



February 7, 2025

SENATE BILL No. 478

DIGEST OF SB 478 (Updated February 6, 2025 12:44 pm - DI 107)

Citations Affected: IC 7.1-2; IC 7.1-3; IC 7.1-8; IC 15-15; IC 16-42; IC 24-4; IC 35-31.5; IC 35-46; IC 35-48; IC 35-52.

Synopsis: Craft hemp flower products. Establishes certain regulatory testing and packaging requirements for the distribution and sale of craft hemp flower products and specifies penalties applicable to the unlawful possession or distribution of craft hemp flower products. Prohibits the possession of craft hemp flower unless it is being used by a licensee to manufacture a legal hemp product, including a craft hemp flower product. Provides that a food is not considered adulterated for containing low THC hemp extract or craft hemp flower. Provides that craft hemp flower product is not included in the definition of "controlled substance analog", "hashish", "low THC hemp extract", or "marijuana". Prohibits the sale of low THC hemp extract to a person less than 21 years of age, if it contains certain elements. Adds craft hemp flower products to a statute imposing an infraction that applies with regard to persons less than 21 years of age involving the sale, distribution, purchase, and possession of craft hemp flower product. Establishes a regulatory framework for craft hemp. Defines terms. Makes conforming changes. Makes technical corrections.

Effective: July 1, 2025.

**Holdman, Garten, Baldwin, Bassler,
Walker K, Pol Jr., Clark, Donato,
Hunley, Ford J.D., Doriot**

January 16, 2025, read first time and referred to Committee on Commerce and Technology.
February 6, 2025, amended, reported favorably — Do Pass; reassigned to Committee on
Tax and Fiscal Policy.

SB 478—LS 6068/DI 120



February 7, 2025

First Regular Session of the 124th General Assembly (2025)

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 2024 Regular Session of the General Assembly.

SENATE BILL No. 478

A BILL FOR AN ACT to amend the Indiana Code concerning trade regulation.

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

- 1 SECTION 1. IC 7.1-2-3-33, AS AMENDED BY P.L.49-2020,
2 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2025]: Sec. 33. The commission is authorized to:
4 (1) investigate a violation of; and
5 (2) enforce a penalty for a violation of;
6 IC 35-46-1-10, IC 35-46-1-10.2, IC 35-46-1-11, IC 35-46-1-11.2,
7 IC 35-46-1-11.4, IC 35-46-1-11.5, IC 35-46-1-11.7, ~~or~~ IC 35-46-1-11.8,
8 **or IC 7.1-8.**
9 SECTION 2. IC 7.1-2-4-1 IS AMENDED TO READ AS
10 FOLLOWS [EFFECTIVE JULY 1, 2025]: Sec. 1. ~~Local Boards~~
11 ~~Created~~. There is hereby created in each county a local board to be
12 known as the "Alcoholic Beverage **and Craft Hemp** Board of
13 _____ County.
14 SECTION 3. IC 7.1-2-4-3, AS AMENDED BY P.L.285-2019,
15 SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
16 JULY 1, 2025]: Sec. 3. (a) The designated member of a local board
17 shall meet the following requirements:

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- 1 (1) The person must be an Indiana resident.
 2 (2) The person must be familiar with Indiana alcoholic beverage
 3 law **and laws concerning craft hemp**.
 4 (3) The person may not have a conviction within ten (10) years
 5 before the date of appointment of:
 6 (A) a federal crime having a sentence of at least one (1) year;
 7 (B) an Indiana Class A, Class B, or Class C felony (for a crime
 8 committed before July 1, 2014) or a Level 1, Level 2, Level 3,
 9 Level 4, or Level 5 felony (for a crime committed after June
 10 30, 2014); or
 11 (C) a crime in a state other than Indiana having a penalty equal
 12 to the penalty for an Indiana Class A, Class B, or Class C
 13 felony (for a crime committed before July 1, 2014) or a Level
 14 1, Level 2, Level 3, Level 4, or Level 5 felony (for a crime
 15 committed after June 30, 2014).
 16 However, this subdivision does not apply to a conviction that has
 17 been expunged under IC 35-38-9.
 18 (b) The designated member may be an officer or employee of the
 19 commission.
 20 SECTION 4. IC 7.1-2-4-13.5, AS ADDED BY P.L.94-2008,
 21 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 22 JULY 1, 2025]: Sec. 13.5. (a) This section does not apply to a
 23 designated member of the local board who is an employee or officer of
 24 the commission.
 25 (b) A local board member shall complete a training program
 26 conducted by the commission. A local board member may not be
 27 required to take a test or an examination or pay a fee in order to
 28 complete the training program.
 29 (c) The training program must include training on all the following
 30 subjects:
 31 (1) An overview of Indiana **craft hemp laws**, alcoholic beverage
 32 law, and enforcement.
 33 (2) Duties and responsibilities of the board concerning new
 34 permit applications, permit transfers, and renewal of existing
 35 permits.
 36 (3) The open door law (IC 5-14-1.5) and the public records law
 37 (IC 5-14-3).
 38 (4) Notice and hearing requirements.
 39 (5) The process for appeal of an adverse decision of the board.
 40 (6) Any other subject determined by the commission.
 41 (d) A local board member must complete the training program not
 42 more than one hundred eighty (180) days after the member is appointed



1 to the board. A local board member who does not complete the training
 2 program within the time allowed by this subsection shall be removed
 3 from the board under section 21 of this chapter.

4 SECTION 5. IC 7.1-3-18.5-5, AS AMENDED BY P.L.49-2020,
 5 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 6 JULY 1, 2025]: Sec. 5. (a) Subject to subsection (b), the commission
 7 may suspend the certificate of a person who fails to pay a civil penalty
 8 imposed for violating IC 35-46-1-10, IC 35-46-1-10.2, IC 35-46-1-11,
 9 IC 35-46-1-11.2, IC 35-46-1-11.4, IC 35-46-1-11.5, IC 35-46-1-11.7,
 10 or IC 35-46-1-11.8.

11 (b) Before enforcing the imposition of a civil penalty or suspending
 12 or revoking a certificate under this chapter, the commission shall
 13 provide written notice of the alleged violation to the certificate holder
 14 and conduct a hearing. The commission shall provide written notice of
 15 the civil penalty or suspension or revocation of a certificate to the
 16 certificate holder.

17 (c) Subject to subsection (b), the commission shall revoke the
 18 certificate of a person upon a finding by a preponderance of the
 19 evidence that the person:

20 (1) has violated IC 35-45-5-3, IC 35-45-5-3.5, IC 35-45-5-4,
 21 IC 35-46-1-11, IC 35-46-1-11.2, IC 35-46-1-11.4, or
 22 IC 35-46-1-11.8;

23 (2) has committed habitual illegal ~~sale of tobacco sales~~ as
 24 established under IC 35-46-1-10.2(j); or

25 (3) has committed habitual illegal entrance by a minor as
 26 established under IC 35-46-1-11.7(f).

27 SECTION 6. IC 7.1-3-18.5-9, AS AMENDED BY P.L.49-2020,
 28 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 29 JULY 1, 2025]: Sec. 9. A certificate holder shall exercise due diligence
 30 in the supervision and training of the certificate holder's employees or
 31 agents in the handling and sale of tobacco products and electronic
 32 cigarettes on the holder's retail premises. Proof that employees or
 33 agents of the certificate holder, while in the scope of their employment,
 34 committed at least six (6) violations relating to ~~IC 35-46-1-10.2(b)~~
 35 **IC 35-46-1-10.2(c)** in any one (1) year period shall be prima facie
 36 evidence of a lack of due diligence by the certificate holder in the
 37 supervision and training of the certificate holder's employees or agents.

38 SECTION 7. IC 7.1-8 IS ADDED TO THE INDIANA CODE AS A
 39 **NEW ARTICLE** TO READ AS FOLLOWS [EFFECTIVE JULY 1,
 40 2025]:

41 **ARTICLE 8. CRAFT HEMP FLOWER**

42 **Chapter. 0.5. Application**

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1 **Sec. 1.** Notwithstanding any other law, a retailer, distributor, or
2 manufacturer who was in operation before July 1, 2025, may
3 continue to operate without a permit issued under this article until
4 December 31, 2025, if the retailer, distributor, or manufacturer
5 complies with the other requirements of this article.

6 **Chapter 1. Definitions**

7 **Sec. 1.** As used in this article, "craft hemp" means craft hemp
8 flower product or craft hemp flower.

9 **Sec. 2.** As used in this article, "craft hemp flower" has the
10 meaning set forth in IC 35-31.5-2-68.8.

11 **Sec. 3.** As used in this article, "craft hemp flower product" has
12 the meaning set forth in IC 35-31.5-2-68.9.

13 **Chapter 2. Craft Hemp Retail Permits**

14 **Sec. 1. (a)** A person may not sell or otherwise distribute in
15 exchange for consideration craft hemp at retail without a valid
16 craft hemp permit issued by the commission.

17 **(b)** A permit may be issued only to a person who owns or
18 operates premises consisting of a permanent building or structure
19 where the craft hemp is sold or distributed.

20 **(c)** A retail permit holder may only purchase craft hemp from
21 a manufacturer or distributor that holds the appropriate permits.

22 **Sec. 2. (a)** A person who desires a permit must provide the
23 following to the commission:

24 **(1)** The applicant's name and mailing address and the address
25 of the premises for which the permit is being issued.

26 **(2)** A fee of one thousand dollars (\$1,000) for each retail
27 location.

28 **(3)** The name under which the applicant transacts or intends
29 to transact business.

30 **(4)** The address of the applicant's principal place of business
31 or headquarters, if any.

32 **(5)** The statement required under section 4 of this chapter.

33 **(6)** If the applicant is applying for a new permit under section
34 6 of this chapter, a copy of each of the following:

35 **(A)** If the new ownership of the business is a business
36 entity, the articles of incorporation, articles of
37 organization, or any other formation documents of the
38 business entity.

39 **(B)** If the new ownership of the business is an individual,
40 either:

41 **(i)** the sales or purchase agreement; or

42 **(ii)** an affidavit signed by the applicant concerning the



- 1 sale or purchase, on a form prescribed by the
 2 commission, that includes the name and address of the
 3 seller and purchaser.
- 4 (C) The permit held by the previous ownership of the
 5 business.
- 6 (b) A separate permit is required for each location where the
 7 craft hemp products or craft hemp flower are sold or distributed.
 8 A retail establishment may not hold more than one (1) active craft
 9 hemp retail permit for a retail location at any time.
- 10 (c) A permit holder shall conspicuously display the holder's
 11 permit on the holder's premises where the craft hemp is sold or
 12 distributed.
- 13 (d) Any intentional misstatement or suppression of a material
 14 fact in an application filed under this section constitutes grounds
 15 for denial of the permit.
- 16 (e) A permit may be issued only to a person who meets the
 17 following requirements:
- 18 (1) If the person is an individual, the person must be at least
 19 twenty-one (21) years of age.
- 20 (2) The person must be authorized to do business in Indiana.
- 21 (3) The person has not had an interest in a permit revoked by
 22 the commission for that business location within the preceding
 23 one (1) year.
- 24 (f) The fees collected under this section shall be deposited in the
 25 enforcement and administration fund under IC 7.1-4-10.
- 26 Sec. 3. (a) Subject to available resources, the commission shall
 27 not issue a craft hemp retail permit, except as otherwise authorized
 28 in this title and subject to the other restrictions contained in this
 29 title, to the following persons:
- 30 (1) A person who does not have lawful status (as defined in
 31 IC 9-13-2-92.3).
- 32 (2) A person who has been convicted within five (5) years
 33 before the date of application of:
- 34 (A) a federal crime having a sentence of at least one (1)
 35 year;
- 36 (B) a Level 1, Level 2, Level 3, Level 4, or Level 5 felony;
 37 or
- 38 (C) a crime in a state other than Indiana having a penalty
 39 equal to the penalty for an Indiana Level 1, Level 2, Level
 40 3, Level 4, or Level 5 felony.
- 41 However, this subdivision does not apply to a conviction that
 42 has been expunged under IC 35-38-9.



- 1 **(3) A person who does not meet at least one (1) of the**
 2 **following descriptions:**
 3 **(A) The person owns the premises to which the permit will**
 4 **be applicable.**
 5 **(B) The person has a valid lease on the premises:**
 6 **(i) at the time of the application for a permit; and**
 7 **(ii) for the duration of the period in which the person**
 8 **sells or distributes in the manner described in section 1**
 9 **of this chapter.**
 10 **(C) The person has a franchise agreement with a**
 11 **franchisor:**
 12 **(i) that owns the premises to which the permit will be**
 13 **applicable; or**
 14 **(ii) that has a bona fide lease on the premises for the full**
 15 **period for which the permit is to be issued.**
 16 **(4) A person whose place of business is conducted by a**
 17 **manager or agent, unless the manager or agent possesses the**
 18 **same qualifications required for the issuance of a craft hemp**
 19 **retail permit to the person.**
 20 **(5) A minor.**
 21 **(6) A person non compos mentis.**
 22 **(7) A person who has held a permit or permit under this title**
 23 **and who has had that permit or permit revoked within one (1)**
 24 **year prior to the date of application for a craft hemp retail**
 25 **permit.**
 26 **(8) A person who has made an application for a permit or**
 27 **permit of any type under this title which has been denied less**
 28 **than one (1) year prior to the person's application for a craft**
 29 **hemp retail permit unless the first application was denied by**
 30 **reason of a procedural or technical defect.**
 31 **(b) Subsection (a)(5) does not prevent a minor from being a**
 32 **stockholder in a corporation.**
 33 **Sec. 4. An application for a craft hemp permit must contain the**
 34 **express statement of the applicant that the applicant consents for**
 35 **the duration of the permit term (if the commission issues the**
 36 **permit to the applicant) to the entrance, inspection, and search by**
 37 **an enforcement officer, without a warrant or other process, of the**
 38 **applicant's retail premises to determine whether the applicant is**
 39 **complying with the provisions of this title. The consent required by**
 40 **this section is renewed and continued by the retention of a permit**
 41 **or the permit's use by the applicant or the applicant's agents.**
 42 **Sec. 5. (a) A permit issued by the commission under this chapter**



- 1 must contain the following information:
- 2 (1) The permit number.
- 3 (2) The permit holder's name.
- 4 (3) The permanent location of the business for which the
- 5 permit is issued.
- 6 (4) The expiration date of the permit.
- 7 (b) A permit is:
- 8 (1) valid for one (1) year after the date of issuance, unless the
- 9 commission suspends the permit; and
- 10 (2) nontransferable.
- 11 (c) A permit may be renewed. The fee for renewing a permit is
- 12 one thousand dollars (\$1,000) for each retail location.
- 13 Sec. 6. If the majority of the ownership of a business that is a
- 14 permit holder is sold or transferred:
- 15 (1) the new ownership of the business must apply for a new
- 16 permit under section 2 of this chapter; and
- 17 (2) the permit and the permit number held by the previous
- 18 ownership of the business are void ninety (90) days after the
- 19 date of the sale or transfer of the ownership of the business.
- 20 Sec. 7. The commission may adopt rules under IC 4-22-2
- 21 establish procedures for the issuance, renewal, and reinstatement
- 22 of a permit.
- 23 Sec. 8. (a) Subject to subsection (b), the commission may
- 24 suspend the permit of a person who fails to pay a civil penalty
- 25 imposed by the commission.
- 26 (b) Before enforcing the imposition of a civil penalty or
- 27 suspending or revoking a permit under this chapter, the
- 28 commission shall provide written notice of the alleged violation to
- 29 the permit holder and conduct a hearing. The commission shall
- 30 provide written notice of the civil penalty or suspension or
- 31 revocation of a permit to the permit holder.
- 32 (c) Subject to subsection (b), the commission shall revoke the
- 33 permit of a person upon a finding by a preponderance of the
- 34 evidence that the person:
- 35 (1) has violated IC 35-45-5-3, IC 35-45-5-3.5, IC 35-45-5-4,
- 36 IC 35-46-1-11, IC 35-46-1-11.2, IC 35-46-1-11.4, or
- 37 IC 35-46-1-11.8;
- 38 (2) has committed habitual illegal sale of craft hemp as
- 39 established under IC 35-46-1-10.2(j); or
- 40 (3) has committed habitual illegal entrance by a minor as
- 41 established under IC 35-46-1-11.7(f).
- 42 Sec. 9. (a) If a permit has:



1 (1) expired; or
 2 (2) been suspended;
 3 **the commission may not reinstate or renew the permit until all civil**
 4 **penalties imposed against the permit holder for violating**
 5 **IC 35-46-1-10, IC 35-46-1-10.2, IC 35-46-1-11, IC 35-46-1-11.2,**
 6 **IC 35-46-1-11.4, IC 35-46-1-11.5, IC 35-46-1-11.7, or**
 7 **IC 35-46-1-11.8 have been paid.**

8 (b) The failure to pay a civil penalty described in subsection (a)
 9 **is a Class B infraction.**

10 (c) If a permit has been revoked, the commission may not
 11 **reinstate or renew the permit for at least one hundred eighty (180)**
 12 **days after the date of revocation. The commission may reinstate or**
 13 **renew the permit only upon a reasonable showing by the applicant**
 14 **that the applicant shall:**

15 (1) exercise due diligence in the sale of craft hemp on the
 16 applicant's premises where the craft hemp is sold or
 17 distributed; and

18 (2) properly supervise and train the applicant's employees or
 19 agents in the handling and sale of craft hemp.

20 **If a permit is reinstated or renewed, the applicant of the permit**
 21 **shall pay an application fee of one thousand dollars (\$1,000).**

22 **Sec. 10. A person who is required to have a permit under this**
 23 **chapter and who sells or distributes craft hemp without a valid**
 24 **permit commits a Class A infraction. Each violation of this section**
 25 **constitutes a separate offense.**

26 **Sec. 11. The commission may mitigate civil penalties imposed**
 27 **against a permit holder for violating IC 35-46-1-10,**
 28 **IC 35-46-1-10.2, IC 35-46-1-11, IC 35-46-1-11.2, IC 35-46-1-11.4,**
 29 **IC 35-46-1-11.5, IC 35-46-1-11.7, IC 35-46-1-11.8, or any of the**
 30 **provisions of this chapter if a permit holder provides a training**
 31 **program for the permit holder's employees that includes at least**
 32 **the following topics:**

33 (1) Laws governing the sale of craft hemp products and craft
 34 hemp flower.

35 (2) Methods of recognizing and handling customers who are
 36 less than twenty-one (21) years of age.

37 (3) Procedures for proper examination of identification cards
 38 to verify that customers are under twenty-one (21) years of
 39 age.

40 **Sec. 12. A permit holder shall exercise due diligence in the**
 41 **supervision and training of the permit holder's employees or agents**
 42 **in the handling and sale of craft hemp products and craft hemp**



1 flower on the holder's retail premises.

2 **Sec. 13. (a) An employee of a permit holder must hold a valid:**

3 (1) driver's license issued by the state of Indiana or another
4 state; or

5 (2) identification card issued by the state of Indiana, another
6 state, or the United States;

7 to sell craft hemp products.

8 (b) An employee must have the employee's driver's license or
9 identification card or a copy of the employee's driver's license or
10 identification card:

11 (1) either:

12 (A) in the employee's possession; or

13 (B) on file with the employee's employer; and

14 (2) upon request, readily available to show to an excise officer
15 or law enforcement;

16 when selling craft hemp products.

17 (c) If an employee holds a valid license or identification card as
18 described in subsection (a) but is unable to show the license,
19 identification card, or a copy to an excise officer under subsection
20 (b) because:

21 (1) the employee has left the license, identification card, or
22 copy in another location; or

23 (2) the license, identification card, or copy has otherwise been
24 lost or mislaid;

25 the employee may, within five (5) days of the employee's inability
26 to show the license, identification card, or copy to the excise officer,
27 produce to the excise officer or to the office of the commission
28 satisfactory evidence of a license or identification card issued to the
29 individual that was valid at the time the individual was unable to
30 show the license, identification card, or copy.

31 (d) If an employee who is unable to show a license, identification
32 card, or copy to an excise officer fails to produce satisfactory
33 evidence within five (5) days in the manner described in subsection
34 (c), the commission may impose a civil penalty on the permit
35 holder.

36 **Sec. 14. (a) If a permit holder fails to attend or participate in a**
37 **hearing without good cause, the hearing judge may recommend to**
38 **the commission that the commission suspend or revoke the permit**
39 **holder's permit or impose a fine on the permit holder of up to one**
40 **thousand dollars (\$1,000).**

41 (b) A hearing judge may grant a continuance of a hearing upon
42 written motion showing good cause for the continuance.



1 **Sec. 15. If a permit holder sells or distributes craft hemp at a**
 2 **location:**

- 3 **(1) determined to be a public nuisance; or**
 4 **(2) at which conduct or acts that are crimes or infractions**
 5 **under IC 35 occur;**

6 **the commission may impose sanctions against the permit holder.**

7 **Sec. 16. This section applies to a person holding a tobacco sales**
 8 **certificate. A person holding a tobacco sales certificate may not be**
 9 **issued a craft hemp retail permit if the person has received a**
 10 **violation within the previous three (3) years for any of the**
 11 **following:**

- 12 **(1) Violating 7.1-3-18.5-11 (public nuisance).**
 13 **(2) Selling tobacco person less than twenty one (21) years of**
 14 **age (IC 35-46-1-10.2).**
 15 **(3) Allowing a minor to enter a licensed premise (IC**
 16 **35-46-1-11.7).**
 17 **(4) Selling e-liquid containing vitamin E acetate**
 18 **(35-46-1-11.9).**
 19 **(5) Dealing in paraphernalia (35-48-4-8.5).**

20 **Chapter 3. Craft Hemp Distributor Permits**

21 **Sec. 1. (a) A person may not distribute craft hemp to a retailer**
 22 **or a manufacturer without a valid craft hemp distributor permit**
 23 **issued by the commission.**

24 **(b) A permit may be issued only to a person who owns or**
 25 **operates premises consisting of a permanent building or structure**
 26 **from which the craft hemp is distributed.**

27 **Sec. 2. (a) A person who desires a permit must provide the**
 28 **following to the commission:**

- 29 **(1) The applicant's name and mailing address and the address**
 30 **of the premises for which the permit is being issued.**
 31 **(2) A fee of five thousand dollars (\$5,000).**
 32 **(3) The name under which the applicant transacts or intends**
 33 **to transact business.**
 34 **(4) The address of the applicant's principal place of business**
 35 **or headquarters, if any.**
 36 **(5) The statement required under section 4 of this chapter.**
 37 **(6) If the applicant is applying for a new permit under section**
 38 **6 of this chapter, a copy of each of the following:**
 39 **(A) If the new ownership of the business is a business**
 40 **entity, the articles of incorporation, articles of**
 41 **organization, or any other formation documents of the**
 42 **business entity.**



- 1 **(B) If the new ownership of the business is an individual,**
 2 **either:**
 3 **(i) the sales or purchase agreement; or**
 4 **(ii) an affidavit signed by the applicant concerning the**
 5 **sale or purchase, on a form prescribed by the**
 6 **commission, that includes the name and address of the**
 7 **seller and purchaser.**
 8 **(C) The permit held by the previous ownership of the**
 9 **business.**
 10 **(b) A separate permit is required for each location from which**
 11 **the craft hemp is distributed.**
 12 **(c) A permit holder shall conspicuously display the holder's**
 13 **permit on the holder's premises where the craft hemp is**
 14 **distributed, and in any vehicle used for the transportation of craft**
 15 **hemp.**
 16 **(d) Any intentional misstatement or suppression of a material**
 17 **fact in an application filed under this section constitutes grounds**
 18 **for denial of the permit.**
 19 **(e) A permit may be issued only to a person who meets the**
 20 **following requirements:**
 21 **(1) If the person is an individual, the person must be at least**
 22 **twenty-one (21) years of age.**
 23 **(2) The person must be authorized to do business in Indiana.**
 24 **(3) The person has not had an interest in a permit revoked by**
 25 **the commission for that business location within the preceding**
 26 **one (1) year.**
 27 **(f) The fees collected under this section shall be deposited in the**
 28 **enforcement and administration fund under IC 7.1-4-10.**
 29 **Sec. 3. (a) Subject to available resources, the commission shall**
 30 **not issue a craft hemp distributor permit, except as otherwise**
 31 **authorized in this title and subject to the other restrictions**
 32 **contained in this title, to the following persons:**
 33 **(1) A person who does not have lawful status (as defined in**
 34 **IC 9-13-2-92.3).**
 35 **(2) A person who has been convicted within five (5) years**
 36 **before the date of application of:**
 37 **(A) a federal crime having a sentence of at least one (1)**
 38 **year;**
 39 **(B) a Level 1, Level 2, Level 3, Level 4, or Level 5 felony;**
 40 **or**
 41 **(C) a crime in a state other than Indiana having a penalty**
 42 **equal to the penalty for an Indiana Level 1, Level 2, Level**



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3, Level 4, or Level 5 felony.
However, this subdivision does not apply to a conviction that has been expunged under IC 35-38-9.

(3) A person who does not meet at least one (1) of the following descriptions:

(A) The person owns the premises to which the permit will be applicable.

(B) The person has a valid lease on the premises:
(i) at the time of the application for a permit; and
(ii) for the duration of the period in which the person sells or distributes in the manner described in section 1 of this chapter.

(C) The person has a franchise agreement with a franchisor:

- (i) that owns the premises to which the permit will be applicable; or
- (ii) that has a bona fide lease on the premises for the full period for which the permit is to be issued.

(4) A person whose place of business is conducted by a manager or agent, unless the manager or agent possesses the same qualifications required for the issuance of a craft hemp distributor permit to the person.

- (5) A minor.
- (6) A person non compos mentis.
- (7) A person who has held a permit or permit under this title and who has had that permit or permit revoked within one (1) year prior to the date of application for a craft hemp permit.
- (8) A person who has made an application for a permit or permit of any type under this title which has been denied less than one (1) year prior to the person's application for a craft hemp distributor permit unless the first application was denied by reason of a procedural or technical defect.

(b) Subsection (a)(5) does not prevent a minor from being a stockholder in a corporation.

Sec. 4. An application for a craft hemp permit must contain the express statement of the applicant that the applicant consents for the duration of the permit term (if the commission issues the permit to the applicant) to the entrance, inspection, and search by an enforcement officer, without a warrant or other process, of the applicant's premises to determine whether the applicant is complying with the provisions of this title. The consent required by this section is renewed and continued by the retention of a permit



1 or the permit's use by the applicant or the applicant's agents.

2 **Sec. 5. (a) A permit issued by the commission under this chapter**
 3 **must contain the following information:**

4 (1) The permit number.

5 (2) The permit holder's name.

6 (3) The permanent location of the business for which the
 7 permit is issued.

8 (4) The expiration date of the permit.

9 (b) A permit is:

10 (1) valid for one (1) year after the date of issuance, unless the
 11 commission suspends the permit; and

12 (2) nontransferable.

13 (c) A permit may be renewed. The fee for renewing a permit is
 14 five thousand dollars (\$5,000).

15 **Sec. 6. If the majority of the ownership of a business that is a**
 16 **permit holder is sold or transferred:**

17 (1) the new ownership of the business must apply for a new
 18 permit under section 2 of this chapter; and

19 (2) the permit and the permit number held by the previous
 20 ownership of the business are void ninety (90) days after the
 21 date of the sale or transfer of the ownership of the business.

22 **Sec. 7. The commission may adopt rules under IC 4-22-2 to**
 23 **establish procedures for the issuance, renewal, and reinstatement**
 24 **of a permit.**

25 **Sec. 8. (a) Subject to subsection (b), the commission may**
 26 **suspend the permit of a person who fails to pay a civil penalty**
 27 **imposed by the commission.**

28 (b) Before enforcing the imposition of a civil penalty or
 29 suspending or revoking a permit under this chapter, the
 30 commission shall provide written notice of the alleged violation to
 31 the permit holder and conduct a hearing. The commission shall
 32 provide written notice of the civil penalty or suspension or
 33 revocation of a permit to the permit holder.

34 (c) Subject to subsection (b), the commission shall revoke the
 35 permit of a person upon a finding by a preponderance of the
 36 evidence that the person:

37 (1) has violated IC 35-45-5-3, IC 35-45-5-3.5, IC 35-45-5-4,
 38 IC 35-46-1-11, IC 35-46-1-11.2, IC 35-46-1-11.4, or
 39 IC 35-46-1-11.8;

40 (2) has committed habitual illegal sale of craft hemp as
 41 established under IC 35-46-1-10.2(j); or

42 (3) has committed habitual illegal entrance by a minor as



1 established under IC 35-46-1-11.7(f).

2 **Sec. 9. (a) If a permit has:**

3 (1) expired; or

4 (2) been suspended;

5 the commission may not reinstate or renew the permit until all civil
6 penalties imposed against the permit holder for violating
7 IC 35-46-1-10, IC 35-46-1-10.2, IC 35-46-1-11, IC 35-46-1-11.2,
8 IC 35-46-1-11.4, IC 35-46-1-11.5, IC 35-46-1-11.7, or
9 IC 35-46-1-11.8 have been paid.

10 (b) The failure to pay a civil penalty described in subsection (a)
11 is a Class B infraction.

12 (c) If a permit has been revoked, the commission may not
13 reinstate or renew the permit for at least one hundred eighty (180)
14 days after the date of revocation. The commission may reinstate or
15 renew the permit only upon a reasonable showing by the applicant
16 that the applicant shall:

17 (1) exercise due diligence in the distribution of craft hemp;
18 and

19 (2) properly supervise and train the applicant's employees or
20 agents in the handling and distribution of craft hemp.

21 If a permit is reinstated or renewed, the applicant of the permit
22 shall pay an application fee of one thousand dollars (\$1,000).

23 **Sec. 10. A person who is required to have a permit under this**
24 **chapter and distributes craft hemp without a valid permit commits**
25 **a Class A infraction. Each violation of this section constitutes a**
26 **separate offense.**

27 **Sec. 11. The commission may mitigate civil penalties imposed**
28 **against a permit holder for violating IC 35-46-1-10,**
29 **IC 35-46-1-10.2, IC 35-46-1-11, IC 35-46-1-11.2, IC 35-46-1-11.4,**
30 **IC 35-46-1-11.5, IC 35-46-1-11.7, IC 35-46-1-11.8, or any of the**
31 **provisions of this chapter if a permit holder provides a training**
32 **program for the permit holder's employees that includes training**
33 **in laws governing the distribution of craft hemp.**

34 **Sec. 12. A permit holder shall exercise due diligence in the**
35 **supervision and training of the permit holder's employees or agents**
36 **in the handling and distribution of craft hemp.**

37 **Sec. 13. (a) An employee of a permit holder must hold a valid:**

38 (1) driver's license issued by the state of Indiana or another
39 state; or

40 (2) identification card issued by the state of Indiana, another
41 state, or the United States;

42 to sell craft hemp.



1 **(b) An employee must have the employee's driver's license or**
 2 **identification card or a copy of the employee's driver's license or**
 3 **identification card:**

4 **(1) either:**

5 **(A) in the employee's possession; or**

6 **(B) on file with the employee's employer; and**

7 **(2) upon request, readily available to show to an excise officer**
 8 **or law enforcement;**

9 **when selling craft hemp.**

10 **(c) If an employee holds a valid license or identification card as**
 11 **described in subsection (a) but is unable to show the license,**
 12 **identification card, or a copy to an excise officer under subsection**
 13 **(b) because:**

14 **(1) the employee has left the license, identification card, or**
 15 **copy in another location; or**

16 **(2) the license, identification card, or copy has otherwise been**
 17 **lost or mislaid;**

18 **the employee may, within five (5) days of the employee's inability**
 19 **to show the license, identification card, or copy to the excise officer,**
 20 **produce to the excise officer or to the office of the commission**
 21 **satisfactory evidence of a license or identification card issued to the**
 22 **individual that was valid at the time the individual was unable to**
 23 **show the license, identification card, or copy.**

24 **(d) If an employee who is unable to show a license, identification**
 25 **card, or copy to an excise officer fails to produce satisfactory**
 26 **evidence within five (5) days in the manner described in subsection**
 27 **(c), the commission may impose a civil penalty on the permit**
 28 **holder.**

29 **Sec. 14. (a) If a permit holder fails to attend or participate in a**
 30 **hearing without good cause, the hearing judge may recommend to**
 31 **the commission that the commission suspend or revoke the permit**
 32 **holder's permit or impose a fine on the permit holder of up to one**
 33 **thousand dollars (\$1,000).**

34 **(b) A hearing judge may grant a continuance of a hearing upon**
 35 **written motion showing good cause for the continuance.**

36 **Sec. 15. If a permit holder distributes craft hemp at a location:**

37 **(1) determined to be a public nuisance; or**

38 **(2) at which conduct or acts that are crimes or infractions**
 39 **under IC 35 occur;**

40 **the commission may impose sanctions against the permit holder.**

41 **Chapter 4. Craft Hemp Manufacturer Permits**

42 **Sec. 1. (a) A person may not manufacture craft hemp without a**



1 valid craft hemp manufacturer permit issued by the commission.

2 (b) A permit may be issued only to a person who owns or
3 operates premises consisting of a permanent building or structure
4 where the craft hemp is manufactured.

5 Sec. 2. (a) A person who desires a permit must provide the
6 following to the commission:

7 (1) The applicant's name and mailing address and the address
8 of the premises for which the permit is being issued.

9 (2) A fee of five thousand dollars (\$5,000).

10 (3) The name under which the applicant transacts or intends
11 to transact business.

12 (4) The address of the applicant's principal place of business
13 or headquarters, if any.

14 (5) The statement required under section 4 of this chapter.

15 (6) If the applicant is applying for a new permit under section
16 6 of this chapter, a copy of each of the following:

17 (A) If the new ownership of the business is a business
18 entity, the articles of incorporation, articles of
19 organization, or any other formation documents of the
20 business entity.

21 (B) If the new ownership of the business is an individual,
22 either:

23 (i) the sales or purchase agreement; or

24 (ii) an affidavit signed by the applicant concerning the
25 sale or purchase, on a form prescribed by the
26 commission, that includes the name and address of the
27 seller and purchaser.

28 (C) The permit held by the previous ownership of the
29 business.

30 (b) A separate permit is required for each location where the
31 craft hemp is manufactured.

32 (c) A permit holder shall conspicuously display the holder's
33 permit on the holder's premises where the craft hemp is
34 manufactured.

35 (d) Any intentional misstatement or suppression of a material
36 fact in an application filed under this section constitutes grounds
37 for denial of the permit.

38 (e) A permit may be issued only to a person who meets the
39 following requirements:

40 (1) If the person is an individual, the person must be at least
41 twenty-one (21) years of age.

42 (2) The person must be authorized to do business in Indiana.



- 1 **(3) The person has not had an interest in a permit revoked by**
- 2 **the commission for that business location within the preceding**
- 3 **one (1) year.**
- 4 **(f) The fees collected under this section shall be deposited in the**
- 5 **enforcement and administration fund under IC 7.1-4-10.**
- 6 **Sec. 3 (a) Subject to available resources, the commission shall**
- 7 **not issue a craft hemp manufacturer permit, except as otherwise**
- 8 **authorized in this title and subject to the other restrictions**
- 9 **contained in this title, to the following persons:**
- 10 **(1) A person who does not have lawful status (as defined in**
- 11 **IC 9-13-2-92.3).**
- 12 **(2) A person who has been convicted within five (5) years**
- 13 **before the date of application of:**
- 14 **(A) a federal crime having a sentence of at least one (1)**
- 15 **year;**
- 16 **(B) a Level 1, Level 2, Level 3, Level 4, or Level 5 felony;**
- 17 **or**
- 18 **(C) a crime in a state other than Indiana having a penalty**
- 19 **equal to the penalty for an Indiana Level 1, Level 2, Level**
- 20 **3, Level 4, or Level 5 felony.**
- 21 **However, this subdivision does not apply to a conviction that**
- 22 **has been expunged under IC 35-38-9.**
- 23 **(3) A person who does not meet at least one (1) of the**
- 24 **following descriptions:**
- 25 **(A) The person owns the premises to which the permit will**
- 26 **be applicable.**
- 27 **(B) The person has a valid lease on the premises:**
- 28 **(i) at the time of the application for a permit; and**
- 29 **(ii) for the duration of the period in which the person**
- 30 **manufactures in the manner described in section 1 of this**
- 31 **chapter.**
- 32 **(C) The person has a franchise agreement with a**
- 33 **franchisor:**
- 34 **(i) that owns the premises to which the permit will be**
- 35 **applicable; or**
- 36 **(ii) that has a bona fide lease on the premises for the full**
- 37 **period for which the permit is to be issued.**
- 38 **(4) A person whose place of business is conducted by a**
- 39 **manager or agent, unless the manager or agent possesses the**
- 40 **same qualifications required for the issuance of a craft hemp**
- 41 **manufacturer permit to the person.**
- 42 **(5) A minor.**



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- (6) A person non compos mentis.**
- (7) A person who has held a permit or permit under this title and who has had that permit or permit revoked within one (1) year prior to the date of application for a craft hemp manufacturer permit.**
- (8) A person who has made an application for a permit or permit of any type under this title which has been denied less than one (1) year prior to the person's application for a craft hemp manufacturer permit unless the first application was denied by reason of a procedural or technical defect.**

(b) Subsection (a)(5) does not prevent a minor from being a stockholder in a corporation.

Sec. 4. An application for a craft hemp permit must contain the express statement of the applicant that the applicant consents for the duration of the permit term (if the commission issues the permit to the applicant) to the entrance, inspection, and search by an enforcement officer, without a warrant or other process, of the applicant's premises to determine whether the applicant is complying with the provisions of this title. The consent required by this section is renewed and continued by the retention of a permit or the permit's use by the applicant or the applicant's agents.

Sec. 5. (a) A permit issued by the commission under this chapter must contain the following information:

- (1) The permit number.**
- (2) The permit holder's name.**
- (3) The permanent location of the business for which the permit is issued.**
- (4) The expiration date of the permit.**

(b) A permit is:

- (1) valid for one (1) year after the date of issuance, unless the commission suspends the permit; and**
- (2) nontransferable.**

(c) A permit may be renewed. The fee for renewing a permit is five thousand dollars (\$5,000).

Sec. 6. If the majority of the ownership of a business that is a permit holder is sold or transferred:

- (1) the new ownership of the business must apply for a new permit under section 2 of this chapter; and**
- (2) the permit and the permit number held by the previous ownership of the business are void ninety (90) days after the date of the sale or transfer of the ownership of the business.**

Sec. 7. The commission may adopt rules under IC 4-22-2 to



1 establish procedures for the issuance, renewal, and reinstatement
2 of a permit.

3 **Sec. 8. (a)** Subject to subsection (b), the commission may
4 suspend the permit of a person who fails to pay a civil penalty
5 imposed by the commission.

6 **(b)** Before enforcing the imposition of a civil penalty or
7 suspending or revoking a permit under this chapter, the
8 commission shall provide written notice of the alleged violation to
9 the permit holder and conduct a hearing. The commission shall
10 provide written notice of the civil penalty or suspension or
11 revocation of a permit to the permit holder.

12 **(c)** Subject to subsection (b), the commission shall revoke the
13 permit of a person upon a finding by a preponderance of the
14 evidence that the person:

15 (1) has violated IC 35-45-5-3, IC 35-45-5-3.5, IC 35-45-5-4,
16 IC 35-46-1-11, IC 35-46-1-11.2, IC 35-46-1-11.4, or
17 IC 35-46-1-11.8;

18 (2) has committed habitual illegal sale of craft hemp as
19 established under IC 35-46-1-10.2(j); or

20 (3) has committed habitual illegal entrance by a minor as
21 established under IC 35-46-1-11.7(f).

22 **Sec. 9. (a)** If a permit has:

23 (1) expired; or

24 (2) been suspended;

25 the commission may not reinstate or renew the permit until all civil
26 penalties imposed against the permit holder for violating
27 IC 35-46-1-10, IC 35-46-1-10.2, IC 35-46-1-11, IC 35-46-1-11.2,
28 IC 35-46-1-11.4, IC 35-46-1-11.5, IC 35-46-1-11.7, or
29 IC 35-46-1-11.8 have been paid.

30 **(b)** The failure to pay a civil penalty described in subsection (a)
31 is a Class B infraction.

32 **(c)** If a permit has been revoked, the commission may not
33 reinstate or renew the permit for at least one hundred eighty (180)
34 days after the date of revocation. The commission may reinstate or
35 renew the permit only upon a reasonable showing by the applicant
36 that the applicant shall:

37 (1) exercise due diligence in the distribution of craft hemp;
38 and

39 (2) properly supervise and train the applicant's employees or
40 agents in the handling and distribution of craft hemp.

41 If a permit is reinstated or renewed, the applicant of the permit
42 shall pay an application fee of one thousand dollars (\$1,000).



1 **Sec. 10.** A person who is required to have a permit under this
 2 chapter and manufactures craft hemp without a valid permit
 3 commits a Class A infraction. Each violation of this section
 4 constitutes a separate offense.

5 **Sec. 11.** The commission may mitigate civil penalties imposed
 6 against a permit holder for violating IC 35-46-1-10,
 7 IC 35-46-1-10.2, IC 35-46-1-11, IC 35-46-1-11.2, IC 35-46-1-11.4,
 8 IC 35-46-1-11.5, IC 35-46-1-11.7, IC 35-46-1-11.8, or any of the
 9 provisions of this chapter if a permit holder provides a training
 10 program for the permit holder's employees that includes training
 11 in laws governing the distribution of craft hemp.

12 **Sec. 12.** A permit holder shall exercise due diligence in the
 13 supervision and training of the permit holder's employees or agents
 14 in the handling and distribution of craft hemp.

15 **Sec. 13. (a)** An employee of a permit holder must hold a valid:

16 (1) driver's license issued by the state of Indiana or another
 17 state; or

18 (2) identification card issued by the state of Indiana, another
 19 state, or the United States;

20 to sell craft hemp.

21 **(b)** An employee must have the employee's driver's license or
 22 identification card or a copy of the employee's driver's license or
 23 identification card:

24 (1) either:

25 (A) in the employee's possession; or

26 (B) on file with the employee's employer; and

27 (2) upon request, readily available to show to an excise officer
 28 or law enforcement;

29 when selling craft hemp.

30 **(c)** If an employee holds a valid license or identification card as
 31 described in subsection (a) but is unable to show the license,
 32 identification card, or a copy to an excise officer under subsection
 33 (b) because:

34 (1) the employee has left the license, identification card, or
 35 copy in another location; or

36 (2) the license, identification card, or copy has otherwise been
 37 lost or mislaid;

38 the employee may, within five (5) days of the employee's inability
 39 to show the license, identification card, or copy to the excise officer,
 40 produce to the excise officer or to the office of the commission
 41 satisfactory evidence of a license or identification card issued to the
 42 individual that was valid at the time the individual was unable to



1 show the license, identification card, or copy.

2 (d) If an employee who is unable to show a license, identification
3 card, or copy to an excise officer fails to produce satisfactory
4 evidence within five (5) days in the manner described in subsection
5 (c), the commission may impose a civil penalty on the permit
6 holder.

7 Sec. 14. (a) If a permit holder fails to attend or participate in a
8 hearing without good cause, the hearing judge may recommend to
9 the commission that the commission suspend or revoke the permit
10 holder's permit or impose a fine on the permit holder of up to one
11 thousand dollars (\$1,000).

12 (b) A hearing judge may grant a continuance of a hearing upon
13 written motion showing good cause for the continuance.

14 Sec. 15. If a permit holder manufactures craft hemp at a
15 location:

- 16 (1) determined to be a public nuisance; or
- 17 (2) at which conduct or acts that are crimes or infractions
- 18 under IC 35 occur;

19 the commission may impose sanctions against the permit holder.

20 Chapter 5. Retail Establishments

21 Sec. 1. A craft hemp retail establishment must keep the craft
22 hemp behind a bar or in a location to which a purchaser does not
23 have access. If a person purchases craft hemp, an employee of the
24 retail establishment shall remove the craft hemp from behind the
25 bar or from the inaccessible location and deliver it to the
26 purchaser.

27 Sec. 2. A retail establishment may not permit consumption of
28 craft hemp on the premises of the retail establishment.

29 Sec. 3. A retail establishment that does not have a tobacco sales
30 certificate may not permit a person less than twenty-one (21) years
31 of age on the premises.

32 Chapter 6. Manufacturing Facilities

33 Sec. 1. A craft hemp manufacturer must submit any proposed
34 craft hemp packaging to the commission for preapproval before
35 delivering or causing delivery of craft hemp to a retail
36 establishment.

37 SECTION 8. IC 15-15-13-6.7 IS ADDED TO THE INDIANA
38 CODE AS A NEW SECTION TO READ AS FOLLOWS
39 [EFFECTIVE JULY 1, 2025]: Sec. 6.7. As used in this chapter,
40 "work in progress hemp extract" means a compound:

- 41 (1) derived from hemp;
- 42 (2) intended to be processed into a hemp product;



- 1 **(3) in a partially processed state;**
 2 **(4) having a concentration of delta-9 THC that exceeds**
 3 **three-tenths of one percent (0.3%) by dry weight; and**
 4 **(5) not marketed for consumer use or consumption.**

5 SECTION 9. IC 15-15-13-11, AS AMENDED BY P.L.190-2019,
 6 SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 7 JULY 1, 2025]: Sec. 11. Only a hemp licensee, the licensee's designee,
 8 or the licensee's agents may be permitted to transport hemp **or work in**
 9 **progress hemp extract** off a production site. When transporting hemp
 10 **or work in progress hemp extract** off the production site, the hemp
 11 licensee, designee, or agent shall have in the licensee's, designee's, or
 12 agent's possession the licensing documents from the state seed
 13 commissioner evidencing that the hemp **or work in progress hemp**
 14 **extract** is from certified seed produced by a licensed grower.

15 SECTION 10. IC 15-15-13-11.5 IS ADDED TO THE INDIANA
 16 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
 17 [EFFECTIVE JULY 1, 2025]: **Sec. 11.5. (a) Subject to subsection (b),**
 18 **a handler holding a valid license under this chapter may possess,**
 19 **manufacture, store, transport, or sell work in progress hemp**
 20 **extract.**

21 **(b) Work in progress hemp extract may be sold only to a:**

- 22 **(1) handler holding a valid license under this chapter; or**
 23 **(2) person holding a valid hemp or cannabis license in another**
 24 **jurisdiction.**

25 SECTION 11. IC 15-15-13-19, AS ADDED BY P.L.190-2019,
 26 SECTION 20, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 27 JULY 1, 2025]: Sec. 19. (a) ~~Hemp bud (as defined in IC 35-48-1-17.2)~~
 28 ~~and hemp flower (as defined in IC 35-48-1-17.3)~~ **Craft hemp flower**
 29 **(as defined by IC 35-31.5-2-68.8) may be transported or sold**
 30 **intrastate only to a processor licensed under this chapter for**
 31 **processing or manufacturing into a legal hemp product, including**
 32 **a craft hemp flower product (as defined by IC 35-31.5-2-68.9).**

33 **(b) Craft hemp flower may be sold and transported interstate in**
 34 **accordance with section 11 of this chapter.**

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

37 SECTION 12. IC 16-42-2-2 IS AMENDED TO READ AS
 38 FOLLOWS [EFFECTIVE JULY 1, 2025]: Sec. 2. (a) A food is
 39 considered adulterated under any of the following conditions:

- 40 (1) If the food bears or contains any poisonous or deleterious
 41 substance that may make the food injurious to health. However,
 42 if the substance is not an added substance, the food is not to be



1 considered adulterated under this subdivision if the quantity of the
 2 substance in the food does not ordinarily make the food injurious
 3 to health.

4 (2) If:

5 (A) the food bears or contains any added poison or added
 6 deleterious substance (other than a poison or a deleterious
 7 substance that is a pesticide chemical in or on a raw
 8 agricultural commodity, a food additive, or a color additive)
 9 that is unsafe within the meaning of section 5 of this chapter;

10 (B) the food is a raw agricultural commodity and the food
 11 bears or contains a pesticide chemical that is unsafe under
 12 section 5 of this chapter; or

13 (C) the food is or contains a food additive that is unsafe under
 14 section 5 of this chapter.

15 However, when a pesticide chemical is used in or on a raw
 16 agricultural commodity in conformity with an exemption granted
 17 or tolerance prescribed under section 5 of this chapter and the raw
 18 agricultural commodity has been subjected to processing such as
 19 canning, cooking, freezing, dehydrating, or milling, the residue of
 20 the pesticide chemical remaining in or on the processed food,
 21 notwithstanding section 5 of this chapter and clause (C) is not
 22 considered unsafe if the residue in or on the raw agricultural
 23 commodity has been removed to the extent possible in good
 24 manufacturing practice, and the concentration of the residues in
 25 the processed food, when ready to eat, is not greater than the
 26 tolerance prescribed for the raw agricultural commodity.

27 (3) If the food consists in whole or in part of a diseased,
 28 contaminated, filthy, putrid, or decomposed substance or if the
 29 food is otherwise unfit for food.

30 (4) If the food has been produced, transported, handled, prepared,
 31 packed, or held under unsanitary conditions or in unsanitary
 32 containers as the result of which the food may have become
 33 contaminated with filth or made diseased, unwholesome, or
 34 injurious to health.

35 (5) If the food is, in whole or in part, the product of:

36 (A) a diseased animal;

37 (B) an animal that has died otherwise than by slaughter; or

38 (C) an animal that has been fed upon the uncooked offal from
 39 a slaughterhouse.

40 (6) If the food's container is composed in whole or in part of any
 41 poisonous or deleterious substance that may make the contents
 42 injurious to health.



- 1 (7) If the food has been intentionally subjected to radiation, unless
 2 the use of the radiation was in conformity with a rule or an
 3 exemption in effect under section 5 of this chapter.
 4 (8) If any valuable constituent has been in whole or in part
 5 omitted or abstracted from the food.
 6 (9) If any substance has been substituted wholly or in part.
 7 (10) If damage or inferiority has been concealed in any manner.
 8 (11) If any substance has been added to the food or mixed or
 9 packed with the food to:
 10 (A) increase the food's bulk or weight;
 11 (B) reduce the food's quality or strength;
 12 (C) make the food appear better or of greater value than the
 13 food is; or
 14 (D) create a deceptive appearance.
 15 (12) If the food bears or contains a coal-tar color other than one
 16 from a batch that has been certified by the federal Food and Drug
 17 Administrator, as provided by regulations promulgated under
 18 authority of the Federal Act.
 19 (13) If the food is a confectionery and has partially or completely
 20 ~~imbedded~~ **embedded** in the food any nonnutritive object.
 21 However, this subdivision does not apply in the case of any
 22 nonnutritive object if, in the judgment of the state department as
 23 provided by rules, the nonnutritive object is of practical,
 24 functional value to the confectionery product and would not make
 25 the product injurious or hazardous to health.
 26 (14) If the food is a confectionery and bears or contains any
 27 alcohol other than alcohol not in excess of one-half of one percent
 28 (0.5%) by volume derived solely from the use of flavoring
 29 extracts.
 30 (15) If the food is a confectionery and bears or contains any
 31 nonnutritive substance. However, this subdivision does not apply
 32 to a safe, nonnutritive substance if:
 33 (A) the nonnutritive substance is in or on a confectionery for
 34 a practical, functional purpose in the manufacture, packaging,
 35 or storing of the confectionery; and
 36 (B) the use of the substance does not promote deception of the
 37 consumer or otherwise result in adulteration or misbranding in
 38 violation of any provision of IC 16-42-1 through IC 16-42-4.
 39 In addition, the state department may, for the purpose of
 40 avoiding or resolving uncertainty as to the application of this
 41 subdivision, adopt rules allowing or prohibiting the use of
 42 particular nonnutritive substances.



- 1 (16) If the food falls below the standard of purity, quality, or
- 2 strength that the food purports or is represented to possess.
- 3 (17) If the food is or bears or contains any color additive that is
- 4 unsafe under section 5 of this chapter.
- 5 (b) Subsection (a)(8) and (a)(9) do not prohibit:
- 6 (1) the removal of butterfat from; or
- 7 (2) the addition of skim milk to;
- 8 dairy products that comply with the definitions and standards for dairy
- 9 products adopted by the state department.
- 10 **(c) A food is not considered adulterated for containing low THC**
- 11 **hemp extract (as defined in IC 35-48-1-17.5) or craft hemp flower**
- 12 **(as defined in IC 35-31.5-2-68.8).**
- 13 SECTION 13. IC 24-4-21-4, AS ADDED BY P.L.153-2018,
- 14 SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 15 JULY 1, 2025]: Sec. 4. (a) Except as provided in subsection (b), low
- 16 THC hemp extract must be distributed in packaging that contains the
- 17 following information:
- 18 (1) A scannable bar code or QR code linked to a document that
- 19 contains information with respect to the manufacture of the low
- 20 THC hemp extract, including the:
- 21 (A) batch identification number;
- 22 (B) product name;
- 23 (C) batch date;
- 24 (D) expiration date, which must be not more than two (2) years
- 25 from the date of manufacture;
- 26 (E) batch size;
- 27 (F) total quantity produced; **and**
- 28 ~~(G) ingredients used; including the:~~
- 29 ~~(i) ingredient name;~~
- 30 ~~(ii) name of the company that manufactured the ingredient;~~
- 31 ~~(iii) company or product identification number or code; if~~
- 32 ~~applicable; and~~
- 33 ~~(iv) ingredient lot number; and~~
- 34 ~~(H) (G) download link for a certificate of analysis for the low~~
- 35 ~~THC hemp extract.~~
- 36 (2) The batch number.
- 37 (3) The Internet address of a ~~web site~~ **website** to obtain batch
- 38 information.
- 39 (4) The expiration date.
- 40 (5) The number of milligrams of low THC hemp extract.
- 41 (6) The manufacturer.
- 42 (7) The fact that the product contains not more than three-tenths



1 **of one percent (0.3%) total delta-9-tetrahydrocannabinol (THC),**
 2 **including precursors, by weight.**

3 **(b) Before July 1, 2018, low THC hemp extract may be distributed**
 4 **in Indiana without having met the requirements described in subsection**
 5 **(a):**

6 **(b) After June 30, 2025, the packaging of low THC hemp extract**
 7 **may not:**

8 **(1) contain any statement, artwork, or design that could**
 9 **reasonably mislead any person to believe that the package**
 10 **contains anything other than low THC hemp extract;**

11 **(2) bear the likeness or contain a cartoon-like characteristic**
 12 **of a real or fictional person, animal, or fruit that appeals to**
 13 **children; or**

14 **(3) bear an unauthorized trademark, trade name, famous**
 15 **mark, or other identifying mark, imprint, or device, or any**
 16 **likeness thereof.**

17 SECTION 14. IC 24-4-22-3, AS ADDED BY P.L.153-2018,
 18 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 19 JULY 1, 2025]: Sec. 3. (a) ~~Except as provided in subsection (b);~~ A
 20 person may sell low THC hemp extract at retail only if the packaging
 21 complies with the requirements of IC 24-4-21-4.

22 ~~(b) Before July 1, 2018, a person may sell low THC hemp extract at~~
 23 ~~retail even if the packaging does not comply with the requirements of~~
 24 ~~IC 24-4-21-4.~~

25 **(b) Beginning July 1, 2025, no low THC hemp extract**
 26 **containing:**

27 **(1) Delta-8 THC;**

28 **(2) Delta-10 THC;**

29 **(3) Hexahydrocannabinol (HHC);**

30 **(4) Tetrahydrocannabinol acetate ester (THCo);**

31 **(5) Tetrahydrocannabiporol (THCp); or**

32 **(6) Tetrahydrocannabivarin (THCv);**

33 **may be distributed, sold, or offered for sale at retail or online to a**
 34 **person who is less than twenty-one (21) years of age.**

35 **(c) Any website owned, managed, or operated by a person who**
 36 **distributes or sells a product containing:**

37 **(1) Delta-8 THC;**

38 **(2) Delta-10 THC;**

39 **(3) Hexahydrocannabinol (HHC);**

40 **(4) Tetrahydrocannabinol acetate ester (THCo);**

41 **(5) Tetrahydrocannabiporol (THCp); or**

42 **(6) Tetrahydrocannabivarin (THCv);**



1 directly to consumers must verify a consumer's age by either using
 2 a reliable online age verification service, or by obtaining and
 3 examining a copy of a government issued identification, prior to
 4 completing a purchase.

5 (d) A person who violates this section is subject to a civil penalty
 6 not to exceed the following:

7 (1) One thousand dollars (\$1,000) for a first violation.

8 (2) Five thousand dollars (\$5,000) for a second violation that
 9 occurs within two (2) years after a first violation, and
 10 suspension of the retail dealer's certificate for up to six (6)
 11 months.

12 (3) Ten thousand dollars (\$10,000) for each subsequent
 13 violation that occurs within two (2) years of the preceding
 14 violation, and revocation of the retail dealer's certificate, with
 15 a one (1) year waiting period for reapplication.

16 (e) It is a defense to a violation under this section that the
 17 distributor or seller examined the purchaser's or recipient's
 18 driver's license, or other valid government issued identification,
 19 that positively identified the purchaser or recipient as being at least
 20 twenty-one (21) years of age.

21 SECTION 15. IC 24-4-24 IS ADDED TO THE INDIANA CODE
 22 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
 23 JULY 1, 2025]:

24 **Chapter 24. Distribution of Craft Hemp Flower Products**

25 **Sec. 1.** As used in this chapter, "certificate of analysis" means
 26 a certificate from an independent testing laboratory describing the
 27 results of the laboratory's testing of a sample.

28 **Sec. 2.** As used in this chapter, "craft hemp flower product" has
 29 the meaning set forth in IC 35-31.5-2-68.9.

30 **Sec. 3.** As used in this chapter, "independent testing laboratory"
 31 means a laboratory:

32 (1) 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 (A) processes, distributes, or sells a craft hemp flower
 36 product, or a substantially similar substance in another
 37 jurisdiction;

38 (B) cultivates, processes, distributes, dispenses, or sells
 39 marijuana;

40 (C) cultivates, processes, or distributes hemp; or

41 (D) processes, distributes, or sells low THC hemp extract
 42 (as defined in IC 35-48-1-17.5); and



1 (2) that is accredited as a testing laboratory under
 2 International Organization for Standardization (ISO) 17025
 3 by a third party accrediting body such as the American
 4 Association for Laboratory Accreditation (A2LA) or Assured
 5 Calibration and Laboratory Accreditation Select Services
 6 (ACLASS).

7 Sec. 4. As used in this chapter, "tamper evident packaging"
 8 means a package having at least one (1) indicator or a barrier to
 9 entry that, if breached or missing, can reasonably be expected to
 10 provide visible evidence to consumers that tampering has occurred.

11 Sec. 5. (a) Before a person may distribute a craft hemp flower
 12 product, the distributor must have a certificate of analysis
 13 prepared by an independent testing laboratory showing the
 14 following:

15 (1) That the craft hemp flower product is the product of a
 16 batch tested by the independent testing laboratory.

17 (2) That the independent testing laboratory determined that
 18 the batch contained not more than three-tenths of one percent
 19 (0.3%) delta-9-tetrahydrocannabinol (THC), including
 20 precursors, by weight, based on the testing of a random
 21 sample of the batch.

22 (3) That the batch has been tested for and does not exceed the
 23 acceptable levels set forth under section 7 of this chapter for
 24 the following contaminants:

25 (A) Heavy metals, including cadmium, lead, arsenic, and
 26 mercury.

27 (B) Pesticides.

28 (C) Herbicides.

29 (D) Mycotoxins.

30 (E) Bacterial toxins.

31 (F) Chemical solvent residues.

32 (4) The potency of the craft hemp flower product, including
 33 the projected percentage of:

34 (A) THC;

35 (B) cannabidiol; and

36 (C) other cannabinoids in the craft hemp flower product;
 37 by weight or volume.

38 (b) Each batch of a craft hemp flower product submitted to an
 39 independent testing laboratory under this section must have been
 40 harvested at the same time and cultivated in a contiguous area in
 41 the same field or facility.

42 Sec. 6. A craft hemp flower product must be distributed in



- 1 tamper evident packaging that contains the following information:
 2 (1) A scannable bar code or QR code linked to a document
 3 that contains information with respect to the craft hemp
 4 flower product, including the:
 5 (A) batch identification number;
 6 (B) product name;
 7 (C) batch date;
 8 (D) expiration date, which must be not more than two (2)
 9 years from the date of harvest;
 10 (E) batch size;
 11 (F) total quantity produced;
 12 (G) ingredients used, including the:
 13 (i) ingredient name;
 14 (ii) name of the company that manufactured the
 15 ingredient;
 16 (iii) company or product identification number or code,
 17 if applicable; and
 18 (iv) ingredient lot number; and
 19 (H) download link for a certificate of analysis for the craft
 20 hemp flower product.
 21 (2) The batch identification number.
 22 (3) The address of a website to obtain batch information.
 23 (4) The expiration date, which must be not more than two (2)
 24 years from the date of harvest.
 25 (5) The number of grams of craft hemp flower (as defined by
 26 IC 35-31.5-2-68.8) contained in the craft hemp flower product.
 27 (6) The facility that produced the craft hemp flower product.
 28 (7) The fact that the product contains not more than
 29 t h r e e - t e n t h s o f o n e p e r c e n t (0 . 3 %)
 30 delta-9-tetrahydrocannabinol (THC), including precursors, by
 31 weight.
 32 Sec. 7. A craft hemp flower product may not be distributed if a
 33 certificate of analysis prepared by an independent testing
 34 laboratory shows any of the following:
 35 (1) A concentration of metals that is more than any of the
 36 following:
 37 (A) Four-tenths (0.4) part per million of cadmium.
 38 (B) Five-tenths (0.5) part per million of lead.
 39 (C) Four-tenths (0.4) part per million of arsenic.
 40 (D) Two-tenths (0.2) part per million of mercury.
 41 (2) A concentration of microbiological units that is more than
 42 any of the following:



- 1 (A) One (1) colony forming unit per gram of Shiga-Toxin
- 2 Escherichia coli.
- 3 (B) One (1) colony forming unit per gram of Salmonella
- 4 spp.
- 5 (C) Ten thousand (10,000) colony forming units of
- 6 culturable mold.
- 7 (3) A concentration of residual solvents and chemicals that is
- 8 not more than any of the following:
- 9 (A) Five thousand (5,000) parts per million of butane.
- 10 (B) Two (2) parts per million of benzene.
- 11 (C) Five thousand (5,000) parts per million of heptane.
- 12 (D) Two hundred ninety (290) parts per million of hexane.
- 13 (E) Eight hundred ninety (890) parts per million of toluene.
- 14 (F) One (1) part per million of total xylenes, including
- 15 ortho-xylene, meta-xylene, and para-xylene.

16 Sec. 8. (a) A person in a motor vehicle who, while the motor
 17 vehicle is in operation or the motor vehicle is located on the
 18 right-of-way of a public highway (as defined in IC 9-25-2-4),
 19 knowingly or intentionally possesses a container that contains a
 20 craft hemp flower product, and:

- 21 (1) the container does not have tamper evident packaging; or
- 22 (2) the tamper evident packaging has a broken seal;
- 23 commits a Class C misdemeanor.

24 (b) A violation of this section is not considered a moving traffic
 25 violation:

- 26 (1) for purposes of IC 9-14-12-3; and
- 27 (2) for which points are assessed by the bureau of motor
- 28 vehicles under the point system.

29 Sec. 9. (a) A person who knowingly or intentionally distributes
 30 or sells a craft hemp flower product in violation of this chapter
 31 commits a Class B misdemeanor. However, the offense is a Class
 32 A misdemeanor if the person has a prior unrelated conviction for
 33 a violation of this chapter.

34 (b) The penalties in this section are in addition to any criminal
 35 penalties that may be imposed for unlawful possession or
 36 distribution of a controlled substance.

37 SECTION 16. IC 35-31.5-2-68.8 IS ADDED TO THE INDIANA
 38 CODE AS A NEW SECTION TO READ AS FOLLOWS
 39 [EFFECTIVE JULY 1, 2025]: Sec. 68.8. (a) "Craft hemp flower"
 40 means the harvested reproductive organ, whether immature or
 41 mature, of the female Cannabis sativa L. plant containing not more
 42 than three-tenths of one percent (0.3%)



1 **delta-9-tetrahydrocannabinol (THC), including precursors of**
 2 **THC, in a form that is intended to allow THC to be introduced into**
 3 **the human body by inhalation of smoke.**

4 **(b) The term does not include agricultural hemp seed (as defined**
 5 **in IC 15-15-13-2).**

6 SECTION 17. IC 35-31.5-2-68.9 IS ADDED TO THE INDIANA
 7 CODE AS A NEW SECTION TO READ AS FOLLOWS
 8 [EFFECTIVE JULY 1, 2025]: **Sec. 68.9. "Craft hemp flower**
 9 **product" means a substance or product for sale to consumers that:**

10 **(1) is derived from or contains any part of craft hemp flower;**

11 **and**

12 **(2) is in the form of:**

13 **(A) a gummy;**

14 **(B) an edible;**

15 **(C) a tincture; or**

16 **(D) an e-liquid in a tamper evident container.**

17 **The term does not include smokable hemp.**

18 SECTION 18. IC 35-31.5-2-100, AS AMENDED BY P.L.49-2020,
 19 SECTION 25, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 20 JULY 1, 2025]: **Sec. 100. (a) "Distribute", for purposes of**
 21 **IC 35-45-4-8, has the meaning set forth in IC 35-45-4-8.**

22 **(b) "Distribute", for purposes of IC 35-46-1-10, has the meaning set**
 23 **forth in ~~IC 35-46-1-10(f)~~. **IC 35-46-1-10(a).****

24 **(c) "Distribute", for purposes of IC 35-46-1-10.2, has the meaning**
 25 **set forth in ~~IC 35-46-1-10.2(g)~~. **IC 35-46-1-10.2(a).****

26 **(d) "Distribute", for purposes of IC 35-47.5, has the meaning set**
 27 **forth in IC 35-47.5-2-6.**

28 **(e) "Distribute", for purposes of IC 35-48, has the meaning set forth**
 29 **in IC 35-48-1-14.**

30 **(f) "Distribute", for purposes of IC 35-49, has the meaning set forth**
 31 **in IC 35-49-1-2.**

32 SECTION 19. IC 35-46-1-10, AS AMENDED BY P.L.32-2021,
 33 SECTION 97, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 34 JULY 1, 2025]: **Sec. 10. (a) As used in this section, "distribute"**
 35 **means to give tobacco, a craft hemp flower product, an e-liquid, or**
 36 **an electronic cigarette to another person as a means of promoting,**
 37 **advertising, or marketing the tobacco, craft hemp flower product,**
 38 **e-liquid, or electronic cigarette to the general public.**

39 **(a) (b) A person may not be charged with a violation under this**
 40 **section and a violation under IC 7.1-7-6-5.**

41 **(b) (c) A person who knowingly:**

42 **(1) sells or distributes tobacco, a craft hemp flower product, an**



- 1 e-liquid, or an electronic cigarette to a person less than
 2 twenty-one (21) years of age; or
 3 (2) purchases tobacco, **a craft hemp flower product**, an e-liquid,
 4 or an electronic cigarette for delivery to another person who is
 5 less than twenty-one (21) years of age;
 6 commits a Class C infraction. For a sale to take place under this
 7 section, the buyer must pay the seller for the tobacco, **craft hemp**
 8 **flower product**, e-liquid, or electronic cigarette.
- 9 (c) (d) It is not a defense that the person to whom the tobacco, **craft**
 10 **hemp flower product**, e-liquid, or electronic cigarette was sold or
 11 distributed did not smoke, chew, inhale, or otherwise consume the
 12 tobacco, **craft hemp flower product**, e-liquid, or electronic cigarette.
- 13 (c) (e) The following defenses are available to a person accused of
 14 selling or distributing tobacco, **a craft hemp flower product**, an
 15 e-liquid, or an electronic cigarette to a person who is less than
 16 twenty-one (21) years of age:
- 17 (1) The buyer or recipient produced a driver's license bearing the
 18 purchaser's or recipient's photograph, showing that the purchaser
 19 or recipient was of legal age to make the purchase.
 - 20 (2) The buyer or recipient produced a photographic identification
 21 card issued under IC 9-24-16-1, or a similar card issued under the
 22 laws of another state or the federal government, showing that the
 23 purchaser or recipient was of legal age to make the purchase.
 - 24 (3) The appearance of the purchaser or recipient was such that an
 25 ordinary prudent person would believe that the purchaser or
 26 recipient was not less than thirty (30) years of age.
- 27 (c) (f) It is a defense that the accused person sold or delivered the
 28 tobacco, **craft hemp flower product**, e-liquid, or electronic cigarette
 29 to a person who acted in the ordinary course of employment or a
 30 business concerning tobacco, **a craft hemp flower product**, an
 31 e-liquid, or electronic cigarettes including the following activities:
- 32 (1) Agriculture.
 - 33 (2) Processing.
 - 34 (3) Transporting.
 - 35 (4) Wholesaling.
 - 36 (5) Retailing.
- 37 (f) As used in this section, "distribute" means to give tobacco, an
 38 e-liquid, or an electronic cigarette to another person as a means of
 39 promoting, advertising, or marketing the tobacco, e-liquid, or electronic
 40 cigarette to the general public.
- 41 (g) Unless the person buys or receives tobacco, **a craft hemp**
 42 **flower product**, an e-liquid, or an electronic cigarette under the



1 direction of a law enforcement officer as part of an enforcement action,
 2 a person who sells or distributes tobacco, **a craft hemp flower**
 3 **product**, an e-liquid, or an electronic cigarette is not liable for a
 4 violation of this section unless the person less than twenty-one (21)
 5 years of age who bought or received the tobacco, **craft hemp flower**
 6 **product**, e-liquid, or electronic cigarette is issued a citation or
 7 summons under section 10.5 of this chapter.

8 (h) Notwithstanding IC 34-28-5-5(c), civil penalties collected under
 9 this section must be deposited in the Richard D. Doyle youth tobacco
 10 education and enforcement fund (IC 7.1-6-2-6).

11 SECTION 20. IC 35-46-1-10.2, AS AMENDED BY P.L.32-2021,
 12 SECTION 98, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 13 JULY 1, 2025]: Sec. 10.2. (a) **As used in this section, "distribute"**
 14 **means to give tobacco, a craft hemp flower product, an e-liquid, or**
 15 **an electronic cigarette to another person as a means of promoting,**
 16 **advertising, or marketing the tobacco, craft hemp flower product,**
 17 **e-liquid, or electronic cigarette to the general public.**

18 (a) (b) A person may not be charged with a violation under this
 19 section and a violation under IC 7.1-7-6-5.

20 (b) (c) A retail establishment that sells or distributes tobacco, **a**
 21 **craft hemp flower product**, an e-liquid, or an electronic cigarette to
 22 a person less than twenty-one (21) years of age commits a Class C
 23 infraction. For a sale to take place under this section, the buyer must
 24 pay the retail establishment for the tobacco, **craft hemp flower**
 25 **product**, e-liquid, or electronic cigarette.

26 (c) (d) Notwithstanding IC 34-28-5-4(c), a civil judgment for an
 27 infraction committed under this section must be imposed as follows:

28 (1) If the retail establishment at that specific business location has
 29 not been issued a citation or summons for a violation of this
 30 section in the previous one (1) year, a civil penalty of up to four
 31 hundred dollars (\$400).

32 (2) If the retail establishment at that specific business location has
 33 had one (1) citation or summons issued for a violation of this
 34 section in the previous one (1) year, a civil penalty of up to eight
 35 hundred dollars (\$800).

36 (3) If the retail establishment at that specific business location has
 37 had two (2) citations or summonses issued for a violation of this
 38 section in the previous one (1) year, a civil penalty of up to one
 39 thousand four hundred dollars (\$1,400).

40 (4) If the retail establishment at that specific business location has
 41 had three (3) or more citations or summonses issued for a
 42 violation of this section in the previous one (1) year, a civil



1 penalty of up to two thousand dollars (\$2,000).
 2 A retail establishment may not be issued a citation or summons for a
 3 violation of this section more than once every twenty-four (24) hours
 4 for each specific business location.

5 ~~(d)~~ (e) It is not a defense that the person to whom the tobacco, **craft**
 6 **hemp flower product**, e-liquid, or electronic cigarette was sold or
 7 distributed did not smoke, chew, inhale, or otherwise consume the
 8 tobacco, **craft hemp flower product**, e-liquid, or electronic cigarette.

9 ~~(e)~~ (f) The following defenses are available to a retail establishment
 10 accused of selling or distributing tobacco, **a craft hemp flower**
 11 **product**, an e-liquid, or an electronic cigarette to a person who is less
 12 than twenty-one (21) years of age:

13 (1) The buyer or recipient produced a driver's license bearing the
 14 purchaser's or recipient's photograph showing that the purchaser
 15 or recipient was of legal age to make the purchase.

16 (2) The buyer or recipient produced a photographic identification
 17 card issued under IC 9-24-16-1 or a similar card issued under the
 18 laws of another state or the federal government showing that the
 19 purchaser or recipient was of legal age to make the purchase.

20 (3) The appearance of the purchaser or recipient was such that an
 21 ordinary prudent person would believe that the purchaser or
 22 recipient was not less than thirty (30) years of age.

23 ~~(f)~~ (g) It is a defense that the accused retail establishment sold or
 24 delivered the tobacco, **craft hemp flower product**, e-liquid, or
 25 electronic cigarette to a person who acted in the ordinary course of
 26 employment or a business concerning tobacco, **a craft hemp flower**
 27 **product**, an e-liquid, or electronic cigarettes for the following
 28 activities:

29 (1) Agriculture.

30 (2) Processing.

31 (3) Transporting.

32 (4) Wholesaling.

33 (5) Retailing.

34 ~~(g)~~ As used in this section, "distribute" means to give tobacco, an
 35 e-liquid, or an electronic cigarette to another person as a means of
 36 promoting, advertising, or marketing the tobacco or electronic cigarette
 37 to the general public.

38 (h) Unless a person buys or receives tobacco, **a craft hemp flower**
 39 **product**, an e-liquid, or an electronic cigarette under the direction of
 40 a law enforcement officer as part of an enforcement action, a retail
 41 establishment that sells or distributes tobacco, **a craft hemp flower**
 42 **product**, an e-liquid, or an electronic cigarette is not liable for a



1 violation of this section unless the person less than twenty-one (21)
 2 years of age who bought or received the tobacco, **craft hemp flower**
 3 **product**, e-liquid, or electronic cigarette is issued a citation or
 4 summons under section 10.5 of this chapter.

5 (i) Notwithstanding IC 34-28-5-5(c), civil penalties collected under
 6 this section must be deposited in the Richard D. Doyle youth tobacco
 7 education and enforcement fund (IC 7.1-6-2-6).

8 (j) A person who violates subsection ~~(b)~~ **(c)** at least six (6) times in
 9 any one (1) year commits habitual illegal ~~sale of tobacco~~; **sales**, a Class
 10 B infraction.

11 SECTION 21. IC 35-46-1-10.5, AS AMENDED BY P.L.49-2020,
 12 SECTION 32, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 13 JULY 1, 2025]: Sec. 10.5. (a) A person less than twenty-one (21) years
 14 of age who:

15 (1) purchases tobacco, **a craft hemp flower product**, an e-liquid,
 16 or an electronic cigarette;

17 (2) accepts tobacco, **a craft hemp flower product**, an e-liquid,
 18 or an electronic cigarette for personal use; or

19 (3) possesses tobacco, **a craft hemp flower product**, an e-liquid,
 20 or an electronic cigarette on the person's person;

21 commits a Class C infraction.

22 (b) It is a defense under subsection (a) that the accused person acted
 23 in the ordinary course of employment in a business concerning tobacco,
 24 **a craft hemp flower product**, an e-liquid, or an electronic cigarette for
 25 the following activities:

26 (1) Agriculture.

27 (2) Processing.

28 (3) Transporting.

29 (4) Wholesaling.

30 (5) Retailing.

31 SECTION 22. IC 35-48-1-9, AS AMENDED BY P.L.153-2018,
 32 SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 33 JULY 1, 2025]: Sec. 9. "Controlled substance" means a drug,
 34 substance, or immediate precursor in schedule I, II, III, IV, or V under:

35 (1) IC 35-48-2-4, IC 35-48-2-6, IC 35-48-2-8, IC 35-48-2-10, or
 36 IC 35-48-2-12, if IC 35-48-2-14 does not apply; or

37 (2) a rule adopted by the board, if IC 35-48-2-14 applies.

38 The term does not include low THC hemp extract **or a craft hemp**
 39 **flower product**.

40 SECTION 23. IC 35-48-1-9.3, AS AMENDED BY P.L.80-2019,
 41 SECTION 18, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 42 JULY 1, 2025]: Sec. 9.3. (a) "Controlled substance analog" means a



1 substance that, due to its chemical structure and potential for abuse or
2 misuse, meets the following criteria:

3 (1) The substance is substantially similar to a controlled substance
4 classified under IC 35-48-2.

5 (2) The substance has a narcotic, stimulant, depressant, or
6 hallucinogenic effect on the central nervous system or is
7 represented or intended to have a narcotic, stimulant, depressant,
8 or hallucinogenic effect on the central nervous system
9 substantially similar to or greater than that of a controlled
10 substance classified under IC 35-48-2.

11 (b) The definition set forth in subsection (a) does not include:

12 (1) a controlled substance;

13 (2) a legend drug;

14 (3) a substance for which there is an approved new drug
15 application;

16 (4) any compound, mixture, or preparation that contains any
17 controlled substance, that is not for administration to a human
18 being or an animal, and that is packaged in a form or
19 concentration, or with adulterants or denaturants, such that as
20 packaged it does not present any significant potential for abuse;

21 **or**

22 (5) a substance to which an investigational exemption applies
23 under Section 505 of the federal Food, Drug and Cosmetic Act
24 (chapter 675, 52 Stat. 1052 (21 U.S.C. 355)), but only to the
25 extent that conduct with respect to the substance is pursuant to the
26 exemption; **or**

27 (6) low THC hemp extract; **or**

28 **(7) a craft hemp flower product.**

29 (c) For purposes of subsection (a), "substantially similar", as it
30 applies to the chemical structure of a substance, means that the
31 chemical structure of the substance, when compared to the structure of
32 a controlled substance, has a single difference in the structural formula
33 that substitutes one (1) atom or functional group for another, including:

34 (1) one (1) halogen for another halogen;

35 (2) one (1) hydrogen for a halogen;

36 (3) one (1) halogen for a hydrogen; or

37 (4) an alkyl group added or deleted:

38 (A) as a side chain to or from a molecule; or

39 (B) from a side chain of a molecule.

40 SECTION 24. IC 35-48-1-10 IS AMENDED TO READ AS
41 FOLLOWS [EFFECTIVE JULY 1, 2025]: Sec. 10. (a) "Counterfeit
42 substance", **for purposes of IC 35-48-4-5**, means a controlled



1 substance which, or the container or labeling of which, without
 2 authorization, bears the trademark, trade name, or other identifying
 3 mark, imprint, number, or device, or any likeness thereof, of a
 4 manufacturer, distributor, or dispenser other than the person who in
 5 fact manufactured, distributed, or dispensed the substance.

6 **(b) "Counterfeit substance", for purposes of IC 35-48-4-5.5,**
 7 **means hemp flower or a hemp flower product which, or the**
 8 **container or labeling of which, without authorization, bears the**
 9 **trademark, trade name, or other identifying mark, imprint,**
 10 **number, or device, or any likeness thereof, of a manufacturer,**
 11 **distributor, or dispenser other than the person who in fact**
 12 **manufactured, distributed, or dispensed the substance.**

13 SECTION 25. IC 35-48-1-10.5 IS ADDED TO THE INDIANA
 14 CODE AS A NEW SECTION TO READ AS FOLLOWS
 15 [EFFECTIVE JULY 1, 2025]: **Sec. 10.5. "Craft hemp flower**
 16 **product" has the meaning set forth in IC 35-31.5-2-68.9.**

17 SECTION 26. IC 35-48-1-16.8, AS ADDED BY P.L.153-2018,
 18 SECTION 19, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 19 JULY 1, 2025]: Sec. 16.8. "Hashish" does not include:

20 (1) low THC hemp extract; or

21 (2) a craft hemp flower product.

22 SECTION 27. IC 35-48-1-17.2 IS REPEALED [EFFECTIVE JULY
 23 1, 2025]. Sec. 17.2: (a) "Hemp bud" means the harvested immature
 24 reproductive organ of the female hemp plant:

25 (b) The term does not include agricultural hemp seed:

26 SECTION 28. IC 35-48-1-17.3 IS REPEALED [EFFECTIVE JULY
 27 1, 2025]. Sec. 17.3: (a) "Hemp flower" means the harvested
 28 reproductive organ, whether immature or mature, of the female hemp
 29 plant:

30 (b) The term does not include agricultural hemp seed:

31 SECTION 29. IC 35-48-1-17.5, AS AMENDED BY P.L.190-2019,
 32 SECTION 28, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 33 JULY 1, 2025]: Sec. 17.5. (a) "Low THC hemp extract" means a
 34 substance or compound that:

35 (1) is derived from or contains any part of the plant Cannabis
 36 sativa L. that meets the definition of hemp under IC 15-15-13-6;

37 (2) contains not more than three-tenths of one percent (0.3%)
 38 total delta-9-tetrahydrocannabinol (THC), including precursors,
 39 by weight; and

40 (3) contains no other controlled substances.

41 (b) The term does not include:

42 (1) the harvested reproductive organ, whether immature or



1 mature, of the female hemp plant; ~~or~~

2 (2) ~~smokable hemp~~; **a craft hemp flower product; or**

3 **(3) smokable hemp.**

4 SECTION 30. IC 35-48-1-19, AS AMENDED BY P.L.190-2019,
5 SECTION 29, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
6 JULY 1, 2025]: Sec. 19. (a) "Marijuana" means any part of the plant
7 genus Cannabis whether growing or not; the seeds thereof; the resin
8 extracted from any part of the plant, including hashish and hash oil; any
9 compound, manufacture, salt, derivative, mixture, or preparation of the
10 plant, its seeds or resin.

11 (b) The term does not include:

12 (1) the mature stalks of the plant;

13 (2) fiber produced from the stalks;

14 (3) oil or cake made from the seeds of the plant;

15 (4) any other compound, manufacture, salt, derivative, mixture,
16 or preparation of the mature stalks (except the resin extracted
17 therefrom);

18 (5) the sterilized seed of the plant which is incapable of
19 germination;

20 (6) hemp (as defined by IC 15-15-13-6);

21 (7) low THC hemp extract; ~~or~~

22 (8) ~~smokable hemp~~; **a craft hemp flower product; or**

23 **(9) smokable hemp.**

24 SECTION 31. IC 35-48-1-26.6, AS ADDED BY P.L.190-2019,
25 SECTION 30, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
26 JULY 1, 2025]: Sec. 26.6. (a) Except as provided in subsection (b),
27 "smokable hemp" means a ~~product~~ **plant or a part of a plant**
28 containing not more than three-tenths of one percent (0.3%)
29 delta-9-tetrahydrocannabinol (THC), including precursors and
30 derivatives of THC, in a form that allows THC to be introduced into the
31 human body by inhalation of smoke. **Except as provided in subsection**
32 **(b), the term includes craft hemp flower.**

33 (1) ~~hemp bud~~; and

34 (2) ~~hemp flower~~.

35 (b) The term does not include **a craft hemp flower product (as**
36 **defined by IC 35-31.5-2-68.9), or:**

37 (1) a hemp plant that is; ~~or~~

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

39 **(3) craft hemp flower that is;**

40 grown or handled by a licensee for processing or manufacturing into a
41 legal hemp product, **including a craft hemp flower product.**

42 SECTION 32. IC 35-48-4-5.5 IS ADDED TO THE INDIANA



1 CODE AS A NEW SECTION TO READ AS FOLLOWS
 2 [EFFECTIVE JULY 1, 2025]: **Sec. 5.5. A person who:**
 3 **(1) knowingly or intentionally:**
 4 **(A) creates;**
 5 **(B) delivers; or**
 6 **(C) finances the delivery of;**
 7 **a counterfeit substance; or**
 8 **(2) possesses, with intent to:**
 9 **(A) deliver; or**
 10 **(B) finance the delivery of;**
 11 **a counterfeit substance;**
 12 **commits dealing in a counterfeit hemp substance, a Class A**
 13 **misdemeanor. However, a person may be convicted of an offense**
 14 **under subdivision (2) only if there is evidence in addition to the**
 15 **weight of the counterfeit substance that the person intended to**
 16 **deliver or finance the delivery of the counterfeit substance.**
 17 SECTION 33. IC 35-52-24-20.3 IS ADDED TO THE INDIANA
 18 CODE AS A NEW SECTION TO READ AS FOLLOWS
 19 [EFFECTIVE JULY 1, 2025]: **Sec. 20.3. IC 24-4-24-8 defines a crime**
 20 **concerning possession of craft hemp flower products.**
 21 SECTION 34. IC 35-52-24-20.4 IS ADDED TO THE INDIANA
 22 CODE AS A NEW SECTION TO READ AS FOLLOWS
 23 [EFFECTIVE JULY 1, 2025]: **Sec. 20.4. IC 24-4-24-9 defines a crime**
 24 **concerning distribution or sale of craft hemp flower products.**



COMMITTEE REPORT

Mr. President: The Senate Committee on Commerce and Technology, to which was referred Senate Bill No. 478, 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 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 7.1-2-3-33, AS AMENDED BY P.L.49-2020, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: Sec. 33. The commission is authorized to:

- (1) investigate a violation of; and
- (2) enforce a penalty for a violation of;

IC 35-46-1-10, IC 35-46-1-10.2, IC 35-46-1-11, IC 35-46-1-11.2, IC 35-46-1-11.4, IC 35-46-1-11.5, IC 35-46-1-11.7, ~~or~~ IC 35-46-1-11.8, **or IC 7.1-8.**

SECTION 2. IC 7.1-2-4-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: Sec. 1. ~~Local Boards Created:~~ There is hereby created in each county a local board to be known as the "Alcoholic Beverage **and Craft Hemp** Board of _____ County.

SECTION 3. IC 7.1-2-4-3, AS AMENDED BY P.L.285-2019, SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: Sec. 3. (a) The designated member of a local board shall meet the following requirements:

- (1) The person must be an Indiana resident.
- (2) The person must be familiar with Indiana alcoholic beverage law **and laws concerning craft hemp.**
- (3) The person may not have a conviction within ten (10) years before the date of appointment of:
 - (A) a federal crime having a sentence of at least one (1) year;
 - (B) an Indiana Class A, Class B, or Class C felony (for a crime committed before July 1, 2014) or a Level 1, Level 2, Level 3, Level 4, or Level 5 felony (for a crime committed after June 30, 2014); or
 - (C) a crime in a state other than Indiana having a penalty equal to the penalty for an Indiana Class A, Class B, or Class C felony (for a crime committed before July 1, 2014) or a Level 1, Level 2, Level 3, Level 4, or Level 5 felony (for a crime committed after June 30, 2014).

However, this subdivision does not apply to a conviction that has



been expunged under IC 35-38-9.

(b) The designated member may be an officer or employee of the commission.

SECTION 4. IC 7.1-2-4-13.5, AS ADDED BY P.L.94-2008, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: Sec. 13.5. (a) This section does not apply to a designated member of the local board who is an employee or officer of the commission.

(b) A local board member shall complete a training program conducted by the commission. A local board member may not be required to take a test or an examination or pay a fee in order to complete the training program.

(c) The training program must include training on all the following subjects:

- (1) An overview of Indiana **craft hemp laws**, alcoholic beverage law, and enforcement.
- (2) Duties and responsibilities of the board concerning new permit applications, permit transfers, and renewal of existing permits.
- (3) The open door law (IC 5-14-1.5) and the public records law (IC 5-14-3).
- (4) Notice and hearing requirements.
- (5) The process for appeal of an adverse decision of the board.
- (6) Any other subject determined by the commission.

(d) A local board member must complete the training program not more than one hundred eighty (180) days after the member is appointed to the board. A local board member who does not complete the training program within the time allowed by this subsection shall be removed from the board under section 21 of this chapter."

Page 2, between lines 17 and 18, begin a new paragraph and insert:
"SECTION 5. IC 7.1-8 IS ADDED TO THE INDIANA CODE AS A NEW ARTICLE TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]:

ARTICLE 8. CRAFT HEMP FLOWER

Chapter. 0.5. Application

Sec. 1. Notwithstanding any other law, a retailer, distributor, or manufacturer who was in operation before July 1, 2025, may continue to operate without a permit issued under this article until December 31, 2025, if the retailer, distributor, or manufacturer complies with the other requirements of this article.

Chapter 1. Definitions

Sec. 1. As used in this article, "craft hemp" means craft hemp



flower product or craft hemp flower.

Sec. 2. As used in this article, "craft hemp flower" has the meaning set forth in IC 35-31.5-2-68.8.

Sec. 3. As used in this article, "craft hemp flower product" has the meaning set forth in IC 35-31.5-2-68.9.

Chapter 2. Craft Hemp Retail Permits

Sec. 1. (a) A person may not sell or otherwise distribute in exchange for consideration craft hemp at retail without a valid craft hemp permit issued by the commission.

(b) A permit may be issued only to a person who owns or operates premises consisting of a permanent building or structure where the craft hemp is sold or distributed.

(c) A retail permit holder may only purchase craft hemp from a manufacturer or distributor that holds the appropriate permits.

Sec. 2. (a) A person who desires a permit must provide the following to the commission:

(1) The applicant's name and mailing address and the address of the premises for which the permit is being issued.

(2) A fee of one thousand dollars (\$1,000) for each retail location.

(3) The name under which the applicant transacts or intends to transact business.

(4) The address of the applicant's principal place of business or headquarters, if any.

(5) The statement required under section 4 of this chapter.

(6) If the applicant is applying for a new permit under section 6 of this chapter, a copy of each of the following:

(A) If the new ownership of the business is a business entity, the articles of incorporation, articles of organization, or any other formation documents of the business entity.

(B) If the new ownership of the business is an individual, either:

(i) the sales or purchase agreement; or

(ii) an affidavit signed by the applicant concerning the sale or purchase, on a form prescribed by the commission, that includes the name and address of the seller and purchaser.

(C) The permit held by the previous ownership of the business.

(b) A separate permit is required for each location where the craft hemp products or craft hemp flower are sold or distributed.



A retail establishment may not hold more than one (1) active craft hemp retail permit for a retail location at any time.

(c) A permit holder shall conspicuously display the holder's permit on the holder's premises where the craft hemp is sold or distributed.

(d) Any intentional misstatement or suppression of a material fact in an application filed under this section constitutes grounds for denial of the permit.

(e) A permit may be issued only to a person who meets the following requirements:

- (1) If the person is an individual, the person must be at least twenty-one (21) years of age.
- (2) The person must be authorized to do business in Indiana.
- (3) The person has not had an interest in a permit revoked by the commission for that business location within the preceding one (1) year.

(f) The fees collected under this section shall be deposited in the enforcement and administration fund under IC 7.1-4-10.

Sec. 3. (a) Subject to available resources, the commission shall not issue a craft hemp retail permit, except as otherwise authorized in this title and subject to the other restrictions contained in this title, to the following persons:

- (1) A person who does not have lawful status (as defined in IC 9-13-2-92.3).
- (2) A person who has been convicted within five (5) years before the date of application of:
 - (A) a federal crime having a sentence of at least one (1) year;
 - (B) a Level 1, Level 2, Level 3, Level 4, or Level 5 felony; or
 - (C) a crime in a state other than Indiana having a penalty equal to the penalty for an Indiana Level 1, Level 2, Level 3, Level 4, or Level 5 felony.

However, this subdivision does not apply to a conviction that has been expunged under IC 35-38-9.

(3) A person who does not meet at least one (1) of the following descriptions:

- (A) The person owns the premises to which the permit will be applicable.
- (B) The person has a valid lease on the premises:
 - (i) at the time of the application for a permit; and
 - (ii) for the duration of the period in which the person



sells or distributes in the manner described in section 1 of this chapter.

(C) The person has a franchise agreement with a franchisor:

(i) that owns the premises to which the permit will be applicable; or

(ii) that has a bona fide lease on the premises for the full period for which the permit is to be issued.

(4) A person whose place of business is conducted by a manager or agent, unless the manager or agent possesses the same qualifications required for the issuance of a craft hemp retail permit to the person.

(5) A minor.

(6) A person non compos mentis.

(7) A person who has held a permit or permit under this title and who has had that permit or permit revoked within one (1) year prior to the date of application for a craft hemp retail permit.

(8) A person who has made an application for a permit or permit of any type under this title which has been denied less than one (1) year prior to the person's application for a craft hemp retail permit unless the first application was denied by reason of a procedural or technical defect.

(b) Subsection (a)(5) does not prevent a minor from being a stockholder in a corporation.

Sec. 4. An application for a craft hemp permit must contain the express statement of the applicant that the applicant consents for the duration of the permit term (if the commission issues the permit to the applicant) to the entrance, inspection, and search by an enforcement officer, without a warrant or other process, of the applicant's retail premises to determine whether the applicant is complying with the provisions of this title. The consent required by this section is renewed and continued by the retention of a permit or the permit's use by the applicant or the applicant's agents.

Sec. 5. (a) A permit issued by the commission under this chapter must contain the following information:

(1) The permit number.

(2) The permit holder's name.

(3) The permanent location of the business for which the permit is issued.

(4) The expiration date of the permit.

(b) A permit is:



- (1) valid for one (1) year after the date of issuance, unless the commission suspends the permit; and
- (2) nontransferable.

(c) A permit may be renewed. The fee for renewing a permit is one thousand dollars (\$1,000) for each retail location.

Sec. 6. If the majority of the ownership of a business that is a permit holder is sold or transferred:

- (1) the new ownership of the business must apply for a new permit under section 2 of this chapter; and
- (2) the permit and the permit number held by the previous ownership of the business are void ninety (90) days after the date of the sale or transfer of the ownership of the business.

Sec. 7. The commission may adopt rules under IC 4-22-2 to establish procedures for the issuance, renewal, and reinstatement of a permit.

Sec. 8. (a) Subject to subsection (b), the commission may suspend the permit of a person who fails to pay a civil penalty imposed by the commission.

(b) Before enforcing the imposition of a civil penalty or suspending or revoking a permit under this chapter, the commission shall provide written notice of the alleged violation to the permit holder and conduct a hearing. The commission shall provide written notice of the civil penalty or suspension or revocation of a permit to the permit holder.

(c) Subject to subsection (b), the commission shall revoke the permit of a person upon a finding by a preponderance of the evidence that the person:

- (1) has violated IC 35-45-5-3, IC 35-45-5-3.5, IC 35-45-5-4, IC 35-46-1-11, IC 35-46-1-11.2, IC 35-46-1-11.4, or IC 35-46-1-11.8;
- (2) has committed habitual illegal sale of craft hemp as established under IC 35-46-1-10.2(j); or
- (3) has committed habitual illegal entrance by a minor as established under IC 35-46-1-11.7(f).

Sec. 9. (a) If a permit has:

- (1) expired; or
- (2) been suspended;

the commission may not reinstate or renew the permit until all civil penalties imposed against the permit holder for violating IC 35-46-1-10, IC 35-46-1-10.2, IC 35-46-1-11, IC 35-46-1-11.2, IC 35-46-1-11.4, IC 35-46-1-11.5, IC 35-46-1-11.7, or IC 35-46-1-11.8 have been paid.



(b) The failure to pay a civil penalty described in subsection (a) is a Class B infraction.

(c) If a permit has been revoked, the commission may not reinstate or renew the permit for at least one hundred eighty (180) days after the date of revocation. The commission may reinstate or renew the permit only upon a reasonable showing by the applicant that the applicant shall:

- (1) exercise due diligence in the sale of craft hemp on the applicant's premises where the craft hemp is sold or distributed; and
- (2) properly supervise and train the applicant's employees or agents in the handling and sale of craft hemp.

If a permit is reinstated or renewed, the applicant of the permit shall pay an application fee of one thousand dollars (\$1,000).

Sec. 10. A person who is required to have a permit under this chapter and who sells or distributes craft hemp without a valid permit commits a Class A infraction. Each violation of this section constitutes a separate offense.

Sec. 11. The commission may mitigate civil penalties imposed against a permit holder for violating IC 35-46-1-10, IC 35-46-1-10.2, IC 35-46-1-11, IC 35-46-1-11.2, IC 35-46-1-11.4, IC 35-46-1-11.5, IC 35-46-1-11.7, IC 35-46-1-11.8, or any of the provisions of this chapter if a permit holder provides a training program for the permit holder's employees that includes at least the following topics:

- (1) Laws governing the sale of craft hemp products and craft hemp flower.
- (2) Methods of recognizing and handling customers who are less than twenty-one (21) years of age.
- (3) Procedures for proper examination of identification cards to verify that customers are under twenty-one (21) years of age.

Sec. 12. A permit holder shall exercise due diligence in the supervision and training of the permit holder's employees or agents in the handling and sale of craft hemp products and craft hemp flower on the holder's retail premises.

Sec. 13. (a) An employee of a permit holder must hold a valid:

- (1) driver's license issued by the state of Indiana or another state; or
- (2) identification card issued by the state of Indiana, another state, or the United States;

to sell craft hemp products.



(b) An employee must have the employee's driver's license or identification card or a copy of the employee's driver's license or identification card:

(1) either:

(A) in the employee's possession; or

(B) on file with the employee's employer; and

(2) upon request, readily available to show to an excise officer or law enforcement;

when selling craft hemp products.

(c) If an employee holds a valid license or identification card as described in subsection (a) but is unable to show the license, identification card, or a copy to an excise officer under subsection (b) because:

(1) the employee has left the license, identification card, or copy in another location; or

(2) the license, identification card, or copy has otherwise been lost or mislaid;

the employee may, within five (5) days of the employee's inability to show the license, identification card, or copy to the excise officer, produce to the excise officer or to the office of the commission satisfactory evidence of a license or identification card issued to the individual that was valid at the time the individual was unable to show the license, identification card, or copy.

(d) If an employee who is unable to show a license, identification card, or copy to an excise officer fails to produce satisfactory evidence within five (5) days in the manner described in subsection (c), the commission may impose a civil penalty on the permit holder.

Sec. 14. (a) If a permit holder fails to attend or participate in a hearing without good cause, the hearing judge may recommend to the commission that the commission suspend or revoke the permit holder's permit or impose a fine on the permit holder of up to one thousand dollars (\$1,000).

(b) A hearing judge may grant a continuance of a hearing upon written motion showing good cause for the continuance.

Sec. 15. If a permit holder sells or distributes craft hemp at a location:

(1) determined to be a public nuisance; or

(2) at which conduct or acts that are crimes or infractions under IC 35 occur;

the commission may impose sanctions against the permit holder.

Sec. 16. This section applies to a person holding a tobacco sales



certificate. A person holding a tobacco sales certificate may not be issued a craft hemp retail permit if the person has received a violation within the previous three (3) years for any of the following:

- (1) Violating 7.1-3-18.5-11 (public nuisance).
- (2) Selling tobacco person less than twenty one (21) years of age (IC 35-46-1-10.2).
- (3) Allowing a minor to enter a licensed premise (IC 35-46-1-11.7).
- (4) Selling e-liquid containing vitamin E acetate (35-46-1-11.9).
- (5) Dealing in paraphernalia (35-48-4-8.5).

Chapter 3. Craft Hemp Distributor Permits

Sec. 1. (a) A person may not distribute craft hemp to a retailer or a manufacturer without a valid craft hemp distributor permit issued by the commission.

(b) A permit may be issued only to a person who owns or operates premises consisting of a permanent building or structure from which the craft hemp is distributed.

Sec. 2. (a) A person who desires a permit must provide the following to the commission:

- (1) The applicant's name and mailing address and the address of the premises for which the permit is being issued.
- (2) A fee of five thousand dollars (\$5,000).
- (3) The name under which the applicant transacts or intends to transact business.
- (4) The address of the applicant's principal place of business or headquarters, if any.
- (5) The statement required under section 4 of this chapter.
- (6) If the applicant is applying for a new permit under section 6 of this chapter, a copy of each of the following:
 - (A) If the new ownership of the business is a business entity, the articles of incorporation, articles of organization, or any other formation documents of the business entity.
 - (B) If the new ownership of the business is an individual, either:
 - (i) the sales or purchase agreement; or
 - (ii) an affidavit signed by the applicant concerning the sale or purchase, on a form prescribed by the commission, that includes the name and address of the seller and purchaser.



(C) The permit held by the previous ownership of the business.

(b) A separate permit is required for each location from which the craft hemp is distributed.

(c) A permit holder shall conspicuously display the holder's permit on the holder's premises where the craft hemp is distributed, and in any vehicle used for the transportation of craft hemp.

(d) Any intentional misstatement or suppression of a material fact in an application filed under this section constitutes grounds for denial of the permit.

(e) A permit may be issued only to a person who meets the following requirements:

- (1) If the person is an individual, the person must be at least twenty-one (21) years of age.
- (2) The person must be authorized to do business in Indiana.
- (3) The person has not had an interest in a permit revoked by the commission for that business location within the preceding one (1) year.

(f) The fees collected under this section shall be deposited in the enforcement and administration fund under IC 7.1-4-10.

Sec. 3. (a) Subject to available resources, the commission shall not issue a craft hemp distributor permit, except as otherwise authorized in this title and subject to the other restrictions contained in this title, to the following persons:

- (1) A person who does not have lawful status (as defined in IC 9-13-2-92.3).
- (2) A person who has been convicted within five (5) years before the date of application of:
 - (A) a federal crime having a sentence of at least one (1) year;
 - (B) a Level 1, Level 2, Level 3, Level 4, or Level 5 felony;
 - or
 - (C) a crime in a state other than Indiana having a penalty equal to the penalty for an Indiana Level 1, Level 2, Level 3, Level 4, or Level 5 felony.

However, this subdivision does not apply to a conviction that has been expunged under IC 35-38-9.

(3) A person who does not meet at least one (1) of the following descriptions:

- (A) The person owns the premises to which the permit will be applicable.



- (B) The person has a valid lease on the premises:**
 - (i) at the time of the application for a permit; and**
 - (ii) for the duration of the period in which the person sells or distributes in the manner described in section 1 of this chapter.**
- (C) The person has a franchise agreement with a franchisor:**
 - (i) that owns the premises to which the permit will be applicable; or**
 - (ii) that has a bona fide lease on the premises for the full period for which the permit is to be issued.**
- (4) A person whose place of business is conducted by a manager or agent, unless the manager or agent possesses the same qualifications required for the issuance of a craft hemp distributor permit to the person.**
- (5) A minor.**
- (6) A person non compos mentis.**
- (7) A person who has held a permit or permit under this title and who has had that permit or permit revoked within one (1) year prior to the date of application for a craft hemp permit.**
- (8) A person who has made an application for a permit or permit of any type under this title which has been denied less than one (1) year prior to the person's application for a craft hemp distributor permit unless the first application was denied by reason of a procedural or technical defect.**

(b) Subsection (a)(5) does not prevent a minor from being a stockholder in a corporation.

Sec. 4. An application for a craft hemp permit must contain the express statement of the applicant that the applicant consents for the duration of the permit term (if the commission issues the permit to the applicant) to the entrance, inspection, and search by an enforcement officer, without a warrant or other process, of the applicant's premises to determine whether the applicant is complying with the provisions of this title. The consent required by this section is renewed and continued by the retention of a permit or the permit's use by the applicant or the applicant's agents.

Sec. 5. (a) A permit issued by the commission under this chapter must contain the following information:

- (1) The permit number.**
- (2) The permit holder's name.**
- (3) The permanent location of the business for which the permit is issued.**



(4) The expiration date of the permit.

(b) A permit is:

(1) valid for one (1) year after the date of issuance, unless the commission suspends the permit; and

(2) nontransferable.

(c) A permit may be renewed. The fee for renewing a permit is five thousand dollars (\$5,000).

Sec. 6. If the majority of the ownership of a business that is a permit holder is sold or transferred:

(1) the new ownership of the business must apply for a new permit under section 2 of this chapter; and

(2) the permit and the permit number held by the previous ownership of the business are void ninety (90) days after the date of the sale or transfer of the ownership of the business.

Sec. 7. The commission may adopt rules under IC 4-22-2 to establish procedures for the issuance, renewal, and reinstatement of a permit.

Sec. 8. (a) Subject to subsection (b), the commission may suspend the permit of a person who fails to pay a civil penalty imposed by the commission.

(b) Before enforcing the imposition of a civil penalty or suspending or revoking a permit under this chapter, the commission shall provide written notice of the alleged violation to the permit holder and conduct a hearing. The commission shall provide written notice of the civil penalty or suspension or revocation of a permit to the permit holder.

(c) Subject to subsection (b), the commission shall revoke the permit of a person upon a finding by a preponderance of the evidence that the person:

(1) has violated IC 35-45-5-3, IC 35-45-5-3.5, IC 35-45-5-4, IC 35-46-1-11, IC 35-46-1-11.2, IC 35-46-1-11.4, or IC 35-46-1-11.8;

(2) has committed habitual illegal sale of craft hemp as established under IC 35-46-1-10.2(j); or

(3) has committed habitual illegal entrance by a minor as established under IC 35-46-1-11.7(f).

Sec. 9. (a) If a permit has:

(1) expired; or

(2) been suspended;

the commission may not reinstate or renew the permit until all civil penalties imposed against the permit holder for violating IC 35-46-1-10, IC 35-46-1-10.2, IC 35-46-1-11, IC 35-46-1-11.2,



IC 35-46-1-11.4, IC 35-46-1-11.5, IC 35-46-1-11.7, or IC 35-46-1-11.8 have been paid.

(b) The failure to pay a civil penalty described in subsection (a) is a Class B infraction.

(c) If a permit has been revoked, the commission may not reinstate or renew the permit for at least one hundred eighty (180) days after the date of revocation. The commission may reinstate or renew the permit only upon a reasonable showing by the applicant that the applicant shall:

- (1) exercise due diligence in the distribution of craft hemp; and
- (2) properly supervise and train the applicant's employees or agents in the handling and distribution of craft hemp.

If a permit is reinstated or renewed, the applicant of the permit shall pay an application fee of one thousand dollars (\$1,000).

Sec. 10. A person who is required to have a permit under this chapter and distributes craft hemp without a valid permit commits a Class A infraction. Each violation of this section constitutes a separate offense.

Sec. 11. The commission may mitigate civil penalties imposed against a permit holder for violating IC 35-46-1-10, IC 35-46-1-10.2, IC 35-46-1-11, IC 35-46-1-11.2, IC 35-46-1-11.4, IC 35-46-1-11.5, IC 35-46-1-11.7, IC 35-46-1-11.8, or any of the provisions of this chapter if a permit holder provides a training program for the permit holder's employees that includes training in laws governing the distribution of craft hemp.

Sec. 12. A permit holder shall exercise due diligence in the supervision and training of the permit holder's employees or agents in the handling and distribution of craft hemp.

Sec. 13. (a) An employee of a permit holder must hold a valid:

- (1) driver's license issued by the state of Indiana or another state; or
- (2) identification card issued by the state of Indiana, another state, or the United States;

to sell craft hemp.

(b) An employee must have the employee's driver's license or identification card or a copy of the employee's driver's license or identification card:

- (1) either:
 - (A) in the employee's possession; or
 - (B) on file with the employee's employer; and
- (2) upon request, readily available to show to an excise officer



or law enforcement;
when selling craft hemp.

(c) If an employee holds a valid license or identification card as described in subsection (a) but is unable to show the license, identification card, or a copy to an excise officer under subsection (b) because:

- (1) the employee has left the license, identification card, or copy in another location; or
- (2) the license, identification card, or copy has otherwise been lost or mislaid;

the employee may, within five (5) days of the employee's inability to show the license, identification card, or copy to the excise officer, produce to the excise officer or to the office of the commission satisfactory evidence of a license or identification card issued to the individual that was valid at the time the individual was unable to show the license, identification card, or copy.

(d) If an employee who is unable to show a license, identification card, or copy to an excise officer fails to produce satisfactory evidence within five (5) days in the manner described in subsection (c), the commission may impose a civil penalty on the permit holder.

Sec. 14. (a) If a permit holder fails to attend or participate in a hearing without good cause, the hearing judge may recommend to the commission that the commission suspend or revoke the permit holder's permit or impose a fine on the permit holder of up to one thousand dollars (\$1,000).

(b) A hearing judge may grant a continuance of a hearing upon written motion showing good cause for the continuance.

Sec. 15. If a permit holder distributes craft hemp at a location:

- (1) determined to be a public nuisance; or
- (2) at which conduct or acts that are crimes or infractions under IC 35 occur;

the commission may impose sanctions against the permit holder.

Chapter 4. Craft Hemp Manufacturer Permits

Sec. 1. (a) A person may not manufacture craft hemp without a valid craft hemp manufacturer permit issued by the commission.

(b) A permit may be issued only to a person who owns or operates premises consisting of a permanent building or structure where the craft hemp is manufactured.

Sec. 2. (a) A person who desires a permit must provide the following to the commission:

- (1) The applicant's name and mailing address and the address



of the premises for which the permit is being issued.

(2) A fee of five thousand dollars (\$5,000).

(3) The name under which the applicant transacts or intends to transact business.

(4) The address of the applicant's principal place of business or headquarters, if any.

(5) The statement required under section 4 of this chapter.

(6) If the applicant is applying for a new permit under section 6 of this chapter, a copy of each of the following:

(A) If the new ownership of the business is a business entity, the articles of incorporation, articles of organization, or any other formation documents of the business entity.

(B) If the new ownership of the business is an individual, either:

(i) the sales or purchase agreement; or

(ii) an affidavit signed by the applicant concerning the sale or purchase, on a form prescribed by the commission, that includes the name and address of the seller and purchaser.

(C) The permit held by the previous ownership of the business.

(b) A separate permit is required for each location where the craft hemp is manufactured.

(c) A permit holder shall conspicuously display the holder's permit on the holder's premises where the craft hemp is manufactured.

(d) Any intentional misstatement or suppression of a material fact in an application filed under this section constitutes grounds for denial of the permit.

(e) A permit may be issued only to a person who meets the following requirements:

(1) If the person is an individual, the person must be at least twenty-one (21) years of age.

(2) The person must be authorized to do business in Indiana.

(3) The person has not had an interest in a permit revoked by the commission for that business location within the preceding one (1) year.

(f) The fees collected under this section shall be deposited in the enforcement and administration fund under IC 7.1-4-10.

Sec. 3 (a) Subject to available resources, the commission shall not issue a craft hemp manufacturer permit, except as otherwise



authorized in this title and subject to the other restrictions contained in this title, to the following persons:

- (1) A person who does not have lawful status (as defined in IC 9-13-2-92.3).
- (2) A person who has been convicted within five (5) years before the date of application of:
 - (A) a federal crime having a sentence of at least one (1) year;
 - (B) a Level 1, Level 2, Level 3, Level 4, or Level 5 felony; or
 - (C) a crime in a state other than Indiana having a penalty equal to the penalty for an Indiana Level 1, Level 2, Level 3, Level 4, or Level 5 felony.

However, this subdivision does not apply to a conviction that has been expunged under IC 35-38-9.

- (3) A person who does not meet at least one (1) of the following descriptions:
 - (A) The person owns the premises to which the permit will be applicable.
 - (B) The person has a valid lease on the premises:
 - (i) at the time of the application for a permit; and
 - (ii) for the duration of the period in which the person manufactures in the manner described in section 1 of this chapter.
 - (C) The person has a franchise agreement with a franchisor:
 - (i) that owns the premises to which the permit will be applicable; or
 - (ii) that has a bona fide lease on the premises for the full period for which the permit is to be issued.
- (4) A person whose place of business is conducted by a manager or agent, unless the manager or agent possesses the same qualifications required for the issuance of a craft hemp manufacturer permit to the person.
- (5) A minor.
- (6) A person non compos mentis.
- (7) A person who has held a permit or permit under this title and who has had that permit or permit revoked within one (1) year prior to the date of application for a craft hemp manufacturer permit.
- (8) A person who has made an application for a permit or permit of any type under this title which has been denied less



than one (1) year prior to the person's application for a craft hemp manufacturer permit unless the first application was denied by reason of a procedural or technical defect.

(b) Subsection (a)(5) does not prevent a minor from being a stockholder in a corporation.

Sec. 4. An application for a craft hemp permit must contain the express statement of the applicant that the applicant consents for the duration of the permit term (if the commission issues the permit to the applicant) to the entrance, inspection, and search by an enforcement officer, without a warrant or other process, of the applicant's premises to determine whether the applicant is complying with the provisions of this title. The consent required by this section is renewed and continued by the retention of a permit or the permit's use by the applicant or the applicant's agents.

Sec. 5. (a) A permit issued by the commission under this chapter must contain the following information:

- (1) The permit number.
- (2) The permit holder's name.
- (3) The permanent location of the business for which the permit is issued.
- (4) The expiration date of the permit.

(b) A permit is:

- (1) valid for one (1) year after the date of issuance, unless the commission suspends the permit; and
- (2) nontransferable.

(c) A permit may be renewed. The fee for renewing a permit is five thousand dollars (\$5,000).

Sec. 6. If the majority of the ownership of a business that is a permit holder is sold or transferred:

- (1) the new ownership of the business must apply for a new permit under section 2 of this chapter; and
- (2) the permit and the permit number held by the previous ownership of the business are void ninety (90) days after the date of the sale or transfer of the ownership of the business.

Sec. 7. The commission may adopt rules under IC 4-22-2 to establish procedures for the issuance, renewal, and reinstatement of a permit.

Sec. 8. (a) Subject to subsection (b), the commission may suspend the permit of a person who fails to pay a civil penalty imposed by the commission.

(b) Before enforcing the imposition of a civil penalty or suspending or revoking a permit under this chapter, the



commission shall provide written notice of the alleged violation to the permit holder and conduct a hearing. The commission shall provide written notice of the civil penalty or suspension or revocation of a permit to the permit holder.

(c) Subject to subsection (b), the commission shall revoke the permit of a person upon a finding by a preponderance of the evidence that the person:

- (1) has violated IC 35-45-5-3, IC 35-45-5-3.5, IC 35-45-5-4, IC 35-46-1-11, IC 35-46-1-11.2, IC 35-46-1-11.4, or IC 35-46-1-11.8;
- (2) has committed habitual illegal sale of craft hemp as established under IC 35-46-1-10.2(j); or
- (3) has committed habitual illegal entrance by a minor as established under IC 35-46-1-11.7(f).

Sec. 9. (a) If a permit has:

- (1) expired; or
- (2) been suspended;

the commission may not reinstate or renew the permit until all civil penalties imposed against the permit holder for violating IC 35-46-1-10, IC 35-46-1-10.2, IC 35-46-1-11, IC 35-46-1-11.2, IC 35-46-1-11.4, IC 35-46-1-11.5, IC 35-46-1-11.7, or IC 35-46-1-11.8 have been paid.

(b) The failure to pay a civil penalty described in subsection (a) is a Class B infraction.

(c) If a permit has been revoked, the commission may not reinstate or renew the permit for at least one hundred eighty (180) days after the date of revocation. The commission may reinstate or renew the permit only upon a reasonable showing by the applicant that the applicant shall:

- (1) exercise due diligence in the distribution of craft hemp; and
- (2) properly supervise and train the applicant's employees or agents in the handling and distribution of craft hemp.

If a permit is reinstated or renewed, the applicant of the permit shall pay an application fee of one thousand dollars (\$1,000).

Sec. 10. A person who is required to have a permit under this chapter and manufactures craft hemp without a valid permit commits a Class A infraction. Each violation of this section constitutes a separate offense.

Sec. 11. The commission may mitigate civil penalties imposed against a permit holder for violating IC 35-46-1-10, IC 35-46-1-10.2, IC 35-46-1-11, IC 35-46-1-11.2, IC 35-46-1-11.4,



IC 35-46-1-11.5, IC 35-46-1-11.7, IC 35-46-1-11.8, or any of the provisions of this chapter if a permit holder provides a training program for the permit holder's employees that includes training in laws governing the distribution of craft hemp.

Sec. 12. A permit holder shall exercise due diligence in the supervision and training of the permit holder's employees or agents in the handling and distribution of craft hemp.

Sec. 13. (a) An employee of a permit holder must hold a valid:

- (1) driver's license issued by the state of Indiana or another state; or
- (2) identification card issued by the state of Indiana, another state, or the United States;

to sell craft hemp.

(b) An employee must have the employee's driver's license or identification card or a copy of the employee's driver's license or identification card:

- (1) either:
 - (A) in the employee's possession; or
 - (B) on file with the employee's employer; and
- (2) upon request, readily available to show to an excise officer or law enforcement;

when selling craft hemp.

(c) If an employee holds a valid license or identification card as described in subsection (a) but is unable to show the license, identification card, or a copy to an excise officer under subsection

(b) because:

- (1) the employee has left the license, identification card, or copy in another location; or
- (2) the license, identification card, or copy has otherwise been lost or mislaid;

the employee may, within five (5) days of the employee's inability to show the license, identification card, or copy to the excise officer, produce to the excise officer or to the office of the commission satisfactory evidence of a license or identification card issued to the individual that was valid at the time the individual was unable to show the license, identification card, or copy.

(d) If an employee who is unable to show a license, identification card, or copy to an excise officer fails to produce satisfactory evidence within five (5) days in the manner described in subsection (c), the commission may impose a civil penalty on the permit holder.

Sec. 14. (a) If a permit holder fails to attend or participate in a



hearing without good cause, the hearing judge may recommend to the commission that the commission suspend or revoke the permit holder's permit or impose a fine on the permit holder of up to one thousand dollars (\$1,000).

(b) A hearing judge may grant a continuance of a hearing upon written motion showing good cause for the continuance.

Sec. 15. If a permit holder manufactures craft hemp at a location:

- (1) determined to be a public nuisance; or
- (2) at which conduct or acts that are crimes or infractions under IC 35 occur;

the commission may impose sanctions against the permit holder.

Chapter 5. Retail Establishments

Sec. 1. A craft hemp retail establishment must keep the craft hemp behind a bar or in a location to which a purchaser does not have access. If a person purchases craft hemp, an employee of the retail establishment shall remove the craft hemp from behind the bar or from the inaccessible location and deliver it to the purchaser.

Sec. 2. A retail establishment may not permit consumption of craft hemp on the premises of the retail establishment.

Sec. 3. A retail establishment that does not have a tobacco sales certificate may not permit a person less than twenty-one (21) years of age on the premises.

Chapter 6. Manufacturing Facilities

Sec. 1. A craft hemp manufacturer must submit any proposed craft hemp packaging to the commission for preapproval before delivering or causing delivery of craft hemp to a retail establishment."

Page 17, between lines 20 and 21, begin a new paragraph and insert:

"SECTION 19. IC 35-48-1-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: Sec. 10. (a) "Counterfeit substance", for purposes of IC 35-48-4-5, means a controlled substance which, or the container or labeling of which, without authorization, bears the trademark, trade name, or other identifying mark, imprint, number, or device, or any likeness thereof, of a manufacturer, distributor, or dispenser other than the person who in fact manufactured, distributed, or dispensed the substance.

(b) "Counterfeit substance", for purposes of IC 35-48-4-5.5, means hemp flower or a hemp flower product which, or the container or labeling of which, without authorization, bears the trademark, trade name, or other identifying mark, imprint,



number, or device, or any likeness thereof, of a manufacturer, distributor, or dispenser other than the person who in fact manufactured, distributed, or dispensed the substance."

Page 19, between lines 7 and 8, begin a new paragraph and insert:
"SECTION 7. IC 35-48-4-5.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: **Sec. 5.5. A person who:**

(1) knowingly or intentionally:

(A) creates;

(B) delivers; or

(C) finances the delivery of;

a counterfeit substance; or

(2) possesses, with intent to:

(A) deliver; or

(B) finance the delivery of;

a counterfeit substance;

commits dealing in a counterfeit hemp substance, a Class A misdemeanor. However, a person may be convicted of an offense under subdivision (2) only if there is evidence in addition to the weight of the counterfeit substance that the person intended to deliver or finance the delivery of the counterfeit substance."

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass and be reassigned to the Senate Committee on Tax and Fiscal Policy.

(Reference is to SB 478 as introduced.)

BUCHANAN, Chairperson

Committee Vote: Yeas 8, Nays 2.

