

SENATE BILL No. 370

DIGEST OF INTRODUCED BILL

Citations Affected: IC 15-11-15; IC 15-15-13.

Synopsis: Production of hemp. Requires, within existing resources, the department of agriculture (department) to establish the industrial hemp products and development program. Requires the department to assign an employee to perform certain duties to promote the industrial hemp industry. Allows the department, if federal requirements are met, to broker agricultural hemp seed for sale to licensed growers. Removes the exclusion of industrial hemp commodities or products from the definition of "industrial hemp". Requires the state seed commissioner (commissioner) to have an employee who is responsible for assisting growers in obtaining agricultural hemp seed. Provides that a person may possess, transport, sell, distribute, or buy industrial hemp or industrial hemp products if certain laws are met. Requires the commissioner to assure a minimum aggregate number of acres for all approved licensed industrial hemp growers.

Effective: Upon passage.

Doriot

January 4, 2018, read first time and referred to Committee on Agriculture.



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 2017 Regular Session of the General Assembly.

SENATE BILL No. 370

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. Industrial Hemp Products and Development**
5 **Program**
6 **Sec. 1. Nothing in this chapter authorizes any person to violate**
7 **any federal law or regulation.**
8 **Sec. 2. As used in this chapter, "agricultural hemp seed" has the**
9 **meaning set forth in IC 15-15-13-2.**
10 **Sec. 3. As used in this chapter, "grower" has the meaning set**
11 **forth in IC 15-15-13-4.**
12 **Sec. 4. As used in this chapter, "handler" has the meaning set**
13 **forth in IC 15-15-13-5.**
14 **Sec. 5. As used in this chapter, "industrial hemp" has the**
15 **meaning set forth in IC 15-15-13-6.**
16 **Sec. 6. As used in this chapter, "program" means the industrial**
17 **hemp products and development program established by section 7**



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of this chapter.

Sec. 7. (a) The industrial hemp products and development program is established.

(b) Within existing resources, the department shall establish a program that does the following:

- (1) Promotes the processing of Indiana produced industrial hemp into commodities, products, and agricultural hemp seed.**
- (2) Promotes the research and development for the use of Indiana produced industrial hemp.**
- (3) Promotes Indiana produced industrial hemp and its products to new markets.**
- (4) Promotes industrial hemp as a crop to farmers.**
- (5) Assists persons in obtaining licenses to become a grower or handler under IC 15-15-13.**

Sec. 8. The department shall assign an employee to do the following:

- (1) Manage the department's duties under section 7(b) of this chapter.**
- (2) Coordinate the program with the state police department and the state seed commissioner's duties under IC 15-15-13.**
- (3) Provide information concerning industrial hemp as a crop and products to farmers, processors, manufacturers, and retailers.**

Sec. 9. The department may, if federal requirements are met, broker agricultural hemp seed for sale to growers licensed under IC 15-15-13.

SECTION 2. IC 15-15-13-6, AS ADDED BY P.L.165-2014, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6. As used in this chapter, "industrial hemp" means:

- (1) all nonseed parts and varieties of the Cannabis sativa plant, whether growing or not, that contain a crop wide average tetrahydrocannabinol (THC) concentration that does not exceed the lesser of:
 - (A) three-tenths of one percent (0.3%) on a dry weight basis; or
 - (B) the percent based on a dry weight basis determined by the federal Controlled Substances Act (21 U.S.C. 801 et seq.); or
- (2) any Cannabis sativa seed that is:
 - (A) part of a growing crop;
 - (B) retained by a grower for future planting; or



1 (C) for processing into, or use as, agricultural hemp seed.
 2 ~~The term does not include industrial hemp commodities or products.~~
 3 SECTION 3. IC 15-15-13-9, AS AMENDED BY P.L.139-2016,
 4 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 5 UPON PASSAGE]: Sec. 9. (a) An agricultural hemp seed production
 6 license issued under this chapter authorizes a grower or handler to
 7 produce and handle agricultural hemp seed for sale to licensed
 8 industrial hemp growers and handlers. A seller of agricultural hemp
 9 seed shall ensure that the seed complies with any standards set by the
 10 state seed commissioner. The state seed commissioner shall make
 11 available to growers information that identifies sellers of agricultural
 12 hemp seed. **The state seed commissioner shall have an employee**
 13 **who is responsible for assisting growers in obtaining agricultural**
 14 **hemp seed.**

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

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

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

- 31 (1) three-tenths of one percent (0.3%) on a dry weight basis; or
 32 (2) the percent based on a dry weight basis determined by the
 33 federal Controlled Substance Act (21 U.S.C. 801 et seq.);
 34 the state seed commissioner may detain, seize, or embargo the crop.

35 SECTION 4. IC 15-15-13-11, AS ADDED BY P.L.165-2014,
 36 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 37 UPON PASSAGE]: Sec. 11. (a) Only an industrial hemp licensee, the
 38 licensee's designee, or the licensee's agents may be permitted to
 39 transport industrial hemp off a production site. When transporting
 40 industrial hemp off the production site, the industrial hemp licensee,
 41 designee, or agent shall have in the licensee's, designee's, or agent's
 42 possession the licensing documents from the state seed commissioner



1 evidencing that the industrial hemp is from certified seed produced by
2 a licensed grower.

3 **(b) Except as provided in subsection (a), a person may possess,**
4 **transport, sell, distribute, or buy industrial hemp or industrial**
5 **hemp products if the industrial hemp was planted, grown,**
6 **cultivated, harvested, and processed by persons licensed under this**
7 **chapter or by persons in another jurisdiction according to the laws**
8 **of that jurisdiction. A person who engages in an activity under this**
9 **subsection is not subject to a civil or criminal action or penalty**
10 **under state law.**

11 SECTION 5. IC 15-15-13-12, AS ADDED BY P.L.165-2014,
12 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
13 UPON PASSAGE]: Sec. 12. **(a)** The state seed commissioner is
14 responsible for the following:

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

22 **(b) The state seed commissioner shall assure that the aggregate**
23 **number of acres for all approved licensed industrial hemp growers**
24 **for the current growing season is not less than four thousand**
25 **(4,000) acres beginning June 1, 2019.**

26 SECTION 6. An emergency is declared for this act.

