

SENATE BILL No. 87

DIGEST OF INTRODUCED BILL

Citations Affected: IC 2-5-46; IC 7.1-8; IC 15-15-13; IC 15-16-2-36; IC 24-4-21; IC 24-4-22-1.

Synopsis: Cannabis regulation. Establishes the cannabis compliance commission to regulate all forms of legal cannabis in Indiana, including industrial hemp and low THC hemp extract.

Effective: July 1, 2021.

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January 7, 2021, read first time and referred to Committee on Commerce and Technology.



First Regular Session of the 122nd General Assembly (2021)

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 2020 Regular Session of the General Assembly.

SENATE BILL No. 87

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

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

1 SECTION 1. IC 2-5-46 IS ADDED TO THE INDIANA CODE AS
2 A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY
3 1, 2021]:
4 **Chapter 46. Cannabis Compliance Advisory Committee**
5 **Sec. 1. The following definitions apply throughout this chapter:**
6 (1) "Advisory committee" means the cannabis compliance
7 advisory committee established by section 2 of this chapter.
8 (2) "Cannabis compliance commission" means the
9 commission established by IC 7.1-8-2-1.
10 **Sec. 2. The cannabis compliance advisory committee is**
11 **established.**
12 **Sec. 3. (a) The advisory committee consists of the following four**
13 **(4) voting members and five (5) nonvoting members:**
14 (1) One (1) legislative member appointed by the speaker of the
15 house of representatives.
16 (2) One (1) legislative member appointed by the minority
17 leader of the house of representatives.



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



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

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

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

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

9 SECTION 2. IC 7.1-8 IS ADDED TO THE INDIANA CODE AS A
 10 NEW ARTICLE TO READ AS FOLLOWS [EFFECTIVE JULY 1,
 11 2021]:

12 **ARTICLE 8. CANNABIS REGULATION**

13 **Chapter 1. Definitions**

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

17 **Chapter 2. General Provisions**

18 **Sec. 1. The cannabis compliance commission is established to**
 19 **regulate the growth, processing, distribution, and sale of legal**
 20 **cannabis in Indiana, including industrial hemp and low THC hemp**
 21 **extract.**

22 **Sec. 2. (a) The cannabis compliance commission consists of:**

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

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

25 **(3) other employees necessary to carry out the duties of the**
 26 **cannabis compliance commission.**

27 **(b) The cannabis compliance commission executive committee**
 28 **consists of four (4) commissioners, who shall hire the executive**
 29 **director and direct and oversee the operation of the cannabis**
 30 **compliance commission.**

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

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

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

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

37 **(e) A commissioner serves the commissioner's term at the**
 38 **pleasure of the governor.**

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

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



1 (2) The individual must have good moral character.

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

4 **Sec. 5.** The governor shall appoint one (1) commissioner to serve
5 as chairperson of the cannabis compliance commission executive
6 committee and one (1) commissioner to serve as vice chairperson.
7 The vice chairperson shall act as the chairperson if the chairperson
8 is unable to attend a meeting of the cannabis compliance
9 commission executive committee.

10 **Sec. 6.** A commissioner appointed to fill a vacancy in the
11 cannabis compliance commission executive committee shall serve
12 only for the unexpired part of the original vacated term. In all
13 other respects, an appointment to fill a vacancy shall be made in
14 the same manner that an original appointment is made.

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

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

24 (1) a surety bond in the amount of ten thousand dollars
25 (\$10,000), with surety approved by the governor; and

26 (2) an oath of office.

27 (b) The surety bond and the oath of office shall be filed in the
28 office of the secretary of state.

29 **Sec. 9.** The required surety bond executed and filed on behalf of
30 a commissioner shall be made payable to the state of Indiana and
31 conditioned upon the faithful discharge of the commissioner's
32 duties.

33 **Sec. 10.** The cannabis compliance commission executive
34 committee shall hold meetings at the call of the chairperson. The
35 cannabis compliance commission executive committee may
36 establish rules governing meetings.

37 **Sec. 11. (a)** Three (3) cannabis compliance commission
38 commissioners constitute a quorum for the transaction of business.

39 (b) Each commissioner has one (1) vote.

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



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

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

11 **Chapter 3. Employees and Administration**

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

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

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

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

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

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

31 **Chapter 4. Powers and Duties**

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

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

41 **(1) this article;**

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



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



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



1 **Chapter 5. Research and Development**

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

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

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

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

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

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

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

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

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

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

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

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

31 SECTION 3. IC 15-15-13-0.5, AS ADDED BY P.L.165-2014,
32 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
33 JULY 1, 2021]: Sec. 0.5. The ~~state seed commissioner~~ **cannabis**
34 **compliance commission** shall administer this chapter.

35 SECTION 4. IC 15-15-13-1, AS AMENDED BY P.L.190-2019,
36 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
37 JULY 1, 2021]: Sec. 1. (a) Nothing in this chapter authorizes any
38 person to violate any federal law or regulation.

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

41 SECTION 5. IC 15-15-13-2, AS ADDED BY P.L.165-2014,
42 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE



1 JULY 1, 2021]: Sec. 2. As used in this chapter, "agricultural hemp
 2 seed" means Cannabis sativa seed that meets any labeling, quality, and
 3 other standards set by the ~~state seed commissioner~~ **cannabis**
 4 **compliance commission** and that is intended for sale or is sold to, or
 5 purchased by, licensed growers for planting.

6 SECTION 6. IC 15-15-13-2.5 IS ADDED TO THE INDIANA
 7 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
 8 [EFFECTIVE JULY 1, 2021]: **Sec. 2.5. As used in this chapter,**
 9 **"cannabis compliance commission" means the cannabis**
 10 **compliance commission established by IC 7.1-8-2-1.**

11 SECTION 7. IC 15-15-13-7, AS AMENDED BY P.L.190-2019,
 12 SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 13 JULY 1, 2021]: Sec. 7. (a) ~~Subject to section 15 of this chapter,~~ The
 14 production of, possession of, scientific study of, and commerce in hemp
 15 is authorized in Indiana. Hemp is subject to regulation by the ~~state seed~~
 16 ~~commissioner:~~ **cannabis compliance commission.** The ~~state seed~~
 17 ~~commissioner~~ **cannabis compliance commission** shall adopt rules to
 18 oversee the licensing, production, and management of:

- 19 (1) hemp; and
 20 (2) agricultural hemp seed.

21 (b) All growers and handlers must have a hemp license issued by
 22 the ~~state seed commissioner:~~ **cannabis compliance commission.**
 23 Growers and handlers engaged in the production of agricultural hemp
 24 seed must also have an agricultural hemp seed production license.

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

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



1 **commission's** authorized representative, if a license is issued to
 2 the applicant, to conduct aerial inspections and to enter the
 3 premises on which the hemp is grown to conduct physical
 4 inspections of hemp planted and grown by the applicant, and to
 5 ensure the plants meet the definition of hemp as set forth in
 6 section 6 of this chapter.

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

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

13 **(d) Rules adopted by the state seed commissioner before July 1,**
 14 **2021, concerning industrial hemp are considered, after June 30,**
 15 **2021, rules of the cannabis compliance commission.**

16 SECTION 8. IC 15-15-13-8, AS AMENDED BY P.L.156-2020,
 17 SECTION 62, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 18 JULY 1, 2021]: Sec. 8. (a) Each license application received under this
 19 chapter must be processed as follows:

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

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

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

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

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

35 (B) Do the following:

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

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

42 (2) The ~~state seed commissioner~~ **cannabis compliance**



- 1 **commission** shall review the license application and the criminal
 2 history background check.
- 3 (b) If the ~~state seed commissioner~~ **cannabis compliance**
 4 **commission** determines that all the requirements under this chapter
 5 have been met and that a license should be granted to the applicant, the
 6 ~~state seed commissioner~~ **cannabis compliance commission** shall
 7 approve the application for issuance of a license.
- 8 (c) A hemp license or agricultural hemp seed production license
 9 expires on December 31 of the year for which the license was issued,
 10 unless revoked. A hemp license or agricultural hemp seed production
 11 license may be renewed in accordance with rules adopted by the ~~state~~
 12 ~~seed commissioner~~ **cannabis compliance commission** and is
 13 nontransferable.
- 14 SECTION 9. IC 15-15-13-9, AS AMENDED BY P.L.190-2019,
 15 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 16 JULY 1, 2021]: Sec. 9. (a) An agricultural hemp seed production
 17 license issued under this chapter authorizes a grower or handler to
 18 produce and handle agricultural hemp seed for sale to licensed hemp
 19 growers and handlers. A seller of agricultural hemp seed shall ensure
 20 that the seed complies with any standards set by the ~~state seed~~
 21 ~~commissioner~~ **cannabis compliance commission**. The ~~state seed~~
 22 ~~commissioner~~ **cannabis compliance commission** shall make available
 23 to growers information that identifies sellers of agricultural hemp seed.
- 24 (b) A person who sells agricultural hemp seed to a grower must be
 25 a seed distributor who has a permit under IC 15-15-1-34.
- 26 (c) All growers and handlers must keep records in accordance with
 27 rules adopted by the ~~state seed commissioner~~ **cannabis compliance**
 28 **commission**. Upon at least three (3) days notice, the ~~state seed~~
 29 ~~commissioner~~ **cannabis compliance commission** may audit the
 30 required records during normal business hours. The ~~state seed~~
 31 ~~commissioner~~ **cannabis compliance commission** may conduct an
 32 audit for the purpose of ensuring compliance with:
- 33 (1) this chapter;
- 34 (2) rules adopted by the ~~state seed commissioner~~; **cannabis**
 35 **compliance commission**; or
- 36 (3) hemp license or agricultural hemp seed production license
 37 requirements, terms, and conditions.
- 38 (d) In addition to an audit conducted in accordance with subsection
 39 (c), the ~~state seed commissioner~~ **cannabis compliance commission**
 40 may inspect independently, or in cooperation with the state police
 41 department, a federal law enforcement agency, or a local law
 42 enforcement agency, any hemp crop during the crop's growth phase and



1 take a representative composite sample for field analysis. If a crop
 2 contains an average delta-9-tetrahydrocannabinol (THC) concentration
 3 exceeding three-tenths of one percent (0.3%) on a dry weight basis, the
 4 ~~state seed commissioner~~ **cannabis compliance commission** may
 5 detain, seize, or embargo the crop.

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

- 9 (1) the ~~state seed commissioner~~; **cannabis compliance**
 10 **commission**;
 11 (2) the state police;
 12 (3) a federal law enforcement agency; or
 13 (4) a local law enforcement agency;

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

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

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

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

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

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

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

42 SECTION 10. IC 15-15-13-9.5, AS ADDED BY P.L.190-2019,



1 SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
2 JULY 1, 2021]: Sec. 9.5. (a) A person who is a handler licensed under
3 this section may distribute clones and other nonseed propagative
4 materials of a hemp plant using the person's own labeling, if the
5 distributor does the following:

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

26 (b) The ~~state seed commissioner~~ **cannabis compliance commission**
27 may revoke a handler's license if the ~~commissioner~~ **commission**
28 determines any of the following:

- 29 (1) That the licensee has not complied with the requirements
30 under this chapter.
- 31 (2) The report required in subsection (a) has not been submitted
32 and is more than ten (10) days late.
- 33 (3) The report required in subsection (a) contained false
34 information.
- 35 (4) The labeling requirements under this chapter have not been
36 met.
- 37 (c) If the inspection fee has not been paid and is more than ten (10)
38 days late, the ~~state seed commissioner~~ **cannabis compliance**
39 **commission** shall assess a late fee.
- 40 (d) Each year the:
 - 41 (1) report required under subsection (a)(7); and
 - 42 (2) inspection fees required under this chapter;



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

4 SECTION 11. IC 15-15-13-10, AS ADDED BY P.L.165-2014,
 5 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 6 JULY 1, 2021]: Sec. 10. The amount of any fees charged growers and
 7 handlers by the ~~state seed commissioner~~ **cannabis compliance**
 8 **commission** under this chapter must be sufficient to cover the cost of
 9 the administration of this chapter, including the cost of conducting
 10 audits and testing.

11 SECTION 12. IC 15-15-13-11, AS AMENDED BY P.L.190-2019,
 12 SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 13 JULY 1, 2021]: Sec. 11. Only a hemp licensee, the licensee's designee,
 14 or the licensee's agents may be permitted to transport hemp off a
 15 production site. When transporting hemp off the production site, the
 16 hemp licensee, designee, or agent shall have in the licensee's,
 17 designee's, or agent's possession the licensing documents from the ~~state~~
 18 ~~seed commissioner~~ **cannabis compliance commission** evidencing that
 19 the hemp is from certified seed produced by a licensed grower.

20 SECTION 13. IC 15-15-13-12, AS AMENDED BY P.L.156-2020,
 21 SECTION 63, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 22 JULY 1, 2021]: Sec. 12. The ~~state seed commissioner~~ **cannabis**
 23 **compliance commission** is responsible for the following:

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

37 SECTION 14. IC 15-15-13-13, AS AMENDED BY P.L.190-2019,
 38 SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 39 JULY 1, 2021]: Sec. 13. (a) Subject to section 13.5 of this chapter, in
 40 addition to any other liability or penalty provided by law, the ~~state seed~~
 41 ~~commissioner~~ **cannabis compliance commission** may revoke or refuse
 42 to issue or renew a hemp license or an agricultural hemp seed



1 production license and may impose a civil penalty for a violation of:

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

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

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

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

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

24 SECTION 15. IC 15-15-13-13.5, AS AMENDED BY P.L.156-2020,
 25 SECTION 64, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 26 JULY 1, 2021]: Sec. 13.5. (a) Except as provided in subsection (b), the
 27 ~~state seed commissioner~~ **cannabis compliance commission** shall give
 28 a person who negligently violates this chapter a reasonable time,
 29 determined by the ~~state seed commissioner~~, **cannabis compliance**
 30 **commission**, to correct the violation without imposing a penalty under
 31 section 13 of this chapter. However, the ~~state seed commissioner~~
 32 **cannabis compliance commission** may require the person who
 33 committed the violation to comply with a corrective action plan
 34 determined by the ~~state seed commissioner~~ **cannabis compliance**
 35 **commission** and report to the ~~state seed commissioner~~ **cannabis**
 36 **compliance commission** on compliance with the corrective action
 37 plan.

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

41 (c) If the ~~state seed commissioner~~ **cannabis compliance**
 42 **commission** believes that a person has knowingly or intentionally



1 violated this chapter, the ~~state seed commissioner~~ **cannabis**
2 **compliance commission** shall notify:

- 3 (1) the superintendent of the state police department; and
4 (2) the prosecuting attorney of the county in which the violation
5 occurred;

6 of the violation.

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

10 SECTION 16. IC 15-15-13-14, AS AMENDED BY P.L.190-2019,
11 SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
12 JULY 1, 2021]: Sec. 14. (a) The ~~state seed commissioner~~ **cannabis**
13 **compliance commission** shall adopt rules under IC 4-22-2 to
14 implement and administer this chapter.

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

20 SECTION 17. IC 15-15-13-15 IS REPEALED [EFFECTIVE JULY
21 1, 2021]. ~~Sec. 15. Before December 31, 2019, the state seed~~
22 ~~commissioner, after consultation with the governor, the director of the~~
23 ~~state department of agriculture, and the superintendent of the state~~
24 ~~police department, shall submit a plan that monitors and regulates the~~
25 ~~production of hemp to the United States Department of Agriculture. If~~
26 ~~the United States Department of Agriculture disapproves the plan, the~~
27 ~~state seed commissioner shall submit an amended plan to the United~~
28 ~~States Department of Agriculture.~~

29 SECTION 18. IC 15-15-13-16, AS ADDED BY P.L.165-2014,
30 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
31 JULY 1, 2021]: Sec. 16. (a) The ~~state seed commissioner~~ **cannabis**
32 **compliance commission** shall pay all fees collected under this chapter
33 to the treasurer of Purdue University.

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

- 37 (1) The employment of inspectors and seed analysts.
38 (2) Procuring samples.
39 (3) Printing bulletins giving the results of inspection.
40 (4) Any other expenses of the Purdue University agricultural
41 programs authorized by law and for implementing this chapter.
42 (c) The dean of agriculture of Purdue University shall make and



1 submit a financial report to the governor in such form as the state board
 2 of accounts requires, showing the total receipts and expenditures of all
 3 fees received under this chapter.

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

6 SECTION 19. IC 15-15-13-17, AS AMENDED BY P.L.190-2019,
 7 SECTION 18, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 8 JULY 1, 2021]: Sec. 17. (a) The ~~seed commissioner~~ **cannabis**
 9 **compliance commission** may keep the:

10 (1) names of growers and handlers who are licensed under this
 11 chapter; and

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

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

19 SECTION 20. IC 15-15-13-19, AS ADDED BY P.L.190-2019,
 20 SECTION 20, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 21 JULY 1, 2021]: Sec. 19. (a) Hemp bud (as defined in IC 35-48-1-17.2)
 22 and hemp flower (as defined in IC 35-48-1-17.3) may be sold only to
 23 a processor licensed under this chapter.

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

27 SECTION 21. IC 15-15-13-20, AS ADDED BY P.L.190-2019,
 28 SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 29 JULY 1, 2021]: Sec. 20. (a) A person who knowingly or intentionally
 30 violates:

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

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

38 (b) A person who knowingly or intentionally:

- 39 (1) grows hemp;
 40 (2) handles hemp; or
 41 (3) sells agricultural hemp seed;

42 not including smokable hemp (as defined by IC 35-48-1-26.6), and is



1 not licensed under this chapter, commits a Class A misdemeanor.

2 SECTION 22. IC 15-16-2-36, AS AMENDED BY P.L.141-2018,
3 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
4 JULY 1, 2021]: Sec. 36. (a) Notwithstanding any other law, all excess
5 funds accumulated from the fees collected by:

6 (1) the state chemist, under this chapter, IC 15-15-2, IC 15-16-4,
7 IC 15-16-5, and IC 15-19-7; ~~and~~

8 (2) the state seed commissioner under IC 15-15-1 and, **before**
9 **July 1, 2021**, IC 15-15-13; **and**

10 **(3) after June 30, 2021, the cannabis compliance commission**
11 **under IC 15-15-13;**

12 shall be paid to the treasurer of Purdue University. The funds shall be
13 administered by the board of trustees of Purdue University.

14 (b) On approval of the governor and the budget agency, the board
15 of trustees may spend the excess funds for the construction, operation,
16 rehabilitation, and repair of buildings, structures, or other facilities
17 used for:

18 (1) carrying out the purposes of those chapters referred to in
19 subsection (a) under which the fees are collected; or

20 (2) the agricultural programs authorized by law and in support of
21 the purposes of the chapters referred to in subsection (a).

22 SECTION 23. IC 24-4-21-1, AS AMENDED BY P.L.190-2019,
23 SECTION 23, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
24 JULY 1, 2021]: Sec. 1. The following definitions apply throughout this
25 chapter:

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

28 ~~(+)~~ **(2) "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 ~~(=)~~ **(3) "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 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 (ACLASS).

3 ~~(3)~~ **(4)** "Low THC hemp extract" has the meaning set forth in
 4 IC 35-48-1-17.5.

5 SECTION 24. IC 24-4-21-1.5 IS ADDED TO THE INDIANA
 6 CODE AS A NEW SECTION TO READ AS FOLLOWS
 7 [EFFECTIVE JULY 1, 2021]: **Sec. 1.5. (a) The cannabis compliance
 8 commission shall administer and enforce this chapter.**

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

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

13 **(2) seek injunctions and impose civil penalties to enforce this
 14 chapter.**

15 SECTION 25. IC 24-4-21-5, AS ADDED BY P.L.153-2018,
 16 SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 17 JULY 1, 2021]: **Sec. 5. (a)** This section applies after June 30, 2018.

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

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

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

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

28 SECTION 26. IC 24-4-22-1, AS AMENDED BY P.L.10-2019,
 29 SECTION 106, IS AMENDED TO READ AS FOLLOWS
 30 [EFFECTIVE JULY 1, 2021]: **Sec. 1.** As used in this chapter:

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

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

35 SECTION 27. IC 24-4-22-4, AS ADDED BY P.L.153-2018,
 36 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 37 JULY 1, 2021]: **Sec. 4. (a)** This section applies after June 30, 2018.

38 **(b)** A person who violates section 3 of this chapter commits a Class
 39 C infraction. However, the violation is a Class B infraction if the
 40 person has one (1) prior unrelated judgment for a violation of section
 41 3 of this chapter, and a Class A infraction if the person has two (2) or
 42 more prior unrelated judgments for a violation of section 3 of this



1 chapter.

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

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

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

8 SECTION 28. [EFFECTIVE JULY 1, 2021] **(a) As used in this**
9 **SECTION, "cannabis compliance commission" means the cannabis**
10 **compliance commission established by IC 7.1-8-2-1, as added by**
11 **this act.**

12 **(b) On July 1, 2021, all powers, duties, agreements, and**
13 **liabilities of the state seed commissioner with respect to hemp and**
14 **industrial hemp are transferred to the cannabis compliance**
15 **commission, as the successor agency.**

16 **(c) On July 1, 2021, all records and property of the state seed**
17 **commissioner relating to hemp and industrial hemp, including**
18 **appropriations and other funds under the control or supervision of**
19 **the state seed commissioner that are designated for the hemp and**
20 **industrial hemp program, are transferred to the cannabis**
21 **compliance commission, as the successor agency.**

22 **(d) After June 30, 2021, any amounts owed to the state seed**
23 **commissioner before July 1, 2021, in connection with hemp and**
24 **industrial hemp are considered to be owed to the cannabis**
25 **compliance commission, as the successor agency.**

26 **(e) After June 30, 2021, a reference to the state seed**
27 **commissioner in a statute, rule, or other document related to**
28 **industrial hemp is considered a reference to the cannabis**
29 **compliance commission, as the successor agency.**

30 **(f) Any rules adopted under IC 15-11-15-3 or IC 15-15-13 by the**
31 **state seed commissioner before July 1, 2021, concerning hemp and**
32 **industrial hemp are considered, after June 30, 2021, rules of the**
33 **cannabis compliance commission.**

34 **(g) Proceedings relating to hemp and industrial hemp that are**
35 **pending before the state seed commissioner on July 1, 2021, shall**
36 **be transferred from the state seed commissioner to the cannabis**
37 **compliance commission and treated as if initiated by the cannabis**
38 **compliance commission.**

39 **(h) A license or permit relating to hemp and industrial hemp**
40 **that is issued by the state seed commissioner before July 1, 2021,**
41 **shall be treated after June 30, 2021, as a license or permit issued by**
42 **the cannabis compliance commission.**



1 (i) This SECTION expires July 1, 2022.

