



Reprinted
February 22, 2019

SENATE BILL No. 516

DIGEST OF SB 516 (Updated February 21, 2019 3:31 pm - DI 119)

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

Synopsis: Regulation of hemp. Establishes the Indiana hemp advisory committee to provide advice to the office of the state seed commissioner regarding Indiana's hemp laws. Changes references from "industrial hemp" to "hemp" and amends the definition of hemp to conform with the federal definition. Eliminates a limitation the provides that the state police department may not inspect a licensed hemp operation more than two times in a year without obtaining a search warrant. Allows the state seed commissioner to perform a criminal background check of an applicant for a hemp license or agricultural hemp seed production license. Establishes a uniform expiration date for hemp licenses and agricultural hemp seed
(Continued next page)

Effective: Upon passage.

**Head, Doriot, Perfect, Ford J.D.,
Buck, Glick, Stoops, Spartz,
Randolph Lonnie M, Bohacek, Raatz**

January 14, 2019, read first time and referred to Committee on Commerce and Technology.
January 28, 2019, amended, reported favorably — Do Pass.
February 21, 2019, read second time, amended, ordered engrossed.

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production licenses. Requires a person who sells agricultural hemp to have a seed distribution permit. Provides that: (1) the state seed commissioner may revoke the hemp license of a licensee that fails to cooperate with the state seed commissioner, the state police, a federal law enforcement agency, or a local law enforcement agency in an inspection of the licensee's crop; and (2) the failure to cooperate constitutes probable cause for the state seed commissioner, state police, federal law enforcement agency, or local law enforcement agency to search the premises of the licensee's hemp operation. Provides that if the state police department, a federal law enforcement agency, or a local law enforcement agency cooperates with the state seed commissioner in the detention, seizure, or embargo of a hemp crop, the state police department, federal law enforcement agency, or local law enforcement agency is immune from civil liability for the detention, seizure, or embargo. Provides that a hemp grower shall reimburse the state seed commissioner for the cost of testing conducted on the grower's crop. Provides that the state seed commissioner may enter into agreements with laboratories selected by the Indiana state police department to perform testing of hemp samples. Requires any civil penalties collected under the hemp law to be transferred to the Indiana state department of agriculture and used for hemp marketing and research purposes. Provides that in addition to payment of any civil penalty imposed by the state seed commissioner, a person who violates hemp licensing requirements, terms, conditions, or rules shall reimburse the state seed commissioner for any costs incurred by the state seed commissioner for laboratory testing of material pertaining to the violation. Provides penalties for negligent violations of the hemp law. Allows the state seed commissioner to adopt emergency rules to comply with federal requirements. Establishes procedures by which the state seed commissioner shall apply to the United States Department of Agriculture for approval of Indiana's hemp regulation. Requires a person who sells hemp to: (1) be licensed in Indiana and in the jurisdiction in which the hemp is grown; and (2) provide certain information to the buyer. Provides that hemp bud and hemp flower may be sold only to a licensed hemp processor and that the state seed commissioner may assess a civil penalty of not more than \$2,500 for a violation. Provides that a person who: (1) violates a term, condition, or requirement of a hemp license; or (2) violates a rule adopted under the hemp law; commits a Class B misdemeanor, and provides that the offense is a Class A misdemeanor if the person has a prior unrelated conviction for a drug offense. Provides that: (1) dealing in smokable hemp is a Class A misdemeanor; and (2) possession of smokable hemp is a Class C misdemeanor. Provides that civil penalties collected under the controlled substance laws shall be first used to reimburse the state seed commissioner for any expenses incurred by the state seed commissioner for laboratory testing of material pertaining to the violation, with the remainder deposited in the state general fund. Makes conforming changes.



Reprinted
February 22, 2019

First Regular Session of the 121st General Assembly (2019)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2018 Regular and Special Session of the General Assembly.

SENATE BILL No. 516

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

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

1 SECTION 1. IC 15-11-15 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE
3 UPON PASSAGE]:

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

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

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

10 **Sec. 3. As used in this chapter, "hemp products" means**
11 **products derived from, or made by, processing hemp plants or**
12 **plant parts that are prepared in a form available for sale, including**
13 **cosmetics, personal care products, food intended for consumption**
14 **by humans or animals, fiber, fuel, and products that contain one**
15 **(1) or more cannabinoids. However, the term does not include:**

16 (1) smokable hemp (as defined by IC 35-48-1-26.6); or

17 (2) products that contain a delta-9 tetrahydrocannabinol

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1 concentration of more than three-tenths of one percent (0.3%)
 2 by weight.

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

8 **Sec. 5. (a) The Indiana hemp advisory committee is established**
 9 **for the purpose of providing advice to the office of the state seed**
 10 **commissioner with respect to plans, policies, rules, fees, and**
 11 **procedures applicable to the administration of IC 15-15-13.**

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

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

14 **(2) The state seed commissioner or the state seed**
 15 **commissioner's designee.**

16 **(3) The superintendent of the state police department or the**
 17 **superintendent's designee.**

18 **(4) The commissioner of the state department of health or the**
 19 **commissioner's designee.**

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

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

24 **(c) The governor shall appoint a member of the advisory**
 25 **committee as chairperson of the advisory committee.**

26 **(d) A majority of the members of the advisory committee shall**
 27 **constitute a quorum. The affirmative votes of four (4) members are**
 28 **needed for the advisory committee to take any official action.**

29 **(e) The advisory committee shall meet at the call of the**
 30 **chairperson or the state seed commissioner but not less than one**
 31 **(1) time annually.**

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

33 **(g) An appointing authority may replace a member at any time**
 34 **during the member's term to serve the remainder of the member's**
 35 **term.**

36 **Sec. 6. The department shall provide administrative and staff**
 37 **support for the advisory committee.**

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

40 **(1) the minimum salary per diem; and**

41 **(2) reimbursement for travel expenses and other expenses**
 42 **actually incurred in connection with the member's duties;**



1 as provided in the Purdue University travel policies and
 2 procedures established by the Purdue University department of
 3 transportation and approved by the Purdue University vice
 4 president of business services.

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

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

15 **Sec. 9. In performing its duties under this chapter, the advisory**
 16 **committee shall consult with the following individuals designated**
 17 **by the secretary:**

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

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

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

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

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

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

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

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

41 SECTION 5. IC 15-15-13-6, AS ADDED BY P.L.165-2014,
 42 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE



1 UPON PASSAGE]: Sec. 6. As used in this chapter, "~~industrial~~ "hemp"
2 means

3 ~~(1) all nonseed parts and varieties of the plant Cannabis sativa~~
4 ~~plant, L. and any part of that plant, including the seeds thereof~~
5 ~~and all derivatives, extracts, cannabinoids, isomers, acids,~~
6 ~~salts, and salts of isomers, whether growing or not, that contain~~
7 ~~a crop wide average tetrahydrocannabinol (THC) concentration~~
8 ~~that does not exceed the lesser of:~~

9 ~~(A) with a delta-9 tetrahydrocannabinol concentration of~~
10 ~~not more than three-tenths of one percent (0.3%):~~

11 ~~(1) on a dry weight basis, for any part of the Cannabis sativa L.~~
12 ~~plant, including the seeds thereof; or~~

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

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

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

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

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

19 The term does not include ~~industrial hemp commodities or products:~~

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

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

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

32 ~~(2) agricultural hemp seed.~~

33 ~~to ensure integrity of audits and security of field sites of each~~
34 ~~commodity:~~

35 ~~(b) All growers and handlers must have an industrial a hemp license~~
36 ~~issued by the state seed commissioner. Growers and handlers engaged~~
37 ~~in the production of agricultural hemp seed must also have an~~
38 ~~agricultural hemp seed production license.~~

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

41 ~~(1) The name and address of the applicant.~~

42 ~~(2) The name and address of the industrial hemp operation of the~~



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



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

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

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

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

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

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

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

25 SECTION 8. IC 15-15-13-9, AS AMENDED BY P.L.139-2016,
 26 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 27 UPON PASSAGE]: Sec. 9. (a) An agricultural hemp seed production
 28 license issued under this chapter authorizes a grower or handler to
 29 produce and handle agricultural hemp seed for sale to licensed
 30 ~~industrial~~ hemp growers and handlers. A seller of agricultural hemp
 31 seed shall ensure that the seed complies with any standards set by the
 32 state seed commissioner. The state seed commissioner shall make
 33 available to growers information that identifies sellers of agricultural
 34 hemp seed.

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

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

42 (1) this chapter;



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

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

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

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

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

- 18 **(1) the state seed commissioner;**
 19 **(2) the state police;**
 20 **(3) a federal law enforcement agency; or**
 21 **(4) a local law enforcement agency;**

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

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

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

- 31 **(1) the state police department, federal law enforcement**
 32 **agency, or local law enforcement agency; and**
 33 **(2) any officer or employee of the state police department,**
 34 **federal law enforcement agency, or local law enforcement**
 35 **agency who is involved in the detention, seizure, or embargo;**

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

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

41 SECTION 9. IC 15-15-13-11, AS ADDED BY P.L.165-2014,
 42 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE



1 UPON PASSAGE]: Sec. 11. Only an ~~an industrial~~ a hemp licensee, the
 2 licensee's designee, or the licensee's agents may be permitted to
 3 transport ~~industrial~~ hemp off a production site. When transporting
 4 ~~industrial~~ hemp off the production site, the ~~industrial~~ hemp licensee,
 5 designee, or agent shall have in the licensee's, designee's, or agent's
 6 possession the licensing documents from the state seed commissioner
 7 evidencing that the ~~industrial~~ hemp is from certified seed produced by
 8 a licensed grower.

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

- 13 (1) Monitoring the ~~industrial~~ hemp grown by any license holder.
 14 (2) Conducting random testing of the ~~industrial~~ hemp for
 15 compliance with tetrahydrocannabinol (THC) levels. **The state**
 16 **seed commissioner may enter into agreements with one (1) or**
 17 **more laboratories selected by the Indiana state police**
 18 **department to perform testing under this subdivision.**
 19 (3) Establishing necessary testing criteria and protocols,
 20 **including a procedure for testing, using post decarboxylation**
 21 **or other similarly reliable methods, delta-9**
 22 **tetrahydrocannabinol concentration levels of the hemp**
 23 **produced.**
 24 (4) Establishing the minimum number of acres to be planted
 25 under each license issued under this chapter.

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

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

- 34 (1) a license requirement;
 35 (2) license terms or conditions; ~~or~~
 36 (3) a rule relating to growing or handling ~~industrial~~ hemp; ~~or~~
 37 **(4) section 19 of this chapter.**

38 (b) The state seed commissioner may not impose a civil penalty
 39 under this section that exceeds two thousand five hundred dollars
 40 (\$2,500).

41 (c) The state seed commissioner may revoke or refuse to issue or
 42 renew ~~an industrial~~ a hemp license or an agricultural hemp seed



1 production license for a violation of any rule of the state seed
 2 commissioner that pertains to agricultural operations or activities other
 3 than industrial hemp growing or handling.

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

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

12 SECTION 12. IC 15-15-13-13.5 IS ADDED TO THE INDIANA
 13 CODE AS A NEW SECTION TO READ AS FOLLOWS
 14 [EFFECTIVE UPON PASSAGE]: **Sec. 13.5. (a) Except as provided**
 15 **in subsection (b), the state seed commissioner shall give a person**
 16 **who negligently violates this section a reasonable time, determined**
 17 **by the state seed commissioner, to correct the violation without**
 18 **imposing a penalty under section 13 of this chapter. However, the**
 19 **state seed commissioner may require the person who committed**
 20 **the violation to comply with a corrective action plan determined by**
 21 **the state seed commissioner and report to the state seed**
 22 **commissioner on compliance with the corrective action plan.**

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

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

- 29 **(1) the superintendent of the state police department; and**
 30 **(2) the prosecuting attorney of the county in which the**
 31 **violation occurred;**

32 **of the violation.**

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

37 **(b) The state seed commissioner may adopt emergency rules in**
 38 **the manner provided under IC 4-22-2-37.1 to comply with any**
 39 **federal requirement under the Agriculture Improvement Act of**
 40 **2018 to implement and administer this chapter. This subsection**
 41 **expires December 31, 2021.**

42 SECTION 14. IC 15-15-13-15, AS ADDED BY P.L.165-2014,



1 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
2 UPON PASSAGE]: Sec. 15. (a) Notwithstanding any other law, the
3 state seed commissioner may not grant any license until the state seed
4 commissioner has secured any necessary permissions, waivers, or other
5 form of legal status by the United States Drug Enforcement Agency or
6 other appropriate federal agency concerning industrial hemp.

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

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

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

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

- 34 (1) names of growers and handlers who are licensed under this
35 chapter; and
36 (2) locations of licensed industrial hemp crops;
37 confidential for purposes of IC 5-14-3.

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

42 SECTION 16. IC 15-15-13-18 IS ADDED TO THE INDIANA



1 CODE AS A NEW SECTION TO READ AS FOLLOWS
 2 [EFFECTIVE UPON PASSAGE]: **Sec. 18. (a) A person who sells
 3 hemp in Indiana:**

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

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

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

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

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

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

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

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

24 **under this chapter commits a Class B misdemeanor.**

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

28 **(c) A person who knowingly or intentionally:**

29 **(1) grows hemp;**

30 **(2) handles hemp; or**

31 **(3) sells agricultural hemp seed;**

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

34 SECTION 19. IC 24-4-21-1, AS ADDED BY P.L.153-2018,
 35 SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 36 UPON PASSAGE]: **Sec. 1. The following definitions apply throughout
 37 this chapter:**

38 **(1) "Certificate of analysis" means a certificate from an
 39 independent testing laboratory describing the results of the
 40 laboratory's testing of a sample.**

41 **(2) "Independent testing laboratory" means a laboratory:**

42 **(A) with respect to which no person having a direct or indirect**



1 interest in the laboratory also has a direct or indirect interest
 2 in a facility that:
 3 (i) processes, distributes, or sells low THC hemp extract, or
 4 a substantially similar substance in another jurisdiction;
 5 (ii) cultivates, processes, distributes, dispenses, or sells
 6 marijuana; or
 7 (iii) cultivates, processes, or distributes ~~industrial~~ hemp; and
 8 (B) that is accredited as a testing laboratory to International
 9 Organization for Standardization (ISO) 17025 by a third party
 10 accrediting body such as the American Association for
 11 Laboratory Accreditation (A2LA) or Assured Calibration and
 12 Laboratory Accreditation Select Services (ACLASS).
 13 (3) "Low THC hemp extract" has the meaning set forth in
 14 IC 35-48-1-17.5.

15 SECTION 20. IC 34-30-2-62.4 IS ADDED TO THE INDIANA
 16 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
 17 [EFFECTIVE UPON PASSAGE]: **Sec. 62.4. IC 15-15-13-9**
 18 **(Concerning liability of the state police department, a federal law**
 19 **enforcement agency, or a local law enforcement agency for the**
 20 **detention, seizure, or embargo of a hemp crop).**

21 SECTION 21. IC 35-48-1-17.5, AS ADDED BY P.L.153-2018,
 22 SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 23 UPON PASSAGE]: Sec. 17.5. (a) "Low THC hemp extract" means a
 24 substance or compound that:

- 25 (1) is derived from or contains any part of the plant Cannabis
- 26 sativa L. that meets the definition of ~~industrial~~ hemp under
- 27 IC 15-15-13-6;
- 28 (2) contains not more than three-tenths percent (0.3%) total
- 29 delta-9-tetrahydrocannabinol (THC), including precursors, by
- 30 weight; and
- 31 (3) contains no other controlled substances.

32 **(b) The term does not include:**
 33 **(1) the harvested reproductive organ, whether immature or**
 34 **mature, of the female hemp plant; or**
 35 **(2) smokable hemp.**

36 SECTION 22. IC 35-48-1-19, AS AMENDED BY P.L.153-2018,
 37 SECTION 22, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 38 UPON PASSAGE]: Sec. 19. (a) "Marijuana" means any part of the
 39 plant genus Cannabis whether growing or not; the seeds thereof; the
 40 resin extracted from any part of the plant, including hashish and hash
 41 oil; any compound, manufacture, salt, derivative, mixture, or
 42 preparation of the plant, its seeds or resin.



- 1 (b) The term does not include:
 2 (1) the mature stalks of the plant;
 3 (2) fiber produced from the stalks;
 4 (3) oil or cake made from the seeds of the plant;
 5 (4) any other compound, manufacture, salt, derivative, mixture,
 6 or preparation of the mature stalks (except the resin extracted
 7 therefrom);
 8 (5) the sterilized seed of the plant which is incapable of
 9 germination;
 10 (6) ~~industrial~~ hemp (as defined by IC 15-15-13-6); ~~or~~
 11 (7) low THC hemp extract; **or**
 12 **(8) smokable hemp.**

13 SECTION 23. IC 35-48-1-17.2 IS ADDED TO THE INDIANA
 14 CODE AS A NEW SECTION TO READ AS FOLLOWS
 15 [EFFECTIVE UPON PASSAGE]: **Sec. 17.2. (a) "Hemp bud" means**
 16 **the harvested immature reproductive organ of the female hemp**
 17 **plant.**

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

19 SECTION 24. IC 35-48-1-17.3 IS ADDED TO THE INDIANA
 20 CODE AS A NEW SECTION TO READ AS FOLLOWS
 21 [EFFECTIVE UPON PASSAGE]: **Sec. 17.3. (a) "Hemp flower"**
 22 **means the harvested reproductive organ, whether immature or**
 23 **mature, of the female hemp plant.**

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

25 SECTION 25. IC 35-48-1-26.6 IS ADDED TO THE INDIANA
 26 CODE AS A NEW SECTION TO READ AS FOLLOWS
 27 [EFFECTIVE UPON PASSAGE]: **Sec. 26.6. (a) Except as provided**
 28 **in subsection (b), "smokable hemp" means a product containing**
 29 **not more than three-tenths percent (0.3%)**
 30 **delta-9-tetrahydrocannabinol (THC), including precursors and**
 31 **derivatives of THC, in a form that allows THC to be introduced**
 32 **into the human body by inhalation of smoke or vapor. The term**
 33 **includes:**

34 (1) hemp bud; and

35 (2) hemp flower.

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

37 (1) a hemp plant that is; or

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

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

41 SECTION 26. IC 35-48-4-10.1 IS ADDED TO THE INDIANA
 42 CODE AS A NEW SECTION TO READ AS FOLLOWS



1 [EFFECTIVE UPON PASSAGE]: **Sec. 10.1. (a) Subject to subsection**

2 **(b), a person who:**

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

4 **(A) manufactures;**

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

6 **(C) delivers; or**

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

8 **smokable hemp; or**

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

10 **(A) manufacture;**

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

12 **(C) deliver; or**

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

14 **smokable hemp;**

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

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

17 **(a)(2) only if:**

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

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

24 SECTION 27. IC 35-48-4-11.1 IS ADDED TO THE INDIANA
 25 CODE AS A NEW SECTION TO READ AS FOLLOWS

26 [EFFECTIVE UPON PASSAGE]: **Sec. 11.1. A person who knowingly**
 27 **or intentionally possesses smokable hemp commits possession of**
 28 **smokable hemp, a Class C misdemeanor.**

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



1 person.
2 SECTION 29. IC 35-48-4-18 IS ADDED TO THE INDIANA
3 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
4 [EFFECTIVE UPON PASSAGE]: **Sec. 18. Notwithstanding**
5 **IC 34-28-5-5(c), funds collected as a civil penalty for a violation of**
6 **an infraction under this chapter shall be first used to reimburse the**
7 **state seed commissioner for any expenses incurred by the state seed**
8 **commissioner for laboratory testing of material pertaining to the**
9 **violation. Any excess funds shall be deposited in the state general**
10 **fund.**
11 SECTION 30. IC 35-52-15-2.5 IS ADDED TO THE INDIANA
12 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
13 [EFFECTIVE UPON PASSAGE]: **Sec. 2.5. IC 15-15-13-19 defines a**
14 **crime concerning hemp regulation.**
15 SECTION 31. **An emergency is declared for this act.**



COMMITTEE REPORT

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

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

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

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

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

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

Page 5, strike lines 2 through 3.

Page 5, delete lines 40 through 42.

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

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

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

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

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

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

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

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

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

(2) The state seed commissioner shall review the license



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

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

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

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

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

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

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

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

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

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

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

Page 7, line 9, strike "or".

Page 7, strike lines 10 through 11.

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

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

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to SB 516 as introduced.)

PERFECT, Chairperson

Committee Vote: Yeas 8, Nays 3.

SENATE MOTION

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

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

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

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

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

Page 2, delete line 1.

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

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

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

Page 2, run in lines 8 through 9.

Page 2, delete lines 12 through 13.

Page 2, delete lines 15 through 32.

Page 2, line 33, delete "years."

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

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

Page 2, delete line 35.

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

Page 2, line 36, delete ",".

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

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

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

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

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

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

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

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

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

Page 3, delete line 1.

Page 3, line 2, delete "voting".

Page 3, line 3, delete "voting".

Page 3, delete lines 13 through 18.

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

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

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



by the secretary:

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

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

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

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

(1)".

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

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

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

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

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

Page 5, strike lines 29 through 31.

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

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

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

(1) the state seed commissioner;

(2) the state police;

(3) a federal law enforcement agency; or

(4) a local law enforcement agency;

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

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

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

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

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

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



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

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

Page 8, line 12, strike "an".

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

Page 8, line 16, strike "or".

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

(4) section 19 of this chapter."

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

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

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

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

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

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

(1)"

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

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

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

Page 10, line 11, strike "and".

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

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

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

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



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

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

under this chapter commits a Class B misdemeanor.

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

(c) A person who knowingly or intentionally:

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

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

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

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

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

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

"(b) The term does not include:

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

Page 11, line 32, strike "or".

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

- (8) smokable hemp.**

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

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

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



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

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

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

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

(b) The term does not include:

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

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

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

(1) knowingly or intentionally:

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

smokable hemp; or

(2) possesses smokable hemp with intent to:

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

smokable hemp;

commits dealing in smokable hemp, a Class A misdemeanor.

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

(a)(2) only if:

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



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

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

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

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

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

Renumber all SECTIONS consecutively.

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

HEAD

