

HOUSE BILL No. 1130

DIGEST OF INTRODUCED BILL

Citations Affected: IC 7.1-2-3-33; IC 7.1-5; IC 7.1-7-2-10; IC 7.1-8; IC 9-13-2-86; IC 15-15-13; IC 16-42-2-2; IC 24-4; IC 34-30-2.1; IC 35-31.5-2; IC 35-46-1-11.7; IC 35-48; IC 35-52.

Synopsis: Craft hemp. Establishes a regulatory framework for hemp and craft hemp. Prohibits the sale of specified products to a person less than 21 years of age. Makes conforming changes.

Effective: July 1, 2026.

Bartels, Teshka, VanNatter

January 5, 2026, read first time and referred to Committee on Public Policy.



Second Regular Session of the 124th General Assembly (2026)

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 2025 Regular Session of the General Assembly.

HOUSE BILL No. 1130

A BILL FOR AN ACT to amend the Indiana Code concerning criminal law and procedure.

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, 2026]: 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 7.1-8**, IC 35-46-1-10, IC 35-46-1-10.2, IC 35-46-1-11,
7 IC 35-46-1-11.2, IC 35-46-1-11.4, IC 35-46-1-11.5, IC 35-46-1-11.7,
8 or IC 35-46-1-11.8.

9 SECTION 2. IC 7.1-5-7-18 IS ADDED TO THE INDIANA CODE
10 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
11 1, 2026]: **Sec. 18. (a) A law enforcement officer vested with full**
12 **police powers and duties may engage an individual who is:**

13 (1) at least sixteen (16) years of age; and

14 (2) less than twenty-one (21) years of age;

15 **to receive or purchase craft hemp, a product that contains low**
16 **THC hemp extract, or a product that contains craft hemp, as part**
17 **of an enforcement action under this article.**



(b) The initial or contemporaneous receipt or purchase of craft hemp, a product that contains low THC hemp extract, or a product that contains craft hemp may only:

(1) occur under the direction of a law enforcement officer vested with full police powers and duties; and

(2) be part of an enforcement action.

SECTION 3. IC 7.1-5-10-15, AS AMENDED BY P.L.159-2014, SECTION 80, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 15. (a) A person who, knowing that another person is intoxicated, sells, barter, delivers, or gives away an alcoholic beverage **or a product containing THC (tetrahydrocannabinol)** to the intoxicated person commits a Class B misdemeanor.

(b) In any civil proceeding in which damages are sought from a permittee or a permittee's agent for the refusal to serve a person an alcoholic beverage **or a product containing THC (tetrahydrocannabinol)**, it is a complete defense if the permittee or agent reasonably believed that the person was intoxicated or was otherwise not entitled to be served an alcoholic beverage **or a product containing THC (tetrahydrocannabinol)**.

(c) After charges have been filed against a person for a violation of subsection (a), the prosecuting attorney shall notify the commission of the charges filed.

SECTION 4. IC 7.1-5-10-15.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 15.5. (a) As used in this section, "furnish" includes barter, deliver, sell, exchange, provide, or give away.

(b) A person who furnishes an alcoholic beverage **or a product containing THC (tetrahydrocannabinol)** to a person is not liable in a civil action for damages caused by the impairment or intoxication of the person who was furnished the alcoholic beverage **or product containing THC (tetrahydrocannabinol)** unless:

(1) the person furnishing the alcoholic beverage **or product containing THC (tetrahydrocannabinol)** had actual knowledge that the person to whom the alcoholic beverage **or product containing THC (tetrahydrocannabinol)** was furnished was visibly intoxicated at the time the alcoholic beverage **or product containing THC (tetrahydrocannabinol)** was furnished; and

(2) the intoxication of the person to whom the alcoholic beverage **or product containing THC (tetrahydrocannabinol)** was furnished was a proximate cause of the death, injury, or damage alleged in the complaint.

(c) If a person who is at least twenty-one (21) years of age suffers



injury or death proximately caused by the person's voluntary intoxication, the:

- (1) person;
- (2) person's dependents;
- (3) person's personal representative; or
- (4) person's heirs;

may not assert a claim for damages for personal injury or death against a person who furnished an alcoholic beverage **or a product containing THC (tetrahydrocannabinol)** that contributed to the person's intoxication, unless subsections (b)(1) and (b)(2) apply.

SECTION 5. IC 7.1-7-2-10, AS AMENDED BY P.L.206-2017, SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 10. (a) "E-liquid" means a substance that:

- (1) may or may not contain nicotine; and
- (2) is intended to be vaporized and inhaled using a vapor product.

(b) **This subsection applies before July 1, 2026. The term does not include a craft hemp flower product as defined in IC 35-31.5-2-68.9.**

(c) **This subsection applies after June 30, 2026. The term does not include:**

- (1) **a craft hemp flower product as defined in IC 35-31.5-2-68.9; and**
- (2) **low THC hemp extract as defined in IC 35-48-1.1-27.**

SECTION 6. IC 7.1-8 IS ADDED TO THE INDIANA CODE AS A NEW ARTICLE TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]:

ARTICLE 8. CRAFT HEMP

Chapter 0.5. Application

Sec. 1. Notwithstanding any other law, a retailer, distributor, manufacturer, or out-of-state supplier who was in operation before January 1, 2026, may continue to operate without a permit issued under this article until December 31, 2026, if the retailer, distributor, or manufacturer applies for a permit to sell, distribute, or manufacture craft hemp by December 31, 2026.

Chapter 1. Definitions

Sec. 1. As used in this article, "convenience store" means a retail establishment that:

- (1) has a retail premises that is less than three thousand five hundred (3,500) square feet; and
- (2) sells prepackaged food, snacks, and beverages, and that may sell gasoline or automotive products.

The term does not include a drug store.



1 **Sec. 2.** As used in this article, "craft hemp" means a craft hemp
2 flower product, craft hemp flower, and low THC hemp extract.

3 **Sec. 3.** As used in this article, "craft hemp flower" has the
4 meaning set forth in IC 35-31.5-2-68.8.

5 **Sec. 4.** As used in this article, "craft hemp flower product" has
6 the meaning set forth in IC 35-31.5-2-68.9.

7 **Sec. 5.** As used in this article, "drug store" has the meaning set
8 forth in IC 7.1-1-3-15.

9 **Sec. 6.** As used in this article, "low THC hemp extract" has the
10 meaning set forth in IC 35-48-1.1-27.

11 **Sec. 7.** As used in this article, "restricted grocery store" means
12 a retail establishment that:

13 (1) is primarily engaged in the retail sale of a general food line
14 that includes:

15 (A) canned and frozen foods;

16 (B) fresh fruits and vegetables;

17 (C) fresh and prepared meat, fish, and poultry;

18 (D) groceries or gourmet foods in combination with
19 general lines of new merchandise, including apparel,
20 furniture, and appliances; or

21 (E) specialty or gourmet foods; and

22 (2) has a retail premises that is at least three thousand five
23 hundred (3,500) square feet.

24 **Chapter 1.5. Craft Hemp Permits**

25 **Sec. 1. (a)** The holder of a permit issued under this article shall
26 keep and maintain all invoices of craft hemp that is purchased or
27 acquired. Each invoice must contain the following information:

28 (1) The permit numbers of each party in a transaction.

29 (2) The transaction date or dates.

30 (3) The expiration date or dates of each permit holder's
31 permit or permits.

32 (4) Each permit holder's address.

33 (b) The holder of a permit issued under this article must:

34 (1) keep the invoices described in subsection (a) on the permit
35 holder's premises; and

36 (2) make the invoices described in subsection (a) available for
37 inspection by the commission.

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

39 **Sec. 1. (a)** A person may not sell or otherwise distribute in
40 exchange for consideration craft hemp directly to a consumer for
41 consumption off the permitted premises without a valid craft hemp
42 retail permit issued by the commission.



1 (b) The commission may issue not more than twenty thousand
2 (20,000) craft hemp retail permits.

3 (c) The commission may issue a restricted craft hemp retail
4 permit to a drug store or restricted grocery store authorizing the
5 sale of one (1) or more of the following:

6 (1) A product containing not more than three-tenths of one
7 percent (0.3%) total THC (tetrahydrocannabinol).

8 (2) A beverage described in IC 35-31.5-2-68.9(a)(4)(C).

9 (d) The commission may issue a craft hemp retail permit to a
10 convenience store.

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

14 (f) A craft hemp retail permit holder may only purchase craft
15 hemp from a craft hemp manufacturer permit holder or a craft
16 hemp distributor permit holder.

17 (g) A person who is a craft hemp retail permit holder and a
18 retail alcoholic beverage permit holder may serve craft hemp
19 beverages in the original container for consumption on the
20 permitted premises.

21 Sec. 2. (a) A person who desires a craft hemp retail permit
22 under this chapter must provide the following to the commission:

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

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

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

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

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

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

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

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

40 (i) the sales or purchase agreement; or

41 (ii) an affidavit signed by the applicant concerning the
42 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 craft hemp retail permit is required for each location where the craft hemp is 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 craft hemp retail 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 craft hemp retail permit.

(e) A craft hemp retail 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



1 following descriptions:

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

4 (B) The person has a valid lease on the premises:

5 (i) at the time of the application for a permit; and

6 (ii) for the duration of the period in which the person
7 sells or distributes in the manner described in section 1
8 of this chapter.

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

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

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

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

19 (5) A minor.

20 (6) A person non compos mentis.

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

25 (8) A person who has made an application for a permit under
26 this article or a permit of any type under this title that has
27 been denied less than one (1) year prior to the person's
28 application for a craft hemp retail permit unless the first
29 application was denied by reason of a procedural or technical
30 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 retail permit must
34 contain the express statement of the applicant that the applicant
35 consents for the duration of the permit term (if the commission
36 issues the permit to the applicant) to the entrance, inspection, and
37 search by an enforcement officer, without a warrant or other
38 process, of the applicant's retail premises to determine whether the
39 applicant is complying with the provisions of this title. The consent
40 required by this section is renewed and continued by the retention
41 of a permit or the permit's use by the applicant or the applicant's
42 agents.



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

3 **(1) The permit number.**

4 **(2) The permit holder's name.**

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

7 **(4) The expiration date of the permit.**

8 **(b) A craft hemp retail permit is:**

9 **(1) valid for two (2) years after the date of issuance, unless the**
 10 **commission suspends the permit; and**

11 **(2) nontransferable.**

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

15 **Sec. 6. If the majority of the ownership of a business that is a**
 16 **craft hemp retail 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 craft hemp retail permit.**

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

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

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

37 **(1) has violated IC 7.1-8-5-2 or IC 7.1-8-8-2;**

38 **(2) has committed habitual furnishing of craft hemp to a**
 39 **minor as established under IC 7.1-8-8-2(g); 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 craft hemp retail 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 7.1-8-5-2, IC 7.1-8-8-2, or IC 35-46-1-11.7 have been paid.

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

(c) If a craft hemp retail 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. The commission may mitigate civil penalties imposed against a craft hemp retail permit holder for violating IC 7.1-8-5-2, IC 7.1-8-8-2, IC 35-46-1-11.7, or any of the provisions of this chapter if the 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.

(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 less than twenty-one (21) years of age.

Sec. 11. A craft hemp retail 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 on the permit holder's retail premises.

Sec. 12. (a) An employee of a craft hemp retail 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.



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 officer;

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 or law
 13 enforcement officer under subsection (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 or law enforcement officer, produce to the excise officer or law
 21 enforcement officer or to the office of the commission satisfactory
 22 evidence of a license or identification card issued to the employee
 23 that was valid at the time the employee was unable to show the
 24 license, identification card, or copy.

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

30 Sec. 13. (a) If a craft hemp retail permit holder fails to attend or
 31 participate in a hearing without good cause, the hearing judge may
 32 recommend to the commission that the commission suspend or
 33 revoke the permit holder's permit or impose a fine on the permit
 34 holder of up to one thousand dollars (\$1,000).

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

37 Sec. 14. If a craft hemp retail permit holder sells or distributes
 38 craft hemp at a location:

39 (1) determined to be a public nuisance; or

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

42 the commission may impose sanctions against the permit holder.



1 **Sec. 15.** This section applies to a person holding a tobacco sales
 2 certificate. A person holding a tobacco sales certificate may not be
 3 issued a craft hemp retail permit if the person has received a
 4 violation within the previous three (3) years for any of the
 5 following:

- 6 (1) Violating IC 7.1-3-18.5-11 (public nuisance).
- 7 (2) Habitual illegal sale of tobacco to a person less than
- 8 twenty-one (21) years of age (IC 35-46-1-10.2).
- 9 (3) Allowing a minor to enter a licensed premises
- 10 (IC 35-46-1-11.7).
- 11 (4) Selling tobacco, an e-liquid, or an electronic cigarette
- 12 containing vitamin E acetate (IC 35-46-1-11.9).
- 13 (5) Dealing in paraphernalia (IC 35-48-4-8.5).

14 **Sec. 16.** (a) A retail location may not sell craft hemp if the retail
 15 location is within one thousand (1,000) feet of a private school,
 16 public school, or charter school that includes any grade from
 17 kindergarten through grade 12.

18 (b) If a retailer provides the commission with documentation
 19 that establishes that craft hemp was offered for sale at a retail
 20 location before January 1, 2026, the retail location may sell craft
 21 hemp even if it is within one thousand (1,000) feet of a school.

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

23 **Sec. 1.** (a) A person may not distribute craft hemp to a retailer
 24 without a valid craft hemp distributor permit issued by the
 25 commission. A craft hemp distributor permit holder may sell craft
 26 hemp to a craft hemp retail permit holder.

27 (b) A craft hemp distributor permit does not authorize a person
 28 to sell craft hemp products directly to a consumer.

29 (c) A craft hemp distributor permit holder must purchase craft
 30 hemp from a craft hemp manufacturer permit holder or from an
 31 out-of-state craft hemp supplier permit holder.

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

35 **Sec. 1.5.** (a) A person located outside of Indiana may not
 36 distribute craft hemp to a person located within Indiana without
 37 a valid out-of-state craft hemp supplier permit issued by the
 38 commission under subsection (b).

39 (b) The commission may issue an out-of-state craft hemp
 40 supplier permit based on the factors set forth in section 2 of this
 41 chapter.

42 (c) An out-of-state craft hemp supplier permit holder may sell



1 craft hemp directly to a consumer if the consumer is at least
 2 twenty-one (21) years of age and located within Indiana at the time
 3 of the sale and delivery.

4 (d) A parcel in which craft hemp is mailed to an Indiana
 5 purchaser must be marked as follows: "CONTAINS CRAFT
 6 HEMP. NOT FOR DELIVERY TO A PERSON UNDER THE
 7 AGE OF 21."

8 **Sec. 2. (a)** A person who desires a craft hemp distributor permit
 9 under this chapter must provide the following to the commission:

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

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

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

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

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

18 (6) If the applicant is applying for a new permit under section
 19 6 of this chapter, a copy of each of the following:

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

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

26 (i) the sales or purchase agreement; or

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

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

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

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

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

42 (e) A craft hemp distributor permit may be issued only to a



1 person who meets the following requirements:

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

8 (f) The fees collected under this section shall be deposited in the

9 enforcement and administration fund under IC 7.1-4-10.

10 Sec. 3. (a) Subject to available resources, the commission shall

11 not issue a craft hemp distributor permit, except as otherwise

12 authorized in this title and subject to the other restrictions

13 contained in this title, to the following persons:

- 14 (1) A person who does not have lawful status (as defined in
- 15 IC 9-13-2-92.3).
- 16 (2) A person who has been convicted within five (5) years
- 17 before the date of application of:
- 18 (A) a federal crime having a sentence of at least one (1)
- 19 year;
- 20 (B) a Level 1, Level 2, Level 3, Level 4, or Level 5 felony;
- 21 or
- 22 (C) a crime in a state other than Indiana having a penalty
- 23 equal to the penalty for an Indiana Level 1, Level 2, Level
- 24 3, Level 4, or Level 5 felony.

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

26 has been expunged under IC 35-38-9.

27 (3) A person who does not meet at least one (1) of the

28 following descriptions:

- 29 (A) The person owns the premises to which the permit will
- 30 be applicable.
- 31 (B) The person has a valid lease on the premises:
- 32 (i) at the time of the application for a permit; and
- 33 (ii) for the duration of the period in which the person
- 34 sells or distributes in the manner described in section 1
- 35 of this chapter.
- 36 (C) The person has a franchise agreement with a
- 37 franchisor:
- 38 (i) that owns the premises to which the permit will be
- 39 applicable; or
- 40 (ii) that has a bona fide lease on the premises for the full
- 41 period for which the permit is to be issued.

42 (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 under this article or a permit under this title and who has had that permit under this article or this title, as applicable, revoked within one (1) year prior to the date of application for a craft hemp distributor permit.

(8) A person who has made an application for a permit under this article or a permit of any type under this title that 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 distributor 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 craft hemp distributor 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 craft hemp distributor permit is:

(1) valid for two (2) years after the date of issuance, unless the commission suspends the permit; and

(2) nontransferable.

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



1 **Sec. 6. If the majority of the ownership of a business that is a**
 2 **craft hemp distributor permit holder is sold or transferred:**

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

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

8 **Sec. 7. The commission may adopt rules under IC 4-22-2 to**
 9 **establish procedures for the issuance, renewal, and reinstatement**
 10 **of a craft hemp distributor permit.**

11 **Sec. 8. (a) Subject to subsection (b), the commission may**
 12 **suspend the craft hemp distributor permit of a person who fails to**
 13 **pay a civil penalty imposed by the commission.**

14 **(b) Before enforcing the imposition of a civil penalty or**
 15 **suspending or revoking a craft hemp distributor permit under this**
 16 **chapter, the commission shall provide written notice of the alleged**
 17 **violation to the permit holder and conduct a hearing. The**
 18 **commission shall provide written notice of the civil penalty or**
 19 **suspension or revocation of a permit to the permit holder.**

20 **(c) Subject to subsection (b), the commission shall revoke the**
 21 **craft hemp distributor permit of a person upon a finding by a**
 22 **preponderance of the evidence that the person:**

23 **(1) has violated IC 7.1-8-5-2 or IC 7.1-8-8-2;**

24 **(2) has committed habitual furnishing of craft hemp to a**
 25 **minor as established under IC 7.1-8-8-2(g); or**

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

28 **Sec. 9. (a) If a craft hemp distributor permit has:**

29 **(1) expired; or**

30 **(2) been suspended;**

31 **the commission may not reinstate or renew the permit until all civil**
 32 **penalties imposed against the permit holder for violating**
 33 **IC 7.1-8-5-2, IC 7.1-8-8-2, or IC 35-46-1-11.7 have been paid.**

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

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

41 **(1) exercise due diligence in the distribution of craft hemp;**
 42 **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. The commission may mitigate civil penalties imposed against a craft hemp distributor permit holder for violating IC 7.1-8-5-2, IC 7.1-8-8-2, IC 35-46-1-11.7, or any of the provisions of this chapter if the permit holder provides a training program for the permit holder's employees that includes training in laws governing the distribution of craft hemp.

Sec. 11. A craft hemp distributor 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. 12. (a) An employee of a craft hemp distributor 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 distribute 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 officer;

when distributing 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 or law enforcement 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 or law enforcement officer, produce to the excise officer or law enforcement officer or to the office of the commission satisfactory evidence of a license or identification card issued to the employee



1 that was valid at the time the employee was unable to show the
2 license, identification card, or copy.

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

8 Sec. 13. (a) If a craft hemp distributor permit holder fails to
9 attend or participate in a hearing without good cause, the hearing
10 judge may recommend to the commission that the commission
11 suspend or revoke the permit holder's permit or impose a fine on
12 the permit holder of up to one thousand dollars (\$1,000).

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

15 Sec. 14. If a craft hemp distributor permit holder distributes
16 craft hemp at a location:

17 (1) determined to be a public nuisance; or

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

20 the commission may impose sanctions against the permit holder.

21 Chapter 4. Craft Hemp Manufacturer Permits

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

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

27 (c) A craft hemp manufacturer permit holder may only sell craft
28 hemp to a craft hemp distributor permit holder or a craft hemp
29 retail permit holder. A craft hemp manufacturer permit holder
30 may not sell craft hemp directly to a consumer without first
31 obtaining a craft hemp retail permit issued by the commission.

32 Sec. 2. (a) A person who desires a craft hemp manufacturer
33 permit under this chapter must provide the following to the
34 commission:

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

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

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

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

42 (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 craft hemp manufacturer permit is required for each location where the craft hemp is manufactured.

(c) A craft hemp manufacturer 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 craft hemp manufacturer permit.

(e) A craft hemp manufacturer 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 under this article or a permit under this title and who has had that permit under this article or this title, as applicable, 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 under this article or a permit of any type under this title that 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.



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

11 **Sec. 5. (a)** A craft hemp manufacturer permit issued by the
 12 commission under this chapter must contain the following
 13 information:

14 (1) The permit number.

15 (2) The permit holder's name.

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

18 (4) The expiration date of the permit.

19 **(b)** A craft hemp manufacturer permit is:

20 (1) valid for two (2) years after the date of issuance, unless the
 21 commission suspends the permit; and

22 (2) nontransferable.

23 **(c)** A craft hemp manufacturer permit may be renewed. The fee
 24 for renewing a permit is five thousand dollars (\$5,000).

25 **Sec. 6.** If the majority of the ownership of a business that is a
 26 craft hemp manufacturer permit holder is sold or transferred:

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

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

32 **Sec. 7.** The commission may adopt rules under IC 4-22-2 to
 33 establish procedures for the issuance, renewal, and reinstatement
 34 of a craft hemp manufacturer permit.

35 **Sec. 8. (a)** Subject to subsection (b), the commission may
 36 suspend the craft hemp manufacturer permit of a person who fails
 37 to pay a civil penalty imposed by the commission.

38 **(b)** Before enforcing the imposition of a civil penalty or
 39 suspending or revoking a craft hemp manufacturer permit under
 40 this chapter, the commission shall provide written notice of the
 41 alleged violation to the permit holder and conduct a hearing. The
 42 commission shall provide written notice of the civil penalty or



1 suspension or revocation of a permit to the permit holder.

2 (c) Subject to subsection (b), the commission shall revoke the
3 craft hemp manufacturer permit of a person upon a finding by a
4 preponderance of the evidence that the person:

5 (1) has violated IC 7.1-8-5-2 or IC 7.1-8-8-2;

6 (2) has committed habitual furnishing of craft hemp to a
7 minor as established under IC 7.1-8-8-2(g); or

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

10 Sec. 9. (a) If a craft hemp manufacturer permit has:

11 (1) expired; or

12 (2) been suspended;

13 the commission may not reinstate or renew the permit until all civil
14 penalties imposed against the permit holder for violating
15 IC 7.1-8-5-2, IC 7.1-8-8-2, or IC 35-46-1-11.7 have been paid.

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

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

23 (1) exercise due diligence in the manufacturing of craft hemp;
24 and

25 (2) properly supervise and train the applicant's employees or
26 agents in the handling and manufacturing of craft hemp.

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

29 Sec. 10. The commission may mitigate civil penalties imposed
30 against a craft hemp manufacturer permit holder for violating
31 IC 7.1-8-5-2, IC 7.1-8-8-2, IC 35-46-1-11.7, or any of the provisions
32 of this chapter if the permit holder provides a training program for
33 the permit holder's employees that includes training in laws
34 governing the manufacturing of craft hemp.

35 Sec. 11. A craft hemp manufacturer permit holder shall exercise
36 due diligence in the supervision and training of the permit holder's
37 employees or agents in the handling and manufacturing of craft
38 hemp.

39 Sec. 12. (a) An employee of a craft hemp manufacturer permit
40 holder must hold a valid:

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



1 (2) identification card issued by the state of Indiana, another
 2 state, or the United States;
 3 to manufacture craft hemp.

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

7 (1) either:

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

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

10 (2) upon request, readily available to show to an excise officer
 11 or law enforcement officer;
 12 when manufacturing craft hemp.

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

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

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

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

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

33 Sec. 13. (a) If a craft hemp manufacturer permit holder fails to
 34 attend or participate in a hearing without good cause, the hearing
 35 judge may recommend to the commission that the commission
 36 suspend or revoke the permit holder's permit or impose a fine on
 37 the permit holder of up to one thousand dollars (\$1,000).

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

40 Sec. 14. If a craft hemp manufacturer permit holder
 41 manufactures craft hemp at a location:

42 (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) Except as provided in subsection (b), 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 craft hemp retail establishment shall remove the craft hemp from behind the bar or from the inaccessible location and deliver it to the purchaser.

(b) This section does not apply to the holder of a liquor dealer's permit issued under IC 7.1-3-10-4 that is also a craft hemp retail establishment.

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

(b) This section does not apply to the service of beverages that contain craft hemp by the following holders of any beer, liquor, or wine retailer's permits issued under this title:

- (1) A racetrack.
- (2) A restaurant.
- (3) A social club.
- (4) A fraternal club.
- (5) A resort hotel.
- (6) An economic redevelopment site.
- (7) A gaming center.
- (8) An airport.
- (9) A horse track.
- (10) The state fairgrounds.
- (11) A catering hall.
- (12) A historic district.
- (13) A professional sports stadium.
- (14) A concert venue.
- (15) A permit premises within a municipal riverfront development project.

Chapter 6. Manufacturing Facilities

Sec. 1. (a) 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 craft hemp retail establishment.

(b) If the commission does not issue a denial under subsection (a) within thirty (30) days, the packaging is deemed approved and



1 eligible for sale.

2 Chapter 7. Advertising

3 Sec. 1. (a) The commission shall have the power to regulate and
4 prohibit advertising, signs, displays, posters, and designs intended
5 to advertise craft hemp or the place where craft hemp is sold.

6 (b) The commission shall not exercise the prohibition power
7 contained in subsection (a) for any advertisement appearing in a
8 newspaper which:

9 (1) is published at least once a week;

10 (2) regularly publishes information of current news interest
11 to the community; and

12 (3) circulates generally to the public in any part of Indiana,
13 regardless of where printed.

14 However, a newspaper shall not include publications devoted to
15 special interests such as labor, religious, fraternal, society, or trade
16 publications or journals or publications owned or issued by
17 political organizations or parties.

18 (c) The commission shall not exercise the prohibition power
19 contained in subsection (a) for any advertisement broadcast over
20 duly licensed radio and television stations.

21 (d) All advertisements relating to craft hemp, whether published
22 in a newspaper or broadcast over radio or television, shall conform
23 to the rules and regulations of the commission.

24 (e) The commission shall not exercise the prohibition power
25 contained in subsection (a) for advertising in the official program
26 of the Indianapolis 500 Race or the Madison Regatta, Inc.,
27 Hydroplane Race.

28 (f) Notwithstanding any other law, the commission may not
29 prohibit the use of an illuminated sign advertising craft hemp by
30 brand name that is displayed within the interior or on the exterior
31 of a premises covered by a craft hemp retail permit, regardless of
32 whether the sign is illuminated constantly or intermittently.
33 However, it is unlawful for a craft hemp distributor permit holder
34 to sell, give, supply, furnish, or grant to, or maintain for, a craft
35 hemp retail permit holder, an illuminated advertising sign in a
36 manner that violates the trade practice restrictions of the
37 commission or this title. It is unlawful for a craft hemp retail
38 permit holder to receive, accept, display, or permit to be displayed,
39 an illuminated advertising sign sold, given, supplied, furnished,
40 granted, or maintained in violation of this subsection. Unless
41 otherwise stated, when a recipient receives an illuminated
42 advertising sign, the illuminated advertising sign becomes the



property and responsibility of the recipient.

(g) The commission may not prohibit the advertisement of:

(1) craft hemp; or

(2) a place where craft hemp may be obtained;

in a program, scorecard, handbill, throw-away newspaper, or menu. However, those advertisements must conform to the rules of the commission.

(h) The commission shall prohibit a craft hemp retail permit holder from making:

(1) a false advertisement;

(2) a misleading advertisement;

(3) a deceptive statement in an advertisement;

(4) an unsubstantiated health claim about a product that is not consistent with the product's labeling; or

(5) a statement that disparages a competitor.

(i) The commission shall prohibit a craft hemp retail permit holder from placing a physical advertisement within five hundred (500) feet of:

(1) a school;

(2) a playground;

(3) a church; and

(4) other locations that the commission determines could contain minors.

Sec. 2. A craft hemp retail permit holder's outdoor signage must comply with any applicable local ordinances or regulations relating to signs.

Sec. 3. (a) A craft hemp retail permit holder that maintains a web page must require an individual to affirmatively indicate that the individual is at least twenty-one (21) years of age before accessing the content of the web page.

(b) The social media account of a craft hemp retail permit holder that advertises craft hemp must contain a clearly visible notice on the main page stating that only individuals at least twenty-one (21) years of age may follow the account.

(c) A craft hemp retail permit holder may only send electronic mail advertising its business if the recipient has affirmatively opted-in to receive electronic mail from the permit holder.

(d) A craft hemp retail permit holder that uses a QR code in an electronic advertisement must require an individual to affirmatively indicate that the individual is at least twenty-one (21) years of age before accessing the content of the site accessed by the QR code.



1 **Sec. 4. A craft hemp retail permit holder may not do any of the**
 2 **following:**

3 (1) Use items such as toys or inflatables, movie or cartoon
 4 characters, or any other depiction or image likely to be
 5 appealing to children, if the item, image, or depiction suggests
 6 an intent to cause children to become interested in the
 7 purchase or consumption of craft hemp.

8 (2) Use or employ a commercial mascot outside of, and in
 9 proximity to, a permitted business.

10 **Chapter 8. Criminal Acts**

11 **Sec. 1. (a) This section does not apply to a person who holds a**
 12 **permit to sell, distribute, or manufacture craft hemp.**

13 **(b) A person who knowingly or intentionally:**

14 (1) purchases;

15 (2) receives;

16 (3) manufactures;

17 (4) imports;

18 (5) transports;

19 (6) causes to be imported or transports from another state,
 20 territory, or country, into Indiana;

21 (7) ships;

22 (8) barter;

23 (9) gives away;

24 (10) exchanges;

25 (11) furnishes;

26 (12) handles; or

27 (13) possesses;

28 **craft hemp or a product containing THC (tetrahydrocannabinol)**
 29 **for purposes of sale, commits a Class B misdemeanor.**

30 **(c) An individual who knowingly or intentionally acquires craft**
 31 **hemp from a person that the individual knows does not hold an**
 32 **appropriate permit under this article to sell, distribute,**
 33 **manufacture, or give craft hemp commits a Class B misdemeanor.**

34 **Sec. 2. (a) A person who recklessly, knowingly, or intentionally**
 35 **sells, barter, exchanges, provides, or furnishes:**

36 (1) craft hemp; or

37 (2) a product containing THC (tetrahydrocannabinol);

38 **to a minor commits dealing craft hemp to a minor, a Class A**
 39 **misdemeanor.**

40 **(b) An offense described in subsection (a) is a:**

41 (1) Level 6 felony if the person has a prior unrelated
 42 conviction under this section; or



(2) Level 5 felony if the consumption, ingestion, or use of the craft hemp or product containing THC (tetrahydrocannabinol) is the proximate cause of serious bodily injury to or the death of an individual.

(c) The following defenses are available to a person or permit holder accused of dealing craft hemp to a minor:

(1) The buyer or recipient produced a driver's license that included the purchaser's or recipient's photograph and indicated the purchaser or recipient is at least twenty-one (21) years of age to make the purchase.

(2) The buyer or recipient produced a photographic identification card issued under IC 9-24-16-1 or a similar card issued under the laws of another state or the federal government that indicated the purchaser or recipient was at least twenty-one (21) years of age to make the purchase.

(3) An ordinary, prudent individual would believe the purchaser or recipient was not less than forty (40) years of age based on the purchaser's or recipient's appearance.

(d) It is a defense to a prosecution under this section that a permit holder sold or provided craft hemp to a minor who acted in the ordinary course of employment or a business concerning craft hemp for the following activities:

(1) Agriculture.

(2) Processing.

(3) Transporting.

(4) Wholesaling.

(5) Retailing.

(e) A person who distributes or sells craft hemp product directly to purchasers through a website must use a reliable online age verification system or obtain and examine a copy of the purchaser's government issued identification.

(f) A permit holder who violates subsection (a) or (e) is subject to the following civil penalties:

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

(2) Five thousand dollars (\$5,000) for a second violation that occurs within two (2) years of a first violation and the suspension of the permit for up to six (6) months.

(3) Ten thousand dollars (\$10,000) for each subsequent violation that occurs within two (2) years of the preceding violation and the revocation of the permit.

(g) A permit holder who violates subsection (a) at least three (3) times in a one (1) year period commits habitual furnishing of craft



1 hemp to a minor.

2 (h) A retailer whose permit is suspended under subsection (f)(2)
3 may reapply for a permit after one (1) year of the suspension.

4 Sec. 3. (a) A minor who knowingly or intentionally possesses:

5 (1) craft hemp; or

6 (2) a product containing THC (tetrahydrocannabinol);
7 commits possession of craft hemp by a minor, a Class B
8 misdemeanor.

9 (b) It is a defense to a prosecution under this section that the
10 accused minor acted in the ordinary course of employment or a
11 business concerning craft hemp for the following activities:

12 (1) Agriculture.

13 (2) Processing.

14 (3) Transporting.

15 (4) Wholesaling.

16 (5) Retailing.

17 Sec. 4. (a) As used in this section, "adulterated craft hemp
18 flower product" means:

19 (1) a craft hemp flower product or a purported craft hemp
20 flower product that contains an ingredient that is illegal under
21 or prohibited by:

22 (A) state law;

23 (B) federal law;

24 (C) a commission rule; or

25 (D) a commission regulation;

26 (2) a craft hemp flower product or a purported craft hemp
27 flower product for which the commission does not have a
28 certificate of analysis on file; or

29 (3) a craft hemp flower product that does not substantially
30 correspond to its certificate of analysis.

31 (b) A person who knowingly or intentionally sells, gives away,
32 barter, furnishes, exchanges, possesses, or keeps adulterated craft
33 hemp flower product commits a Class B misdemeanor.

34 SECTION 7. IC 9-13-2-86, AS AMENDED BY P.L.186-2025,
35 SECTION 82, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
36 JULY 1, 2026]: Sec. 86. "Intoxicated" means under the influence of:

37 (1) alcohol;

38 (2) a controlled substance (as defined in IC 35-48-1.1);

39 (3) a drug other than alcohol or a controlled substance;

40 (4) a substance described in IC 35-46-6-2 or IC 35-46-6-3;

41 ~~(5) a combination of substances described in subdivisions (1)~~
42 ~~through (4); or~~



1 **(5) craft hemp (as defined in IC 7.1-8-1-2);**

2 (6) any other substance, not including food and food ingredients
3 (as defined in IC 6-2.5-1-20), tobacco (as defined in
4 IC 6-2.5-1-28), or a dietary supplement (as defined in
5 IC 6-2.5-1-16); **or**

6 **(7) a combination of substances described in this section;**

7 so that there is an impaired condition of thought and action and the loss
8 of normal control of a person's faculties.

9 SECTION 8. IC 15-15-13-6.7 IS ADDED TO THE INDIANA
10 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
11 [EFFECTIVE JULY 1, 2026]: **Sec. 6.7. As used in this chapter,**
12 **"work in progress hemp extract" means a compound:**

13 **(1) derived from hemp;**

14 **(2) intended to be processed into a hemp product;**

15 **(3) in a partially processed state;**

16 **(4) having a concentration of delta-9-tetrahydrocannabinol**
17 **that exceeds three-tenths of one percent (0.3%) by dry weight;**
18 **and**

19 **(5) not marketed for consumer use or consumption.**

20 SECTION 9. IC 15-15-13-11, AS AMENDED BY P.L.190-2019,
21 SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
22 JULY 1, 2026]: **Sec. 11. Only a hemp licensee, the licensee's designee,**
23 **or the licensee's agents may be permitted to transport hemp or work in**
24 **progress hemp extract** off a production site. When transporting hemp
25 **or work in progress hemp extract** off the production site, the hemp
26 licensee, designee, or agent shall have in the licensee's, designee's, or
27 agent's possession the licensing documents from the state seed
28 commissioner evidencing that the hemp **or work in progress hemp**
29 **extract** is from certified seed produced by a licensed grower.

30 SECTION 10. IC 15-15-13-11.5 IS ADDED TO THE INDIANA
31 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
32 [EFFECTIVE JULY 1, 2026]: **Sec. 11.5. (a) Subject to subsection (b),**
33 **a handler holding a valid license under this chapter may possess,**
34 **manufacture, store, transport, or sell work in progress hemp**
35 **extract.**

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

37 **(1) handler holding a valid license under this chapter;**

38 **(2) person holding a valid hemp or cannabis license in another**
39 **jurisdiction; or**

40 **(3) craft hemp manufacturer permit holder, as described in**
41 **IC 7.1-8-4.**

42 SECTION 11. IC 15-15-13-19, AS AMENDED BY P.L.186-2025,



SECTION 105, IS AMENDED TO READ AS FOLLOWS
 [EFFECTIVE JULY 1, 2026]: Sec. 19. (a) ~~Hemp bud (as defined in~~
~~IC 35-48-1.1-23)~~ and ~~hemp flower (as defined in IC 35-48-1.1-24)~~
Craft hemp flower (as defined in IC 35-31.5-2-68.8) may be
 transported or sold intrastate only to a processor licensed under this
 chapter **for processing or manufacturing into a legal hemp product,**
including a craft hemp flower product (as defined in
IC 35-31.5-2-68.9).

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

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

SECTION 12. IC 16-42-2-2 IS AMENDED TO READ AS
 FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 2. (a) A food is
 considered adulterated under any of the following conditions:

(1) If the food bears or contains any poisonous or deleterious
 substance that may make the food injurious to health. However,
 if the substance is not an added substance, the food is not to be
 considered adulterated under this subdivision if the quantity of the
 substance in the food does not ordinarily make the food injurious
 to health.

(2) If:

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

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

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

However, when a pesticide chemical is used in or on a raw
 agricultural commodity in conformity with an exemption granted
 or tolerance prescribed under section 5 of this chapter and the raw
 agricultural commodity has been subjected to processing such as
 canning, cooking, freezing, dehydrating, or milling, the residue of
 the pesticide chemical remaining in or on the processed food,
 notwithstanding section 5 of this chapter and clause (C) is not
 considered unsafe if the residue in or on the raw agricultural
 commodity has been removed to the extent possible in good
 manufacturing practice, and the concentration of the residues in



the processed food, when ready to eat, is not greater than the tolerance prescribed for the raw agricultural commodity.

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

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

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

(A) a diseased animal;

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

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

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

(7) If the food has been intentionally subjected to radiation, unless the use of the radiation was in conformity with a rule or an exemption in effect under section 5 of this chapter.

(8) If any valuable constituent has been in whole or in part omitted or abstracted from the food.

(9) If any substance has been substituted wholly or in part.

(10) If damage or inferiority has been concealed in any manner.

(11) If any substance has been added to the food or mixed or packed with the food to:

(A) increase the food's bulk or weight;

(B) reduce the food's quality or strength;

(C) make the food appear better or of greater value than the food is; or

(D) create a deceptive appearance.

(12) If the food bears or contains a coal-tar color other than one from a batch that has been certified by the federal Food and Drug Administrator, as provided by regulations promulgated under authority of the Federal Act.

(13) If the food is a confectionery and has partially or completely ~~imbedded~~ **embedded** in the food any nonnutritive object. However, this subdivision does not apply in the case of any nonnutritive object if, in the judgment of the state department as provided by rules, the nonnutritive object is of practical, functional value to the confectionery product and would not make



the product injurious or hazardous to health.

(14) If the food is a confectionery and bears or contains any alcohol other than alcohol not in excess of one-half of one percent (0.5%) by volume derived solely from the use of flavoring extracts.

(15) If the food is a confectionery and bears or contains any nonnutritive substance. However, this subdivision does not apply to a safe, nonnutritive substance if:

(A) the nonnutritive substance is in or on a confectionery for a practical, functional purpose in the manufacture, packaging, or storing of the confectionery; and

(B) the use of the substance does not promote deception of the consumer or otherwise result in adulteration or misbranding in violation of any provision of IC 16-42-1 through IC 16-42-4.

In addition, the state department may, for the purpose of avoiding or resolving uncertainty as to the application of this subdivision, adopt rules allowing or prohibiting the use of particular nonnutritive substances.

(16) If the food falls below the standard of purity, quality, or strength that the food purports or is represented to possess.

(17) If the food is or bears or contains any color additive that is unsafe under section 5 of this chapter.

(b) Subsection (a)(8) and (a)(9) do not prohibit:

(1) the removal of butterfat from; or

(2) the addition of skim milk to;

dairy products that comply with the definitions and standards for dairy products adopted by the state department.

(c) A food is not considered adulterated for containing low THC hemp extract (as defined in IC 35-48-1.1-27) or craft hemp flower (as defined in IC 35-31.5-2-68.8).

SECTION 13. IC 24-4-21-3, AS AMENDED BY P.L.190-2019, SECTION 24, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 3. A person may distribute low THC hemp extract in Indiana only if the distributor has a certificate of analysis prepared by an independent testing laboratory showing:

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

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



(3) the cannabidiol percent present of the low THC hemp extract.
 SECTION 14. IC 24-4-21-4, AS AMENDED BY THE
 TECHNICAL CORRECTIONS BILL OF THE 2026 GENERAL
 ASSEMBLY, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 JULY 1, 2026]: Sec. 4. (a) Except as provided in subsection (b), low
 THC hemp extract must be distributed in packaging that contains the
 following information:

(1) A scannable bar code or QR code linked to a document that
 contains information with respect to the manufacture of the low
 THC hemp extract, including the:

- (A) batch identification number;
- (B) product name;
- (C) batch date;
- (D) expiration date, which must be not more than two (2) years
 from the date of manufacture;
- (E) batch size;
- (F) total quantity produced;
- (G) ingredients used, including the:
 - (i) ingredient name;
 - (ii) name of the company that manufactured the ingredient;
 - (iii) company or product identification number or code, if
 applicable; and
 - (iv) ingredient lot number; and
- (H) download link for a certificate of analysis for the low THC
 hemp extract.

(2) The batch number.

(3) The Internet address of a ~~web site~~ **website** to obtain batch
 information.

(4) The expiration date.

(5) The number of milligrams of low THC hemp extract.

(6) The manufacturer.

(7) The fact that the product contains not more than three-tenths
of one percent (0.3%) total delta-9-tetrahydrocannabinol (THC),
~~including precursors, by weight~~ **or volume.**

~~(b) Before July 1, 2018, low THC hemp extract may be distributed
 in Indiana without having met the requirements described in subsection
 (a).~~

**(b) After June 30, 2026, the packaging of low THC hemp extract
 may not:**

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



(2) bear an unauthorized trademark, trade name, famous mark, or other identifying mark, imprint, or device, or any likeness thereof.

SECTION 15. IC 24-4-22-3, AS ADDED BY P.L.153-2018, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 3. (a) ~~Except as provided in subsection (b);~~ A person may sell low THC hemp extract at retail only if the packaging complies with the requirements of IC 24-4-21-4.

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

(b) Beginning July 1, 2026, no low THC hemp extract may be distributed, sold, or offered for sale at retail or online to a person who is less than twenty-one (21) years of age.

(c) Any website owned, managed, or operated by a person who distributes or sells low THC hemp extract directly to consumers must verify a consumer's age by either using a reliable online age verification service, or by obtaining and examining a copy of a government issued identification, prior to completing a purchase.

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

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

(2) Five thousand dollars (\$5,000) for a second violation that occurs within two (2) years after a first violation, and suspension of the retail merchant's certificate issued under IC 6-2.5-8 for up to six (6) months.

(3) Ten thousand dollars (\$10,000) for each subsequent violation that occurs within two (2) years of the preceding violation, and revocation of the retail merchant's certificate issued under IC 6-2.5-8, with a one (1) year waiting period for reapplication.

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

SECTION 16. IC 24-4-24.9 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]:

Chapter 24.9. Distribution of Craft Hemp Flower Products

Sec. 1. As used in this chapter, "certificate of analysis" means a certificate from an independent testing laboratory describing the



1 results of the laboratory's testing of a sample.

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

4 Sec. 3. As used in this chapter, "independent testing laboratory"
5 means a laboratory:

6 (1) with respect to which no person having a direct or indirect
7 interest in the laboratory also has a direct or indirect interest
8 in a facility that:

9 (A) processes, distributes, or sells a craft hemp flower
10 product, or a substantially similar substance in another
11 jurisdiction;

12 (B) cultivates, processes, distributes, dispenses, or sells
13 marijuana;

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

15 (D) processes, distributes, or sells low THC hemp extract
16 (as defined in IC 35-48-1.1-27); and

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

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

27 Sec. 5. (a) Before a person may distribute a craft hemp flower
28 product, the distributor must have a certificate of analysis
29 prepared by an independent testing laboratory showing the
30 following:

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

33 (2) That the independent testing laboratory determined that
34 the batch contained not more than three-tenths of one percent
35 (0.3%) tetrahydrocannabinol (THC), by weight or volume,
36 based on the testing of a random sample of the batch.

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

40 (A) Heavy metals, including cadmium, lead, arsenic, and
41 mercury.

42 (B) Pesticides.



- 1 (C) Herbicides.
- 2 (D) Mycotoxins.
- 3 (E) Bacterial toxins.
- 4 (F) Chemical solvent residues.
- 5 (4) The potency of the craft hemp flower product, including
- 6 the projected percentage of:
- 7 (A) THC;
- 8 (B) cannabidiol; and
- 9 (C) other cannabinoids in the craft hemp flower product;
- 10 by weight or volume.
- 11 (b) Each batch of a craft hemp flower product submitted to an
- 12 independent testing laboratory under this section must have been
- 13 harvested at the same time and cultivated in a contiguous area in
- 14 the same field or facility.
- 15 Sec. 6. A craft hemp flower product must be distributed in
- 16 tamper evident packaging that contains the following information:
- 17 (1) A scannable bar code or QR code linked to a document
- 18 that contains information with respect to the craft hemp
- 19 flower product, including the:
- 20 (A) batch identification number;
- 21 (B) product name;
- 22 (C) batch date;
- 23 (D) expiration date, which must be not more than two (2)
- 24 years from the date of harvest;
- 25 (E) batch size;
- 26 (F) total quantity produced;
- 27 (G) ingredients used, including the:
- 28 (i) ingredient name;
- 29 (ii) name of the company that manufactured the
- 30 ingredient;
- 31 (iii) company or product identification number or code,
- 32 if applicable; and
- 33 (iv) ingredient lot number; and
- 34 (H) download link for a certificate of analysis for the craft
- 35 hemp flower product.
- 36 (2) The batch identification number.
- 37 (3) The address of a website to obtain batch information.
- 38 (4) The expiration date, which must be not more than two (2)
- 39 years from the date of harvest.
- 40 (5) The number of grams of craft hemp flower (as defined in
- 41 IC 35-31.5-2-68.8) contained in the craft hemp flower product.
- 42 (6) The facility that produced the craft hemp flower product.



(7) The fact that the craft hemp flower product contains not more than three-tenths of one percent (0.3%) tetrahydrocannabinol (THC), by weight or volume.

Sec. 7. A craft hemp flower product may not be distributed if a certificate of analysis prepared by an independent testing laboratory shows any of the following:

(1) A concentration of metals that is more than any of the following:

(A) Four-tenths (0.4) part per million of cadmium.

(B) Five-tenths (0.5) part per million of lead.

(C) Four-tenths (0.4) part per million of arsenic.

(D) Two-tenths (0.2) part per million of mercury.

(2) A concentration of microbiological units that is more than any of the following:

(A) One (1) colony forming unit per gram of Shiga-Toxin *Escherichia coli*.

(B) One (1) colony forming unit per gram of *Salmonella* spp.

(C) Ten thousand (10,000) colony forming units of culturable mold.

(3) A concentration of residual solvents and chemicals that is more than any of the following:

(A) Five thousand (5,000) parts per million of butane.

(B) Two (2) parts per million of benzene.

(C) Five thousand (5,000) parts per million of heptane.

(D) Two hundred ninety (290) parts per million of hexane.

(E) Eight hundred ninety (890) parts per million of toluene.

(F) One (1) part per million of total xylenes, including ortho-xylene, meta-xylene, and para-xylene.

Sec. 8. (a) A person who knowingly or intentionally distributes or sells a craft hemp flower product in violation of this chapter commits a Class B misdemeanor. However, the offense is a Class A misdemeanor if the person has a prior unrelated conviction for a violation of this chapter.

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

SECTION 17. IC 34-30-2.1-72, AS ADDED BY P.L.105-2022, SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 72. IC 7.1-5-10-15 (Concerning alcoholic beverage permittee or permittee's agent refusing to serve alcoholic beverages or products containing THC (tetrahydrocannabinol) to



certain persons).

SECTION 18. IC 34-30-2.1-73, AS ADDED BY P.L.105-2022, SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 73. IC 7.1-5-10-15.5 (Concerning persons who furnish an alcoholic beverage **or a product containing THC (tetrahydrocannabinol)** for damages caused by an impaired or intoxicated person).

SECTION 19. IC 35-31.5-2-68.8 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 68.8. (a) **"Craft hemp flower" means the harvested reproductive organ, whether immature or mature, of the Cannabis sativa L. plant containing not more than three-tenths of one percent (0.3%) delta-9 tetrahydrocannabinol (THC) by weight or volume, in a form that is intended to allow THC to be introduced into the human body by inhalation of smoke.**

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

SECTION 20. IC 35-31.5-2-68.9 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 68.9. (a) **"Craft hemp flower product" means a substance or product for sale to consumers that:**

- (1) **is derived from or contains any part of craft hemp flower;**
- (2) **contains not more than three-tenths of one percent (0.3%) delta-9 tetrahydrocannabinol (THC) by weight or volume;**
- (3) **contains no other controlled substances; and**
- (4) **is in the form of:**

(A) **a gummy that contains not more than one hundred (100) milligrams of THC, delta-8 tetrahydrocannabinol, delta-10 tetrahydrocannabinol, or hexahydrocannabinol per serving and not more than three thousand (3,000) milligrams of THC, delta-8 tetrahydrocannabinol, delta-10 tetrahydrocannabinol, or hexahydrocannabinol per package;**

(B) **an edible that contains not more than one hundred (100) milligrams of THC, delta-8 tetrahydrocannabinol, delta-10 tetrahydrocannabinol, or hexahydrocannabinol per individualized unit and not more than three thousand (3,000) milligrams of THC, delta-8 tetrahydrocannabinol, delta-10 tetrahydrocannabinol, or hexahydrocannabinol per package;**

(C) **a drink that contains not more than twenty-five (25) milligrams of THC, delta-8 tetrahydrocannabinol, delta-10**



1 tetrahydrocannabinol, or hexahydrocannabinol per
2 individualized unit and not more than three hundred (300)
3 milligrams of THC, delta-8 tetrahydrocannabinol, delta-10
4 tetrahydrocannabinol, or hexahydrocannabinol per
5 package;

6 (D) a tincture that contains not more than one hundred
7 (100) milligrams of THC, delta-8 tetrahydrocannabinol,
8 delta-10 tetrahydrocannabinol, or hexahydrocannabinol
9 per serving and not more than three thousand (3,000)
10 milligrams of THC, delta-8 tetrahydrocannabinol, delta-10
11 tetrahydrocannabinol, or hexahydrocannabinol per
12 package;

13 (E) an e-liquid that contains not more than three (3) grams
14 of THC, delta-8 tetrahydrocannabinol, delta-10
15 tetrahydrocannabinol, or hexahydrocannabinol per device;
16 or

17 (F) a topical not for human consumption.

18 The term does not include smokable hemp.

19 (b) A variance of up to twenty percent (20%) from the
20 milligram limits described in subsection (a) is permitted to account
21 for testing variability and manufacturing tolerances.

22 SECTION 21. IC 35-46-1-11.7, AS AMENDED BY P.L.163-2025,
23 SECTION 66, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
24 JULY 1, 2026]: Sec. 11.7. (a) A retail establishment in which tobacco
25 products **and craft hemp flower products** account for at least
26 eighty-five percent (85%) of the retail establishment's gross sales may
27 not allow an individual who is less than twenty-one (21) years of age
28 to enter the retail establishment.

29 (b) An individual who is less than twenty-one (21) years of age may
30 not enter a retail establishment described in subsection (a).

31 (c) A retail establishment described in subsection (a) must
32 conspicuously post on all entrances to the retail establishment the
33 following:

34 (1) A sign in boldface type that states "NOTICE: It is unlawful for
35 a person less than 21 years old to enter this store."

36 (2) A sign printed in letters and numbers at least one-half (1/2)
37 inch high that displays a toll free phone number for assistance to
38 callers in quitting smoking, as determined by the Indiana
39 department of health.

40 (d) A person who violates this section commits a Class C infraction.
41 Notwithstanding IC 34-28-5-4(c), a civil judgment for an infraction
42 committed under this section must be imposed as follows:



(1) If the person has not been cited for a violation of this section in the previous one (1) year, a civil penalty of up to four hundred dollars (\$400).

(2) If the person has had one (1) violation in the previous one (1) year, a civil penalty of up to eight hundred dollars (\$800).

(3) If the person has had two (2) violations in the previous one (1) year, a civil penalty of up to one thousand four hundred dollars (\$1,400).

(4) If the person has had three (3) or more violations in the previous one (1) year, a civil penalty of up to two thousand dollars (\$2,000).

A person may not be cited more than once every twenty-four (24) hours.

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

(f) A person who violates subsection (a) at least six (6) times in any one (1) year period commits habitual illegal entrance by a minor, a Class B infraction.

SECTION 22. IC 35-48-1.1-7, AS ADDED BY P.L.186-2025, SECTION 249, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 7. "Controlled substance" means a drug, substance, or immediate precursor in schedule I, II, III, IV, or V under:

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

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

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

SECTION 23. IC 35-48-1.1-8, AS ADDED BY P.L.186-2025, SECTION 249, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 8. (a) "Controlled substance analog" means a substance that, due to its chemical structure and potential for abuse or misuse, meets the following criteria:

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

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



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

- (1) a controlled substance;
- (2) a legend drug;
- (3) a substance for which there is an approved new drug application;
- (4) any compound, mixture, or preparation that contains any controlled substance, that is not for administration to a human being or an animal, and that is packaged in a form or concentration, or with adulterants or denaturants, such that as packaged it does not present any significant potential for abuse;
- (5) a substance to which an investigational exemption applies under Section 505 of the federal Food, Drug and Cosmetic Act (chapter 675, 52 Stat. 1052 (21 U.S.C. 355)), but only to the extent that conduct with respect to the substance is pursuant to the exemption; ~~or~~
- (6) low THC hemp extract; **or**
- (7) a craft hemp flower product.**

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

- (1) one (1) halogen for another halogen;
- (2) one (1) hydrogen for a halogen;
- (3) one (1) halogen for a hydrogen; or
- (4) an alkyl group added or deleted:
 - (A) as a side chain to or from a molecule; or
 - (B) from a side chain of a molecule.

SECTION 24. IC 35-48-1.1-9, AS ADDED BY P.L.186-2025, SECTION 249, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 9. **(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 craft hemp flower or a craft 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.

SECTION 25. IC 35-48-1.1-9.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: **Sec. 9.5. "Craft hemp flower product" has the meaning set forth in IC 35-31.5-2-68.9.**

SECTION 26. IC 35-48-1.1-21, AS ADDED BY P.L.186-2025, SECTION 249, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 21. "Hashish" does not include:

(1) low THC hemp extract; or

(2) a craft hemp flower product.

SECTION 27. IC 35-48-1.1-23 IS REPEALED [EFFECTIVE JULY 1, 2026]. Sec. 23: (a) "Hemp bud" means the harvested immature reproductive organ of the female hemp plant:

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

SECTION 28. IC 35-48-1.1-24 IS REPEALED [EFFECTIVE JULY 1, 2026]. Sec. 24: (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 29. IC 35-48-1.1-27, AS ADDED BY P.L.186-2025, SECTION 249, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 27. (a) "Low THC hemp extract" means a substance or compound that:

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

(2) contains not more than three-tenths of one percent (0.3%) total delta-9-tetrahydrocannabinol (THC), including precursors,

by weight or volume; and

(3) contains no other controlled substances.

(b) The term does not include:

(1) the harvested reproductive organ, whether immature or mature, of the female hemp plant; or

(2) smokable hemp; or

(3) a craft hemp flower product.

SECTION 30. IC 35-48-1.1-29, AS ADDED BY P.L.186-2025, SECTION 249, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 29. (a) "Marijuana" means any part of the plant genus *Cannabis* whether growing or not; the seeds thereof; the resin extracted from any part of the plant, including hashish and hash oil; any compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds or resin.

(b) The term does not include:



- (1) the mature stalks of the plant;
- (2) fiber produced from the stalks;
- (3) oil or cake made from the seeds of the plant;
- (4) any other compound, manufacture, salt, derivative, mixture, or preparation of the mature stalks (except the resin extracted therefrom);
- (5) the sterilized seed of the plant which is incapable of germination;
- (6) hemp (as defined by IC 15-15-13-6);
- (7) low THC hemp extract; or
- (8) ~~smokable hemp~~: **a craft hemp flower product.**

SECTION 31. IC 35-48-1.1-38, AS ADDED BY P.L.186-2025, SECTION 249, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 38. (a) Except as provided in subsection (b), "smokable hemp" means a product, **plant, or part of a plant** containing ~~not more than three-tenths percent (0.3%) delta-9-tetrahydrocannabinol (THC); including precursors and derivatives of THC (tetrahydrocannabinol),~~ in a form that allows THC to be introduced into the human body by inhalation of smoke. **Except as provided in subsection (b), the term includes craft hemp flower.**

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

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

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

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

SECTION 32. IC 35-48-4-5.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: **Sec. 5.5. A person who:**

- (1) **knowingly or intentionally:**
 - (A) creates;
 - (B) delivers; or
 - (C) finances the delivery of;**a counterfeit hemp substance; or**
- (2) **possesses, with intent to:**
 - (A) deliver; or
 - (B) finance the delivery of;**a counterfeit hemp substance;**



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

6 SECTION 33. IC 35-52-7-97.1 IS ADDED TO THE INDIANA
7 CODE AS A NEW SECTION TO READ AS FOLLOWS
8 [EFFECTIVE JULY 1, 2026]: Sec. 97.1. IC 7.1-8-8-1, IC 7.1-8-8-2,
9 IC 7.1-8-8-3, and IC 7.1-8-8-4 define crimes concerning craft hemp.

10 SECTION 34. IC 35-52-24-20.4 IS ADDED TO THE INDIANA
11 CODE AS A NEW SECTION TO READ AS FOLLOWS
12 [EFFECTIVE JULY 1, 2026]: Sec. 20.4. IC 24-4-24.9-8 defines a
13 crime concerning distribution or sale of craft hemp flower
14 products.

