One (1) individual who has experience in hemp crop production who is appointed by the president of the Indiana Farm Bureau, Inc.

(9) One (1) individual who has experience in hemp production who is appointed by the president of Agribusiness Council of Indiana.

(10) One (1) individual who is a seed distributor with an active permit under IC 15-15-1-34 and who sells agricultural hemp seed who is appointed by the president of Indiana Crop Improvement Association.

(11) The director of the department of financial institutions or the director's designee.

(c) The state seed commissioner is the chairperson of the advisory committee and is a nonvoting member.

(d) A member appointed to the advisory committee shall serve for a term of three (3) years."

Page 2, line 30, delete "or the state seed commissioner".

Page 2, line 36, delete "6." and insert "4.".

Page 2, line 38, delete "7." and insert "5.".

Page 3, line 11, delete "8." and insert "6.".

Page 3, delete lines 15 through 22, begin a new paragraph and insert:

"SECTION 2. IC 15-15-13-1, AS ADDED BY P.L.165-2014, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. **(a)** Nothing in this chapter authorizes any person to violate any federal law or regulation.

(b) Nothing in this chapter authorizes the state seed

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commissioner to regulate a hemp commodity or product."

Page 4, line 9, delete "delta-9 tetrahydrocannabinol" and insert **"delta-9-tetrahydrocannabinol"**.

Page 4, line 10, delete ":".

Page 4, line 11, delete "(1)".

Page 4, line 12, delete ", including the seeds thereof;" and insert ".".

Page 4, line 12, strike "or".

Page 4, delete lines 20 through 22.

Page 5, line 14, after "department," insert **"the state seed commissioner, or the state seed commissioner's authorized representative,"**.

Page 5, line 15, after "applicant," insert **"to conduct aerial inspections and"**.

Page 7, line 10, delete "delta-9".

Page 7, line 10, strike "tetrahydrocannabinol" and insert **"delta-9-tetrahydrocannabinol"**.

Page 7, between lines 37 and 38, begin a new paragraph and insert:

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

Page 7, line 38, delete "(h)" and insert "(i)".

Page 7, between lines 40 and 41, begin a new paragraph and insert:

"SECTION 9, IC 15-15-13-9.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 9.5. (a) A person who is a handler licensed under this section may distribute clones and other nonseed propagative materials of a hemp plant using the person's own labeling, if the distributor does the following:

- (1) Complies with the requirements of this chapter.**
- (2) Reports the variety and quantity of each variety of the propagative material of plant sold.**
- (3) Pays the inspection fee on the basis of the report.**
- (4) Labels the propagative material with the information required by the state seed commissioner.**
- (5) Keeps records to accurately determine the named varieties and the number of plants of each variety distributed.**



(6) Grants the state seed commissioner or the state seed commissioner's authorized representative access to examine the handler's records and verify the quantity and each variety of propagative material distributed.

(7) Report, under oath, to the state seed commissioner on forms furnished by the state seed commissioner each variety and quantity of propagative material sold during each semiannual period.

(8) Any other information or conditions stated in the application.

(b) The state seed commissioner may revoke a handler's license if the commissioner determines any of the following:

(1) That the licensee has not complied with the requirements under this chapter.

(2) The report required in subsection (a) has not been submitted and is more than ten (10) days late.

(3) The report required in subsection (a) contained false information.

(4) The labeling requirements under this chapter have not been met.

(c) If the inspection fee has not been paid and is more than ten (10) days late, the state seed commissioner shall assess a late fee.

(d) Each year the:

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

(2) inspection fees required under this chapter;

for the period beginning on January 1 and ending on June 30 and for the period beginning on July 1 and ending on December 31 are due not more than thirty (30) days after the end of the semiannual period."

Page 8, line 21, delete "delta-9".

Page 8, line 22, delete "tetrahydrocannabinol" and insert "delta-9-tetrahydrocannabinol".

Page 9, line 16, delete "section" and insert "chapter".

Page 9, line 23, delete "section" and insert "chapter".

Page 9, between lines 32 and 33, begin a new paragraph and insert:

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

Page 9, line 40, delete "This subsection".

Page 9, delete line 41.

Page 10, line 7, delete "July 1," and insert "December 31,".

Page 11, line 3, delete "Indiana:" and insert "Indiana must:".



Page 11, line 4, delete "must".

Page 11, line 13, delete "UPON PASSAGE]:" and insert "JULY 1, 2019]:".

Page 11, line 20, delete "Except as provided by"

Page 11, line 21, delete "subsection (b), a" and insert "A".

Page 11, line 24, delete "commits a Class B misdemeanor." and insert **"is subject to a civil penalty, determined by the state seed commission, not to exceed ten thousand dollars (\$10,000) per violation. The state seed commissioner may also revoke the license of a person who violates this subsection."**

Page 11, delete lines 25 through 27.

Page 11, line 28, delete "(c)" and insert "(b)".

Page 11, between lines 33 and 34, begin a new paragraph and insert:
"SECTION 19. IC 15-15-13-21 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 21. A county, city, town, or township may not adopt or enforce an ordinance restricting or regulating:

(1) the growth, production, or processing of hemp; or

(2) any subject regulated by this chapter."

Page 11, line 36, delete "UPON PASSAGE]:" and insert "JULY 1, 2019]:".

Page 12, between lines 14 and 15, begin a new paragraph and insert:
"SECTION 21. IC 24-4-21-3, AS ADDED BY P.L.153-2018, SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. (a) Except as provided in subsection (b), A person may distribute low THC hemp extract in Indiana only if the distributor has a certificate of analysis prepared by an independent testing laboratory showing: ~~that~~:

(1) that the low THC hemp extract is the product of a batch tested by the independent testing laboratory; **and**

(2) that the independent testing laboratory determined that the batch contained not more than three-tenths percent (0.3%) total delta-9-tetrahydrocannabinol (THC), including precursors, by weight, based on the testing of a random sample of the batch; **and**

(3) the cannabinoid percent present of the low THC hemp extract.

(b) Before July 1, 2018, a person may distribute low THC hemp extract in Indiana without having met the requirements described in subsection (a):"

Page 12, line 23, delete "UPON PASSAGE]:" and insert "JULY 1, 2019]:".



Page 12, line 38, delete "UPON PASSAGE]" and insert "JULY 1, 2019]:".

Page 13, line 15, delete "UPON PASSAGE]" and insert "JULY 1, 2019]:".

Page 13, line 21, delete "UPON PASSAGE]" and insert "JULY 1, 2019]:".

Page 13, line 27, delete "UPON PASSAGE]" and insert "JULY 1, 2019]:".

Page 13, line 32, delete "or vapor." and insert ".".

Page 13, line 40, delete "(as defined by IC 15-11-15-3)." and insert ".".

Page 14, line 1, delete "UPON PASSAGE]" and insert "JULY 1, 2019]:".

Page 14, between lines 23 and 24, begin a new paragraph and insert:

"(c) Subsection (a)(1)(B), (a)(1)(D), (a)(2)(B), and (a)(2)(D) do not apply to a financial institution organized or reorganized under the laws of Indiana, any other state, or the United States."

Page 14, line 26, delete "UPON PASSAGE]" and insert "JULY 1, 2019]:".

Page 14, line 31, delete "UPON PASSAGE]" and insert "JULY 1, 2019]:".

Page 15, line 13, delete "IC 15-15-13-19 defines" and insert "**IC 15-15-13-20 defines**".

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to SB 516 as reprinted February 22, 2019.)

LEHE

Committee Vote: yeas 13, nays 0.

