

PROPOSED AMENDMENT

SB 250 # 7

DIGEST

SB 1130. Replaces SB 250 with HB 1130, which does the following: (1) Establishes a regulatory framework for hemp and craft hemp. (2) Prohibits the sale of specified products to a person less than 21 years of age. Makes conforming changes.

- 1 Page 1, delete lines 1 through 15, begin a new paragraph and insert:
2 "SECTION 1. IC 7.1-2-3-33, AS AMENDED BY P.L.49-2020,
3 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
4 JULY 1, 2026]: Sec. 33. The commission is authorized to:
5 (1) investigate a violation of; and
6 (2) enforce a penalty for a violation of;
7 **IC 7.1-8, IC 35-46-1-10, IC 35-46-1-10.2, IC 35-46-1-11,**
8 **IC 35-46-1-11.2, IC 35-46-1-11.4, IC 35-46-1-11.5, IC 35-46-1-11.7,**
9 **or IC 35-46-1-11.8."**
10 Delete pages 2 through 3.
11 Page 4, delete lines 1 through 11.
12 Page 4, line 18, delete "a product that contains any amount of THC"
13 and insert "**craft hemp, a product that contains low THC hemp**
14 **extract, or a product that contains craft hemp,"**.
15 Page 4, line 20, delete "a" and insert "**craft hemp, a product that**
16 **contains low THC hemp extract, or a product that contains craft**
17 **hemp may only:"**.
18 Page 4, delete line 21.
19 Page 4, delete lines 25 through 42, begin a new paragraph, and
20 insert:
21 "SECTION 3. IC 7.1-5-10-15, AS AMENDED BY P.L.159-2014,
22 SECTION 80, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
23 JULY 1, 2026]: Sec. 15. (a) A person who, knowing that another
24 person is intoxicated, sells, barter, delivers, or gives away an alcoholic
25 beverage **or a product containing THC (tetrahydrocannabinol)** to
26 the intoxicated person commits a Class B misdemeanor.

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

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

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

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

- 20 (1) the person furnishing the alcoholic beverage **or product**
21 **containing THC (tetrahydrocannabinol)** had actual knowledge
22 that the person to whom the alcoholic beverage **or product**
23 **containing THC (tetrahydrocannabinol)** was furnished was
24 visibly intoxicated at the time the alcoholic beverage **or product**
25 **containing THC (tetrahydrocannabinol)** was furnished; and
26 (2) the intoxication of the person to whom the alcoholic beverage
27 **or product containing THC (tetrahydrocannabinol)** was
28 furnished was a proximate cause of the death, injury, or damage
29 alleged in the complaint.

30 (c) If a person who is at least twenty-one (21) years of age suffers
31 injury or death proximately caused by the person's voluntary
32 intoxication, the:

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

37 may not assert a claim for damages for personal injury or death against
38 a person who furnished an alcoholic beverage **or a product containing**
39 **THC (tetrahydrocannabinol)** that contributed to the person's

1 intoxication, unless subsections (b)(1) and (b)(2) apply.

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

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

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

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

12 **(1) a craft hemp flower product as defined in
13 IC 35-31.5-2-68.9; and**

14 **(2) low THC hemp extract as defined in IC 35-48-1.1-27.**

15 SECTION 6. IC 7.1-8 IS ADDED TO THE INDIANA CODE AS A
16 NEW ARTICLE TO READ AS FOLLOWS [EFFECTIVE JULY 1,
17 2026]:

18 **ARTICLE 8. CRAFT HEMP**

19 **Chapter 0.5. Application**

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

26 **Chapter 1. Definitions**

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

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

33 **The term does not include a drug store.**

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

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

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

40 **Sec. 5. As used in this article, "drug store" has the meaning set**

1 forth in IC 7.1-1-3-15.

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

4 Sec. 7. As used in this article, "restricted grocery store" means
5 a retail establishment that:

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

8 (A) canned and frozen foods;

9 (B) fresh fruits and vegetables;

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

11 (D) groceries or gourmet foods in combination with
12 general lines of new merchandise, including apparel,
13 furniture, and appliances; or

14 (E) specialty or gourmet foods; and

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

17 **Chapter 1.5. Craft Hemp Permits**

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

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

22 (2) The transaction date or dates.

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

25 (4) Each permit holder's address.

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

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

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

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

32 Sec. 1. (a) A person may not sell or otherwise distribute in
33 exchange for consideration craft hemp directly to a consumer for
34 consumption off the permitted premises without a valid craft hemp
35 retail permit issued by the commission.

36 (b) The commission may issue not more than twenty thousand
37 (20,000) craft hemp retail permits.

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

- 1 **(1) A product containing not more than three-tenths of one**
 2 **percent (0.3%) total THC (tetrahydrocannabinol).**
 3 **(2) A beverage described in IC 35-31.5-2-68.9(a)(4)(C).**
 4 **(d) The commission may issue a craft hemp retail permit to a**
 5 **convenience store.**
 6 **(e) A craft hemp retail permit may be issued only to a person**
 7 **who owns or operates premises consisting of a permanent building**
 8 **or structure where the craft hemp is sold or distributed.**
 9 **(f) A craft hemp retail permit holder may only purchase craft**
 10 **hemp from a craft hemp manufacturer permit holder or a craft**
 11 **hemp distributor permit holder.**
 12 **(g) A person who is a craft hemp retail permit holder and a**
 13 **retail alcoholic beverage permit holder may serve craft hemp**
 14 **beverages in the original container for consumption on the**
 15 **permitted premises.**
 16 **Sec. 2. (a) A person who desires a craft hemp retail permit**
 17 **under this chapter must provide the following to the commission:**
 18 **(1) The applicant's name and mailing address and the address**
 19 **of the premises for which the permit is being issued.**
 20 **(2) A fee of one thousand dollars (\$1,000) for each retail**
 21 **location.**
 22 **(3) The name under which the applicant transacts or intends**
 23 **to transact business.**
 24 **(4) The address of the applicant's principal place of business**
 25 **or headquarters, if any.**
 26 **(5) The statement required under section 4 of this chapter.**
 27 **(6) If the applicant is applying for a new permit under section**
 28 **6 of this chapter, a copy of each of the following:**
 29 **(A) If the new ownership of the business is a business**
 30 **entity, the articles of incorporation, articles of**
 31 **organization, or any other formation documents of the**
 32 **business entity.**
 33 **(B) If the new ownership of the business is an individual,**
 34 **either:**
 35 **(i) the sales or purchase agreement; or**
 36 **(ii) an affidavit signed by the applicant concerning the**
 37 **sale or purchase, on a form prescribed by the**
 38 **commission, that includes the name and address of the**
 39 **seller and purchaser.**
 40 **(C) The permit held by the previous ownership of the**

1 **business.**

2 **(b) A separate craft hemp retail permit is required for each**
 3 **location where the craft hemp is sold or distributed. A retail**
 4 **establishment may not hold more than one (1) active craft hemp**
 5 **retail permit for a retail location at any time.**

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

9 **(d) Any intentional misstatement or suppression of a material**
 10 **fact in an application filed under this section constitutes grounds**
 11 **for denial of the craft hemp retail permit.**

12 **(e) A craft hemp retail permit may be issued only to a person**
 13 **who meets the following requirements:**

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

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

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

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

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

26 **(1) A person who does not have lawful status (as defined in**
 27 **IC 9-13-2-92.3).**

28 **(2) A person who has been convicted within five (5) years**
 29 **before the date of application of:**

30 **(A) a federal crime having a sentence of at least one (1)**
 31 **year;**

32 **(B) a Level 1, Level 2, Level 3, Level 4, or Level 5 felony;**
 33 **or**

34 **(C) a crime in a state other than Indiana having a penalty**
 35 **equal to the penalty for an Indiana Level 1, Level 2, Level**
 36 **3, Level 4, or Level 5 felony.**

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

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

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

1 agents.

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

4 (1) The permit number.

5 (2) The permit holder's name.

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

8 (4) The expiration date of the permit.

9 (b) A craft hemp retail permit is:

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

12 (2) nontransferable.

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

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

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

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

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

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

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

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

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

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

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

3 **Sec. 9. (a) If a craft hemp retail permit has:**

4 **(1) expired; or**

5 **(2) been suspended;**

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

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

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

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

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

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

23 **Sec. 10. The commission may mitigate civil penalties imposed**
24 **against a craft hemp retail permit holder for violating IC 7.1-8-5-2,**
25 **IC 7.1-8-8-2, IC 35-46-1-11.7, or any of the provisions of this**
26 **chapter if the permit holder provides a training program for the**
27 **permit holder's employees that includes at least the following**
28 **topics:**

29 **(1) Laws governing the sale of craft hemp.**

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

32 **(3) Procedures for proper examination of identification cards**
33 **to verify that customers are less than twenty-one (21) years of**
34 **age.**

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

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

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

3 **(2) identification card issued by the state of Indiana, another**
 4 **state, or the United States;**

5 **to sell craft hemp.**

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

9 **(1) either:**

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

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

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

14 **when selling craft hemp.**

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

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

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

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

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

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

40 **(b) A hearing judge may grant a continuance of a hearing upon**

1 written motion showing good cause for the continuance.

2 **Sec. 14. If a craft hemp retail permit holder sells or distributes**
3 **craft hemp at a location:**

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

7 the commission may impose sanctions against the permit holder.

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

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

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

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

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

30 **Sec. 1. (a) A person may not distribute craft hemp to a retailer**
31 **without a valid craft hemp distributor permit issued by the**
32 **commission. A craft hemp distributor permit holder may sell craft**
33 **hemp to a craft hemp retail permit holder.**

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

36 (c) A craft hemp distributor permit holder must purchase craft
37 hemp from a craft hemp manufacturer permit holder or from an
38 out-of-state craft hemp supplier permit holder.

39 (d) A craft hemp distributor permit may be issued only to a
40 person who owns or operates premises consisting of a permanent

1 building or structure from which the craft hemp is distributed.

2 Sec. 1.5. (a) A person located outside of Indiana may not
3 distribute craft hemp to a person located within Indiana without
4 a valid out-of-state craft hemp supplier permit issued by the
5 commission under subsection (b).

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

9 (c) An out-of-state craft hemp supplier permit holder may sell
10 craft hemp directly to a consumer if the consumer is at least
11 twenty-one (21) years of age and located within Indiana at the time
12 of the sale and delivery.

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

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

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

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

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

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

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

27 (6) If the applicant is applying for a new permit under section
28 6 of this chapter, a copy of each of the following:

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

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

35 (i) the sales or purchase agreement; or

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

40 (C) The permit held by the previous ownership of the

1 **business.**

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

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

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

11 **(e) A craft hemp distributor permit may be issued only to a**
12 **person who meets the following requirements:**

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

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

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

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

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

25 **(1) A person who does not have lawful status (as defined in**
26 **IC 9-13-2-92.3).**

27 **(2) A person who has been convicted within five (5) years**
28 **before the date of application of:**

29 **(A) a federal crime having a sentence of at least one (1)**
30 **year;**

31 **(B) a Level 1, Level 2, Level 3, Level 4, or Level 5 felony;**
32 **or**

33 **(C) a crime in a state other than Indiana having a penalty**
34 **equal to the penalty for an Indiana Level 1, Level 2, Level**
35 **3, Level 4, or Level 5 felony.**

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

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

40 **(A) The person owns the premises to which the permit will**

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

1 agents.

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

5 (1) The permit number.

6 (2) The permit holder's name.

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

9 (4) The expiration date of the permit.

10 (b) A craft hemp distributor permit is:

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

13 (2) nontransferable.

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

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

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

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

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

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

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

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

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

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

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

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

4 **(1) expired; or**

5 **(2) been suspended;**

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

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

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

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

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

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

22 **Sec. 10. The commission may mitigate civil penalties imposed**
 23 **against a craft hemp distributor permit holder for violating**
 24 **IC 7.1-8-5-2, IC 7.1-8-8-2, IC 35-46-1-11.7, or any of the provisions**
 25 **of this chapter if the permit holder provides a training program for**
 26 **the permit holder's employees that includes training in laws**
 27 **governing the distribution of craft hemp.**

28 **Sec. 11. A craft hemp distributor permit holder shall exercise**
 29 **due diligence in the supervision and training of the permit holder's**
 30 **employees or agents in the handling and distribution of craft hemp.**

31 **Sec. 12. (a) An employee of a craft hemp distributor permit**
 32 **holder must hold a valid:**

33 **(1) driver's license issued by the state of Indiana or another**
 34 **state; or**

35 **(2) identification card issued by the state of Indiana, another**
 36 **state, or the United States;**

37 **to distribute craft hemp.**

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

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

6 **when distributing craft hemp.**

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

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

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

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

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

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

34 **Sec. 14. If a craft hemp distributor permit holder distributes**
 35 **craft hemp at a location:**

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

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

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

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

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

6 **(c) A craft hemp manufacturer permit holder may only sell craft**
7 **hemp to a craft hemp distributor permit holder or a craft hemp**
8 **retail permit holder. A craft hemp manufacturer permit holder**
9 **may not sell craft hemp directly to a consumer without first**
10 **obtaining a craft hemp retail permit issued by the commission.**

11 **Sec. 2. (a) A person who desires a craft hemp manufacturer**
12 **permit under this chapter must provide the following to the**
13 **commission:**

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

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

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

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

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

22 **(6) If the applicant is applying for a new permit under section**
23 **6 of this chapter, a copy of each of the following:**

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

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

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

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

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

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

39 **(c) A craft hemp manufacturer permit holder shall**
40 **conspicuously display the holder's permit on the holder's premises**

1 where the craft hemp is manufactured.

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

5 (e) A craft hemp manufacturer permit may be issued only to a
6 person who meets the following requirements:

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

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

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

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

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

19 (1) A person who does not have lawful status (as defined in
20 IC 9-13-2-92.3).

21 (2) A person who has been convicted within five (5) years
22 before the date of application of:

23 (A) a federal crime having a sentence of at least one (1)
24 year;

25 (B) a Level 1, Level 2, Level 3, Level 4, or Level 5 felony;
26 or

27 (C) a crime in a state other than Indiana having a penalty
28 equal to the penalty for an Indiana Level 1, Level 2, Level
29 3, Level 4, or Level 5 felony.

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

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

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

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

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

38 (ii) for the duration of the period in which the person
39 manufactures in the manner described in section 1 of this
40 chapter.

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

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

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

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

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

7 **(2) nontransferable.**

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

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

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

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

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

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

23 **(b) Before enforcing the imposition of a civil penalty or**
24 **suspending or revoking a craft hemp manufacturer permit under**
25 **this chapter, the commission shall provide written notice of the**
26 **alleged violation to the permit holder and conduct a hearing. The**
27 **commission shall provide written notice of the civil penalty or**
28 **suspension or revocation of a permit to the permit holder.**

29 **(c) Subject to subsection (b), the commission shall revoke the**
30 **craft hemp manufacturer permit of a person upon a finding by a**
31 **preponderance of the evidence that the person:**

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

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

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

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

38 **(1) expired; or**

39 **(2) been suspended;**

40 **the commission may not reinstate or renew the permit until all civil**

1 penalties imposed against the permit holder for violating
2 IC 7.1-8-5-2, IC 7.1-8-8-2, or IC 35-46-1-11.7 have been paid.

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

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

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

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

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

22 Sec. 11. A craft hemp manufacturer permit holder shall exercise
23 due diligence in the supervision and training of the permit holder's
24 employees or agents in the handling and manufacturing of craft
25 hemp.

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

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

32 to manufacture craft hemp.

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

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

1 when manufacturing craft hemp.

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

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

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

10 the employee may, within five (5) days of the employee's inability
11 to show the license, identification card, or copy to the excise officer
12 or law enforcement officer, produce to the excise officer or law
13 enforcement officer or to the office of the commission satisfactory
14 evidence of a license or identification card issued to the employee
15 that was valid at the time the employee was unable to show the
16 license, identification card, or copy.

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

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

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

29 Sec. 14. If a craft hemp manufacturer permit holder
30 manufactures craft hemp at a location:

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

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

34 the commission may impose sanctions against the permit holder.

35 Chapter 5. Retail Establishments

36 Sec. 1. (a) Except as provided in subsection (b), a craft hemp
37 retail establishment must keep the craft hemp behind a bar or in
38 a location to which a purchaser does not have access. If a person
39 purchases craft hemp, an employee of the craft hemp retail
40 establishment shall remove the craft hemp from behind the bar or

1 from the inaccessible location and deliver it to the purchaser.

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

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

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

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

27 Chapter 6. Manufacturing Facilities

28 Sec. 1. (a) A craft hemp manufacturer must submit any
29 proposed craft hemp packaging to the commission for preapproval
30 before delivering or causing delivery of craft hemp to a craft hemp
31 retail establishment.

32 (b) If the commission does not issue a denial under subsection
33 (a) within thirty (30) days, the packaging is deemed approved and
34 eligible for sale.

35 Chapter 7. Advertising

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

39 (b) The commission shall not exercise the prohibition power
40 contained in subsection (a) for any advertisement appearing in a

1 newspaper which:
 2 (1) is published at least once a week;
 3 (2) regularly publishes information of current news interest
 4 to the community; and
 5 (3) circulates generally to the public in any part of Indiana,
 6 regardless of where printed.

7 However, a newspaper shall not include publications devoted to
 8 special interests such as labor, religious, fraternal, society, or trade
 9 publications or journals or publications owned or issued by
 10 political organizations or parties.

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

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

17 (e) The commission shall not exercise the prohibition power
 18 contained in subsection (a) for advertising in the official program
 19 of the Indianapolis 500 Race or the Madison Regatta, Inc.,
 20 Hydroplane Race.

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

37 (g) The commission may not prohibit the advertisement of:
 38 (1) craft hemp; or
 39 (2) a place where craft hemp may be obtained;
 40 in a program, scorecard, handbill, throw-away newspaper, or

1 menu. However, those advertisements must conform to the rules of
2 the commission.

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

- 5 (1) a false advertisement;
- 6 (2) a misleading advertisement;
- 7 (3) a deceptive statement in an advertisement;
- 8 (4) an unsubstantiated health claim about a product that is
9 not consistent with the product's labeling; or
- 10 (5) a statement that disparages a competitor.

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

- 14 (1) a school;
- 15 (2) a playground;
- 16 (3) a church; and
- 17 (4) other locations that the commission determines could
18 contain minors.

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

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

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

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

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

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

- 40 (1) Use items such as toys or inflatables, movie or cartoon

1 characters, or any other depiction or image likely to be
 2 appealing to children, if the item, image, or depiction suggests
 3 an intent to cause children to become interested in the
 4 purchase or consumption of craft hemp.

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

7 **Chapter 8. Criminal Acts**

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

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

11 **(1) purchases;**

12 **(2) receives;**

13 **(3) manufactures;**

14 **(4) imports;**

15 **(5) transports;**

16 **(6) causes to be imported or transports from another state,**
 17 **territory, or country, into Indiana;**

18 **(7) ships;**

19 **(8) barter;**

20 **(9) gives away;**

21 **(10) exchanges;**

22 **(11) furnishes;**

23 **(12) handles; or**

24 **(13) possesses;**

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

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

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

33 **(1) craft hemp; or**

34 **(2) a product containing THC (tetrahydrocannabinol);**

35 **to a minor commits dealing craft hemp to a minor, a Class A**
 36 **misdemeanor.**

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

38 **(1) Level 6 felony if the person has a prior unrelated**
 39 **conviction under this section; or**

40 **(2) Level 5 felony if the consumption, ingestion, or use of the**

1 **craft hemp or product containing THC**
2 **(tetrahydrocannabinol) is the proximate cause of serious**
3 **bodily injury to or the death of an individual.**

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

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

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

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

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

22 **(1) Agriculture.**

23 **(2) Processing.**

24 **(3) Transporting.**

25 **(4) Wholesaling.**

26 **(5) Retailing.**

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

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

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

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

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

40 **(g) A permit holder who violates subsection (a) at least three (3)**

1 times in a one (1) year period commits habitual furnishing of craft
2 hemp to a minor.

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

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

6 (1) craft hemp; or

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

8 commits possession of craft hemp by a minor, a Class B
9 misdemeanor.

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

13 (1) Agriculture.

14 (2) Processing.

15 (3) Transporting.

16 (4) Wholesaling.

17 (5) Retailing.

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

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

23 (A) state law;

24 (B) federal law;

25 (C) a commission rule; or

26 (D) a commission regulation;

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

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

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

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

38 (1) alcohol;

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

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

- 1 (4) a substance described in IC 35-46-6-2 or IC 35-46-6-3;
 2 ~~(5) a combination of substances described in subdivisions (1)~~
 3 ~~through (4); or~~
 4 **(5) craft hemp (as defined in IC 7.1-8-1-2);**
 5 (6) any other substance, not including food and food ingredients
 6 (as defined in IC 6-2.5-1-20), tobacco (as defined in
 7 IC 6-2.5-1-28), or a dietary supplement (as defined in
 8 IC 6-2.5-1-16); or
 9 **(7) a combination of substances described in this section;**

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

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

- 16 **(1) derived from hemp;**
 17 **(2) intended to be processed into a hemp product;**
 18 **(3) in a partially processed state;**
 19 **(4) having a concentration of delta-9-tetrahydrocannabinol**
 20 **that exceeds three-tenths of one percent (0.3%) by dry weight;**
 21 **and**
 22 **(5) not marketed for consumer use or consumption.**

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

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

- 39 **(b) Work in progress hemp extract may be sold only to a:**
 40 **(1) handler holding a valid license under this chapter;**

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

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

5 SECTION 11. IC 15-15-13-19, AS AMENDED BY P.L.186-2025,
 6 SECTION 105, IS AMENDED TO READ AS FOLLOWS
 7 [EFFECTIVE JULY 1, 2026]: Sec. 19. (a) ~~Hemp bud (as defined in~~
 8 ~~IC 35-48-1.1-23)~~ and ~~hemp flower (as defined in IC 35-48-1.1-24)~~
 9 **Craft hemp flower (as defined in IC 35-31.5-2-68.8)** may be
 10 **transported or sold intrastate** only to a processor licensed under this
 11 chapter **for processing or manufacturing into a legal hemp product,**
 12 **including a craft hemp flower product (as defined in**
 13 **IC 35-31.5-2-68.9).**

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

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

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

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

27 (2) If:

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

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

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

38 However, when a pesticide chemical is used in or on a raw
 39 agricultural commodity in conformity with an exemption granted
 40 or tolerance prescribed under section 5 of this chapter and the raw

- 1 agricultural commodity has been subjected to processing such as
2 canning, cooking, freezing, dehydrating, or milling, the residue of
3 the pesticide chemical remaining in or on the processed food,
4 notwithstanding section 5 of this chapter and clause (C) is not
5 considered unsafe if the residue in or on the raw agricultural
6 commodity has been removed to the extent possible in good
7 manufacturing practice, and the concentration of the residues in
8 the processed food, when ready to eat, is not greater than the
9 tolerance prescribed for the raw agricultural commodity.
- 10 (3) If the food consists in whole or in part of a diseased,
11 contaminated, filthy, putrid, or decomposed substance or if the
12 food is otherwise unfit for food.
- 13 (4) If the food has been produced, transported, handled, prepared,
14 packed, or held under unsanitary conditions or in unsanitary
15 containers as the result of which the food may have become
16 contaminated with filth or made diseased, unwholesome, or
17 injurious to health.
- 18 (5) If the food is, in whole or in part, the product of:
- 19 (A) a diseased animal;
20 (B) an animal that has died otherwise than by slaughter; or
21 (C) an animal that has been fed upon the uncooked offal from
22 a slaughterhouse.
- 23 (6) If the food's container is composed in whole or in part of any
24 poisonous or deleterious substance that may make the contents
25 injurious to health.
- 26 (7) If the food has been intentionally subjected to radiation, unless
27 the use of the radiation was in conformity with a rule or an
28 exemption in effect under section 5 of this chapter.
- 29 (8) If any valuable constituent has been in whole or in part
30 omitted or abstracted from the food.
- 31 (9) If any substance has been substituted wholly or in part.
- 32 (10) If damage or inferiority has been concealed in any manner.
- 33 (11) If any substance has been added to the food or mixed or
34 packed with the food to:
- 35 (A) increase the food's bulk or weight;
36 (B) reduce the food's quality or strength;
37 (C) make the food appear better or of greater value than the
38 food is; or
39 (D) create a deceptive appearance.
- 40 (12) If the food bears or contains a coal-tar color other than one

1 from a batch that has been certified by the federal Food and Drug
 2 Administrator, as provided by regulations promulgated under
 3 authority of the Federal Act.

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

11 (14) If the food is a confectionery and bears or contains any
 12 alcohol other than alcohol not in excess of one-half of one percent
 13 (0.5%) by volume derived solely from the use of flavoring
 14 extracts.

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

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

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

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

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

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

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

33 (1) the removal of butterfat from; or

34 (2) the addition of skim milk to;

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

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

40 SECTION 13. IC 24-4-21-3, AS AMENDED BY P.L.190-2019,

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

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

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

12 (3) the cannabidiol percent present of the low THC hemp extract.

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

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

22 (A) batch identification number;

23 (B) product name;

24 (C) batch date;

25 (D) expiration date, which must be not more than two (2) years
26 from the date of manufacture;

27 (E) batch size;

28 (F) total quantity produced;

29 (G) ingredients used, including the:

30 (i) ingredient name;

31 (ii) name of the company that manufactured the ingredient;

32 (iii) company or product identification number or code, if
33 applicable; and

34 (iv) ingredient lot number; and

35 (H) download link for a certificate of analysis for the low THC
36 hemp extract.

37 (2) The batch number.

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

40 (4) The expiration date.

- 1 (5) The number of milligrams of low THC hemp extract.
- 2 (6) The manufacturer.
- 3 (7) The fact that the product contains not more than three-tenths
- 4 **of one percent (0.3%) total delta-9-tetrahydrocannabinol (THC),**
- 5 **including precursors, by weight or volume.**
- 6 (b) Before July 1, 2018, low THC hemp extract may be distributed
- 7 in Indiana without having met the requirements described in subsection
- 8 (a):
- 9 **(b) After June 30, 2026, the packaging of low THC hemp extract**
- 10 **may not:**
- 11 **(1) contain any statement, artwork, or design that could**
- 12 **reasonably mislead any person to believe that the package**
- 13 **contains anything other than low THC hemp extract; or**
- 14 **(2) bear an unauthorized trademark, trade name, famous**
- 15 **mark, or other identifying mark, imprint, or device, or any**
- 16 **likeness thereof.**
- 17 SECTION 15. IC 24-4-22-3, AS ADDED BY P.L.153-2018,
- 18 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 19 JULY 1, 2026]: Sec. 3. (a) ~~Except as provided in subsection (b);~~ A
- 20 person may sell low THC hemp extract at retail only if the packaging
- 21 complies with the requirements of IC 24-4-21-4.
- 22 (b) Before July 1, 2018, a person may sell low THC hemp extract at
- 23 retail even if the packaging does not comply with the requirements of
- 24 ~~IC 24-4-21-4.~~
- 25 **(b) Beginning July 1, 2026, no low THC hemp extract may be**
- 26 **distributed, sold, or offered for sale at retail or online to a person**
- 27 **who is less than twenty-one (21) years of age.**
- 28 **(c) Any website owned, managed, or operated by a person who**
- 29 **distributes or sells low THC hemp extract directly to consumers**
- 30 **must verify a consumer's age by either using a reliable online age**
- 31 **verification service, or by obtaining and examining a copy of a**
- 32 **government issued identification, prior to completing a purchase.**
- 33 **(d) A person who violates this section is subject to a civil penalty**
- 34 **not to exceed the following:**
- 35 **(1) One thousand dollars (\$1,000) for a first violation.**
- 36 **(2) Five thousand dollars (\$5,000) for a second violation that**
- 37 **occurs within two (2) years after a first violation, and**
- 38 **suspension of the retail merchant's certificate issued under**
- 39 **IC 6-2.5-8 for up to six (6) months.**
- 40 **(3) Ten thousand dollars (\$10,000) for each subsequent**

1 violation that occurs within two (2) years of the preceding
 2 violation, and revocation of the retail merchant's certificate
 3 issued under IC 6-2.5-8, with a one (1) year waiting period for
 4 reapplication.

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

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

13 **Chapter 24.9. Distribution of Craft Hemp Flower Products**

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

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

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

21 (1) with respect to which no person having a direct or indirect
 22 interest in the laboratory also has a direct or indirect interest
 23 in a facility that:

24 (A) processes, distributes, or sells a craft hemp flower
 25 product, or a substantially similar substance in another
 26 jurisdiction;

27 (B) cultivates, processes, distributes, dispenses, or sells
 28 marijuana;

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

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

32 (2) that is accredited as a testing laboratory under
 33 International Organization for Standardization (ISO) 17025
 34 by a third party accrediting body such as the American
 35 Association for Laboratory Accreditation (A2LA) or Assured
 36 Calibration and Laboratory Accreditation Select Services
 37 (ACCLASS).

38 **Sec. 4.** As used in this chapter, "tamper evident packaging"
 39 means a package having at least one (1) indicator or a barrier to
 40 entry that, if breached or missing, can reasonably be expected to

1 provide visible evidence to consumers that tampering has occurred.

2 **Sec. 5. (a) Before a person may distribute a craft hemp flower**
3 **product, the distributor must have a certificate of analysis**
4 **prepared by an independent testing laboratory showing the**
5 **following:**

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

8 (2) That the independent testing laboratory determined that
9 the batch contained not more than three-tenths of one percent
10 (0.3%) tetrahydrocannabinol (THC), by weight or volume,
11 based on the testing of a random sample of the batch.

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

15 (A) Heavy metals, including cadmium, lead, arsenic, and
16 mercury.

17 (B) Pesticides.

18 (C) Herbicides.

19 (D) Mycotoxins.

20 (E) Bacterial toxins.

21 (F) Chemical solvent residues.

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

24 (A) THC;

25 (B) cannabidiol; and

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

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

32 **Sec. 6. A craft hemp flower product must be distributed in**
33 **tamper evident packaging that contains the following information:**

34 (1) A scannable bar code or QR code linked to a document
35 that contains information with respect to the craft hemp
36 flower product, including the:

37 (A) batch identification number;

38 (B) product name;

39 (C) batch date;

40 (D) expiration date, which must be not more than two (2)

- 1 years from the date of harvest;
 2 **(E) batch size;**
 3 **(F) total quantity produced;**
 4 **(G) ingredients used, including the:**
 5 **(i) ingredient name;**
 6 **(ii) name of the company that manufactured the**
 7 **ingredient;**
 8 **(iii) company or product identification number or code,**
 9 **if applicable; and**
 10 **(iv) ingredient lot number; and**
 11 **(H) download link for a certificate of analysis for the craft**
 12 **hemp flower product.**
- 13 **(2) The batch identification number.**
 14 **(3) The address of a website to obtain batch information.**
 15 **(4) The expiration date, which must be not more than two (2)**
 16 **years from the date of harvest.**
 17 **(5) The number of grams of craft hemp flower (as defined in**
 18 **IC 35-31.5-2-68.8) contained in the craft hemp flower product.**
 19 **(6) The facility that produced the craft hemp flower product.**
 20 **(7) The fact that the craft hemp flower product contains not**
 21 **more than three-tenths of one percent (0.3%)**
 22 **tetrahydrocannabinol (THC), by weight or volume.**
- 23 **Sec. 7. A craft hemp flower product may not be distributed if a**
 24 **certificate of analysis prepared by an independent testing**
 25 **laboratory shows any of the following:**
- 26 **(1) A concentration of metals that is more than any of the**
 27 **following:**
 28 **(A) Four-tenths (0.4) part per million of cadmium.**
 29 **(B) Five-tenths (0.5) part per million of lead.**
 30 **(C) Four-tenths (0.4) part per million of arsenic.**
 31 **(D) Two-tenths (0.2) part per million of mercury.**
- 32 **(2) A concentration of microbiological units that is more than**
 33 **any of the following:**
 34 **(A) One (1) colony forming unit per gram of Shiga-Toxin**
 35 **Escherichia coli.**
 36 **(B) One (1) colony forming unit per gram of Salmonella**
 37 **spp.**
 38 **(C) Ten thousand (10,000) colony forming units of**
 39 **culturable mold.**
 40 **(3) A concentration of residual solvents and chemicals that is**

- 1 **more than any of the following:**
 2 **(A) Five thousand (5,000) parts per million of butane.**
 3 **(B) Two (2) parts per million of benzene.**
 4 **(C) Five thousand (5,000) parts per million of heptane.**
 5 **(D) Two hundred ninety (290) parts per million of hexane.**
 6 **(E) Eight hundred ninety (890) parts per million of toluene.**
 7 **(F) One (1) part per million of total xylenes, including**
 8 **ortho-xylene, meta-xylene, and para-xylene.**

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

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

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

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

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

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

39 SECTION 20. IC 35-31.5-2-68.9 IS ADDED TO THE INDIANA
 40 CODE AS A **NEW** SECTION TO READ AS FOLLOWS

1 [EFFECTIVE JULY 1, 2026]: **Sec. 68.9. (a) "Craft hemp flower**
2 **product" means a substance or product for sale to consumers that:**

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

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

15 (B) an edible that contains not more than one hundred
16 (100) milligrams of THC, delta-8 tetrahydrocannabinol,
17 delta-10 tetrahydrocannabinol, or hexahydrocannabinol
18 per individualized unit and not more than three thousand
19 (3,000) milligrams of THC, delta-8 tetrahydrocannabinol,
20 delta-10 tetrahydrocannabinol, or hexahydrocannabinol
21 per package;

22 (C) a drink that contains not more than twenty-five (25)
23 milligrams of THC, delta-8 tetrahydrocannabinol, delta-10
24 tetrahydrocannabinol, or hexahydrocannabinol per
25 individualized unit and not more than three hundred (300)
26 milligrams of THC, delta-8 tetrahydrocannabinol, delta-10
27 tetrahydrocannabinol, or hexahydrocannabinol per
28 package;

29 (D) a tincture that contains not more than one hundred
30 (100) milligrams of THC, delta-8 tetrahydrocannabinol,
31 delta-10 tetrahydrocannabinol, or hexahydrocannabinol
32 per serving and not more than three thousand (3,000)
33 milligrams of THC, delta-8 tetrahydrocannabinol, delta-10
34 tetrahydrocannabinol, or hexahydrocannabinol per
35 package;

36 (E) an e-liquid that contains not more than three (3) grams
37 of THC, delta-8 tetrahydrocannabinol, delta-10
38 tetrahydrocannabinol, or hexahydrocannabinol per device;
39 or

40 (F) a topical not for human consumption.

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

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

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

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

14 (c) A retail establishment described in subsection (a) must
 15 conspicuously post on all entrances to the retail establishment the
 16 following:

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

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

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

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

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

31 (3) If the person has had two (2) violations in the previous one (1)
 32 year, a civil penalty of up to one thousand four hundred dollars
 33 (\$1,400).

34 (4) If the person has had three (3) or more violations in the
 35 previous one (1) year, a civil penalty of up to two thousand dollars
 36 (\$2,000).

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

39 (e) Notwithstanding IC 34-28-5-5(c), civil penalties collected under
 40 this section must be deposited in the Richard D. Doyle tobacco

1 education and enforcement fund established under IC 7.1-6-2-6.

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

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

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

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

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

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

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

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

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

29 (1) a controlled substance;

30 (2) a legend drug;

31 (3) a substance for which there is an approved new drug
32 application;

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

38 (5) a substance to which an investigational exemption applies
39 under Section 505 of the federal Food, Drug and Cosmetic Act
40 (chapter 675, 52 Stat. 1052 (21 U.S.C. 355)), but only to the

1 extent that conduct with respect to the substance is pursuant to the
2 exemption; **or**

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

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

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

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

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

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

13 (4) an alkyl group added or deleted:

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

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

16 SECTION 24. IC 35-48-1.1-9, AS ADDED BY P.L.186-2025,
17 SECTION 249, IS AMENDED TO READ AS FOLLOWS
18 [EFFECTIVE JULY 1, 2026]: Sec. 9. **(a) "Counterfeit substance", for**
19 **purposes of IC 35-48-4-5,** means a controlled substance which, or the
20 container or labeling of which, without authorization, bears the
21 trademark, trade name, or other identifying mark, imprint, number, or
22 device, or any likeness thereof, of a manufacturer, distributor, or
23 dispenser other than the person who in fact manufactured, distributed,
24 or dispensed the substance.

25 **(b) "Counterfeit substance", for purposes of IC 35-48-4-5.5,**
26 **means craft hemp flower or a craft hemp flower product which, or**
27 **the container or labeling of which, without authorization, bears the**
28 **trademark, trade name, or other identifying mark, imprint,**
29 **number, or device, or any likeness thereof, of a manufacturer,**
30 **distributor, or dispenser other than the person who in fact**
31 **manufactured, distributed, or dispensed the substance.**

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

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

39 **(1) low THC hemp extract; or**

40 **(2) a craft hemp flower product.**

1 SECTION 27. IC 35-48-1.1-23 IS REPEALED [EFFECTIVE JULY
2 1, 2026]. Sec. 23: (a) "Hemp bud" means the harvested immature
3 reproductive organ of the female hemp plant:

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

5 SECTION 28. IC 35-48-1.1-24 IS REPEALED [EFFECTIVE JULY
6 1, 2026]. Sec. 24: (a) "Hemp flower" means the harvested reproductive
7 organ, whether immature or mature, of the female hemp plant:

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

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

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

15 (2) contains not more than three-tenths **of one** percent (0.3%)
16 ~~total~~ delta-9-tetrahydrocannabinol (THC), ~~including precursors~~;
17 by weight **or volume**; and

18 (3) contains no other controlled substances.

19 (b) The term does not include:

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

22 (2) smokable hemp; **or**

23 **(3) a craft hemp flower product.**

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

31 (b) The term does not include:

32 (1) the mature stalks of the plant;

33 (2) fiber produced from the stalks;

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

35 (4) any other compound, manufacture, salt, derivative, mixture,
36 or preparation of the mature stalks (except the resin extracted
37 therefrom);

38 (5) the sterilized seed of the plant which is incapable of
39 germination;

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

1 (7) low THC hemp extract; or

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

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

13 (+) ~~hemp bud~~; and

14 (-) ~~hemp flower~~.

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

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

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

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

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

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

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

26 **(A) creates;**

27 **(B) delivers; or**

28 **(C) finances the delivery of;**

29 **a counterfeit hemp substance; or**

30 **(2) possesses, with intent to:**

31 **(A) deliver; or**

32 **(B) finance the delivery of;**

33 **a counterfeit hemp substance;**

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

39 SECTION 33. IC 35-52-7-97.1 IS ADDED TO THE INDIANA
40 CODE AS A NEW SECTION TO READ AS FOLLOWS

1 [EFFECTIVE JULY 1, 2026]: **Sec. 97.1. IC 7.1-8-8-1, IC 7.1-8-8-2,**
2 **IC 7.1-8-8-3, and IC 7.1-8-8-4 define crimes concerning craft hemp.**

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

8 Delete pages 5 through 75.

9 Renumber all SECTIONS consecutively.

(Reference is to SB 250 as printed January 23, 2026.)