

SENATE BILL No. 175

DIGEST OF INTRODUCED BILL

Citations Affected: IC 2-5-41.1; IC 6-7-3; IC 6-8.1-1-1; IC 6-11; IC 7.1-8; IC 7.1-9; IC 35-48-4.

Synopsis: Medical cannabis. Defines "medical cannabis", specifies that the term does not include smokable cannabis or cannabis mixed with a food product, and permits the use of medical cannabis by a person with a qualifying medical condition as determined by the person's physician. Establishes a medical cannabis program (program) to permit the cultivation, processing, testing, transportation, and dispensing of medical cannabis by holders of a valid permit. Establishes the Indiana cannabis commission (commission) as a state agency to oversee, implement, and enforce the program, and establishes the commission advisory committee to review the effectiveness of the program. Requires that permit holders take steps to prevent diversion of cannabis to unauthorized persons. Requires that medical cannabis be properly labeled, placed in child resistant packaging, and tested by an independent testing laboratory before being made available for purchase. Prohibits packaging medical cannabis in a manner that is appealing to children. Authorizes research on medical cannabis in accordance with rules set forth by the commission. Makes conforming amendments.

Effective: July 1, 2022.

Ford J.D.

January 10, 2022, read first time and referred to Committee on Commerce and Technology.



Second Regular Session of the 122nd General Assembly (2022)

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

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

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2021 Regular Session of the General Assembly.

SENATE BILL No. 175

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

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

1 SECTION 1. IC 2-5-41.1 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2022]:

4 **Chapter 41.1. Medical Cannabis Advisory Committee**

5 **Sec. 1. The following definitions apply throughout this chapter:**

6 (1) "Advisory committee" means the medical cannabis
7 advisory committee established by section 2 of this chapter.

8 (2) "Commission" means the Indiana cannabis commission
9 established by IC 7.1-9-2-1.

10 **Sec. 2. The medical cannabis advisory committee is established.**

11 **Sec. 3. (a) The advisory committee consists of the following four**
12 **(4) voting members and five (5) nonvoting members:**

13 (1) One (1) legislative member appointed by the speaker of the
14 house of representatives.

15 (2) One (1) legislative member appointed by the minority
16 leader of the house of representatives.

17 (3) One (1) legislative member appointed by the president pro



tempore of the senate.

(4) One (1) legislative member appointed by the minority leader of the senate.

(5) One (1) representative of law enforcement, appointed as a nonvoting member by the speaker of the house of representatives.

(6) One (1) individual having experience in the treatment of medical conditions by means of medical cannabis as a patient, physician, or caregiver, appointed as a nonvoting member by the president pro tempore of the senate.

(7) The commissioner of the department of state revenue or the commissioner's designee, who serves as a nonvoting member.

(8) The director of the department of agriculture or the director's designee, who serves as a nonvoting member.

(9) The state health commissioner or the commissioner's designee, who serves as a nonvoting member.

(b) The chairperson of the legislative council shall annually select one (1) of the voting members to serve as chairperson.

Sec. 4. (a) A legislative member of the advisory committee may be removed at any time by the appointing authority who appointed the legislative member.

(b) If a vacancy exists on the advisory committee, the appointing authority who appointed the former member whose position has become vacant shall appoint an individual to fill the vacancy.

Sec. 5. Each member of the advisory committee is entitled to receive the same per diem, mileage, and travel allowances paid to individuals who serve as legislative and lay members, respectively, of interim study committees established by the legislative council.

Sec. 6. The affirmative votes of a majority of the voting members appointed to the advisory committee are required for the advisory committee to take action on any measure, including final reports.

Sec. 7. The advisory committee shall do the following:

(1) Review rules adopted by the commission.

(2) Review legislative proposals suggested by the commission.

(3) Evaluate the medical cannabis research and development program under IC 7.1-9-5.

(4) Evaluate the operation of the medical cannabis program.

(5) Consider any other matter that has bearing on the operation of the medical cannabis program.

SECTION 2. IC 6-7-3 IS REPEALED [EFFECTIVE JULY 1, 2022].



(Controlled Substance Excise Tax).

SECTION 3. IC 6-8.1-1-1, AS AMENDED BY P.L.165-2021, SECTION 120, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2022]: Sec. 1. "Listed taxes" or "taxes" includes only the pari-mutuel taxes (IC 4-31-9-3 through IC 4-31-9-5); the supplemental wagering tax (IC 4-33-12); the riverboat wagering tax (IC 4-33-13); the slot machine wagering tax (IC 4-35-8); the type II gambling game excise tax (IC 4-36-9); the gross income tax (IC 6-2.1) (repealed); the utility receipts and utility services use taxes (IC 6-2.3); the state gross retail and use taxes (IC 6-2.5); the adjusted gross income tax (IC 6-3); the supplemental net income tax (IC 6-3-8) (repealed); the county adjusted gross income tax (IC 6-3.5-1.1) (repealed); the county option income tax (IC 6-3.5-6) (repealed); the county economic development income tax (IC 6-3.5-7) (repealed); the local income tax (IC 6-3.6); the auto rental excise tax (IC 6-6-9); the financial institutions tax (IC 6-5.5); the gasoline tax (IC 6-6-1.1); the special fuel tax (IC 6-6-2.5); the motor carrier fuel tax (IC 6-6-4.1); a motor fuel tax collected under a reciprocal agreement under IC 6-8.1-3; the vehicle excise tax (IC 6-6-5); the aviation fuel excise tax (IC 6-6-13); the commercial vehicle excise tax (IC 6-6-5.5); the excise tax imposed on recreational vehicles and truck campers (IC 6-6-5.1); the hazardous waste disposal tax (IC 6-6-6.6) (repealed); the heavy equipment rental excise tax (IC 6-6-15); the vehicle sharing excise tax (IC 6-6-16); the cigarette tax (IC 6-7-1); **the medical cannabis cultivation tax (IC 6-11)**; the closed system cartridge tax (IC 6-7-2-7.5); the electronic cigarette tax (IC 6-7-4); the beer excise tax (IC 7.1-4-2); the liquor excise tax (IC 7.1-4-3); the wine excise tax (IC 7.1-4-4); the hard cider excise tax (IC 7.1-4-4.5); the petroleum severance tax (IC 6-8-1); the various innkeeper's taxes (IC 6-9); the various food and beverage taxes (IC 6-9); the county admissions tax (IC 6-9-13 and IC 6-9-28); the oil inspection fee (IC 16-44-2); the penalties assessed for oversize vehicles (IC 9-20-3 and IC 9-20-18); the fees and penalties assessed for overweight vehicles (IC 9-20-4 and IC 9-20-18); and any other tax or fee that the department is required to collect or administer.

SECTION 4. IC 6-11 IS ADDED TO THE INDIANA CODE AS A NEW ARTICLE TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2022]:

ARTICLE 11. MEDICAL CANNABIS CULTIVATION TAX

Chapter 1. Imposition and Collection of Tax

Sec. 1. The following definitions apply throughout this article:

- (1)"Department" refers to the department of state revenue.
- (2)"Dispensary" has the meaning set forth in IC 7.1-8-1.



(3)"Integrated facility" has the meaning set forth in IC 7.1-8-1.

(4)"Patient" has the meaning set forth in IC 7.1-8-1.

(5)"Person" has the meaning set forth in IC 6-2.5-1-3.

(6) "Processor" has the meaning set forth in IC 7.1-8-1.

Sec. 2. A tax is imposed upon the privilege of processing cannabis at a rate of seven percent (7%) of the sales price per ounce of cannabis. This tax shall be paid to the department by a processor and by an integrated facility that processes cannabis, and is not the responsibility of a grower, dispensary, or a qualifying patient.

Sec. 3. (a) Every person subject to the tax under this article shall remit the tax owed to the department before the fifteenth day of the month following the month in which the cannabis is sold.

(b) The department shall prescribe the return to be filed for the payment of the tax.

Sec. 4. The amounts received from the tax imposed by this article shall be transferred by the auditor of state to the state general fund.

Sec. 5. The department has full power to administer and enforce this chapter, to collect all taxes and penalties due, and to dispose of taxes and penalties so collected as provided by law. The tax is a listed tax for purposes of IC 6-8.1.

Sec. 6. Except as otherwise provided in this article, a tax imposed under this chapter shall be imposed, paid, and collected in the same manner that the state gross retail tax is imposed, paid, and collected under IC 6-2.5.

Sec. 7. The department shall adopt rules under IC 4-22-2 to implement this article

SECTION 5. IC 7.1-8 IS ADDED TO THE INDIANA CODE AS A NEW ARTICLE TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2022]:

ARTICLE 8. MEDICAL CANNABIS

Chapter 1. Definitions

Sec. 1. The following definitions apply throughout this article:

(1) "Cannabis" means any part of the plant genus *Cannabis*. However, the term does not include industrial hemp.

(2) "Caregiver" means the individual designated by a patient under this article to obtain, possess, deliver, and assist in the administration of medical cannabis to the patient.

(3) "Commission" means the Indiana cannabis commission established by IC 7.1-9-2-1.



(4) "Dispensary" means a person that holds a permit issued by the commission to dispense medical cannabis.

(5) "Executive commission" means the commissioners described in IC 7.1-9-2.

(6) "Family or household member" means a person described in IC 35-31.5-2-128.

(7) "Form of medical cannabis" means the characteristics of the medical cannabis recommended for a particular patient, including the method of consumption, and any particular dosage, strain, variety, quantity, or percentage of medical cannabis or of a particular active ingredient.

(8) "Grower" means a person that holds a permit issued by the commission to grow cannabis to be processed into medical cannabis. The term includes a site or facility operated by a grower to carry out the functions authorized by the permit.

(9) "Identification card" means a valid document issued to a patient or caregiver by the commission authorizing access to medical cannabis.

(10) "INSPECT" means the Indiana scheduled prescription electronic collection and tracking program established by IC 25-1-13-4.

(11) "Integrated facility" means a person that holds a permit issued by the commission to perform, as specified by the permit, the functions of at least two (2) of the following:

- (A) a grower;
- (B) a processor;
- (C) a secure transporter; and
- (D) a dispensary.

The term includes a site or facility operated by an integrated facility to carry out functions authorized by the permit. An integrated facility may not perform the function of a testing laboratory.

(12) "Medical cannabis" means a product containing a derivative of cannabis for medical use by a patient in the form of any of the following, as determined by rule of the commission:

- (A) An oral tablet, capsule, or tincture.
- (B) A nonsugarcoated, nonsweetened gelatinous cube, gelatinous rectangular cuboid, or lozenge in a cube or rectangular cuboid shape.
- (C) A gel, oil, cream, or other topical preparation.
- (D) A suppository.



(E) A transdermal patch.

(F) A nebulizer.

(G) A liquid or oil for administration using an inhaler.

The term does not include raw plant material, a product administered by smoking or vaping, or a food product that has cannabis baked, mixed, or otherwise infused into the product, such as cookies or candies.

(13) "Medical cannabis organization" means a dispensary, a grower, a processor, a secure transporter, a testing laboratory, or an integrated facility that holds a permit issued by the commission.

(14) "Package" means a container that a processor uses for enclosing and containing medical cannabis. The term does not include a carryout bag or other similar container.

(15) "Patient" means an individual who:

(A) is an adult who:

(i) has a qualifying medical condition; and

(ii) otherwise meets the requirements to use medical cannabis under this article; or

(B) is a child less than eighteen (18) years of age who:

(i) has a qualifying medical condition;

(ii) is permitted to receive medical cannabis under this article with the assistance of a caregiver; and

(iii) otherwise meets the requirements to use medical cannabis of this article.

(16) "Permit" means an authorization issued by the commission to conduct activities under this article.

(17) "Physician certification" means authorization from a physician for a patient to use medical cannabis.

(18) "Processor" means a person that holds a permit issued by the commission to purchase cannabis from a grower and extract derivatives from the cannabis to produce medical cannabis for sale and transfer in packaged and labeled form to a dispensary. The term includes a site or facility operated by a processor to carry out functions authorized by the permit.

(19) "Qualifying medical condition" means one (1) or more of the following conditions, or symptoms of the following conditions, if treatment with cannabis is the standard of care for the condition, or if there is documented evidence that conventional treatment or therapy has failed:

(A) Autism spectrum disorder (ASD).



(B) Cancer related cachexia, nausea, vomiting, weight loss, or chronic pain.

(C) Crohn's disease.

(D) Depression.

(E) Epilepsy or a condition causing seizures.

(F) HIV/AIDS related nausea or weight loss.

(G) Panic disorder.

(H) Parkinson's disease.

(I) Persistent nausea that is not significantly responsive to traditional treatment, except for nausea related to pregnancy, cannabis induced cyclical vomiting syndrome, or cannabinoid hyperemesis syndrome.

(J) Posttraumatic stress disorder (PTSD).

(K) Sickle cell anemia.

(L) Spasticity associated with a motor neuron disease, including amyotrophic lateral sclerosis.

(M) Spasticity associated with multiple sclerosis or a spinal cord injury.

(N) A terminal illness.

(O) Tourette's syndrome.

(P) A condition causing chronic or intractable pain in which conventional therapeutic intervention and opiate therapy is contraindicated or has proved ineffective.

(20) "Secure transporter" means a person that holds a permit issued by the commission to transport cannabis or medical cannabis from one permitted facility or site to another permitted facility or site. The term includes equipment operated by a secure transporter to carry out functions authorized by the permit.

(21) "Testing laboratory" means a laboratory that analyzes medical cannabis.

Chapter 2. Medical Cannabis Program

Sec. 1. (a) The medical cannabis program is established to serve patients suffering from a qualifying medical condition by permitting the use of medical cannabis under specified conditions.

(b) The commission shall administer the program.

(c) The commission has regulatory and enforcement authority over the growing, processing, sale, dispensing, transporting, and use of medical cannabis. The commission additionally has regulatory and enforcement authority over the use of cannabis for medical research.

Sec. 2. The commission shall do the following:



- (1) Issue a permit to a qualifying medical cannabis organization authorizing it to grow, process, dispense, transport, or test medical cannabis.
- (2) Establish and maintain an electronic data base to store and track information relating to the medical cannabis program. The data base must:
 - (A) have the ability to authenticate in real time an identification card presented to a dispensary;
 - (B) track in real time the amount of cannabis provided to a patient or caregiver at a dispensary, and share this information in real time with other dispensaries to prevent diversion;
 - (C) store records relating to a physician's certification, including, if applicable, the recommended form of cannabis and any early expiration date recommended by the physician; and
 - (D) track the cultivation, processing, transport, storage, and dispensing of medical cannabis.
- (3) Maintain within the commission's data base an electronic directory of patients and caregivers approved to use or assist in the administration of medical cannabis.
- (4) Develop enforcement procedures, including announced and unannounced inspections of:
 - (A) a dispensary;
 - (B) a grower facility;
 - (C) a processor facility;
 - (D) a testing laboratory;
 - (E) a secure transporter;
 - (F) an integrated facility; and
 - (G) all records of a medical cannabis organization.
- (5) Establish a program to authorize the use of medical cannabis for medical research purposes, and issue documents to permit a researcher to obtain medical cannabis for research purposes.
- (6) Establish and maintain public outreach programs about the medical cannabis program, including:
 - (A) a dedicated telephone number for patients, caregivers, and members of the public to obtain basic information about the dispensing of medical cannabis; and
 - (B) a publicly accessible Internet web site containing information similar to that described in clause (A).
- (7) Collaborate as necessary with other state agencies, and



contract with third parties as necessary to carry out the medical cannabis program.

(8) Develop record keeping requirements for all books and papers, any electronic data base or tracking system data, and other information of a medical cannabis organization. Information shall be retained for at least four (4) years unless otherwise provided by the commission.

(9) Restrict the advertising and marketing of medical cannabis, which must be consistent with the federal regulations governing prescription drug advertising and marketing.

Except as otherwise provided in this article, data and records described in this section are confidential and may not be transferred or sold.

Sec. 3. (a) The commission shall adopt rules under IC 4-22-2 to implement this article.

(b) The commission may adopt emergency rules in the manner provided under IC 4-22-2-37.1 to implement this article. Emergency rules adopted under this subsection expire on the later of:

(1) the date permanent rules are adopted to replace the emergency rules; or

(2) July 1, 2024.

Sec. 4. (a) The commission shall maintain a confidential list of patients and caregivers to whom it has issued identification cards. Except as provided in subsection (b), all information obtained by the commission relating to patients, caregivers, and other applicants is confidential and may not be transferred or sold.

(b) The following records are public:

(1) An application for a permit submitted by a medical cannabis organization.

(2) Information relating to penalties or other disciplinary actions taken against a medical cannabis organization for violation of this article.

Chapter 3. Use of Medical Cannabis

Sec. 1. Notwithstanding any law to the contrary, the use, possession, delivery, distribution, transport, cultivation, or manufacture of:

(1) medical cannabis; or

(2) cannabis used in connection with medical cannabis;

is lawful if the use or possession complies with this article. However, this article does not authorize a person to operate a



1 motor vehicle, a motorboat, or any other device or equipment
2 while under the influence of medical cannabis.

3 **Sec. 2. The use of medical cannabis is subject to the following:**

4 **(1) Medical cannabis may be dispensed only to:**

5 **(A) an adult patient who receives a certification from a**
6 **physician and is in possession of a valid identification card**
7 **issued by the commission that authorizes dispensing**
8 **medical cannabis to the patient;**

9 **(B) a caregiver who possesses a valid identification card**
10 **issued by the commission and who is acting on behalf of a**
11 **patient; or**

12 **(C) a research facility authorized by the commission,**
13 **under terms and conditions established by the commission.**

14 **(2) Medical cannabis may not be dispensed to a patient less**
15 **than eighteen (18) years of age, but may be dispensed to the**
16 **patient's caregiver on behalf of the patient less than eighteen**
17 **(18) years of age.**

18 **(3) If a physician has ordered that medical cannabis be**
19 **dispensed in a specific form, medical cannabis may be**
20 **dispensed only in that form.**

21 **(4) An individual may not act as a caregiver for more than ten**
22 **(10) patients.**

23 **(5) A patient may designate up to two (2) caregivers at any**
24 **one (1) time.**

25 **(6) Medical cannabis that has not been used by the patient**
26 **shall be kept in the original package in which it was**
27 **dispensed.**

28 **(7) A patient or caregiver shall possess an identification card**
29 **whenever the patient or caregiver is in possession of medical**
30 **cannabis.**

31 **(8) A product packaged by a medical cannabis organization**
32 **may be identified only by:**

33 **(A) the name of the grower or processor;**

34 **(B) the name of the dispensary;**

35 **(C) the form and species of medical cannabis;**

36 **(D) the percentage of tetrahydrocannabinol and**
37 **cannabinol contained in the product; and**

38 **(E) any other labeling required by the commission.**

39 **Sec. 3. (a) Except as expressly permitted in this article, the**
40 **possession or use of medical cannabis is unlawful.**

41 **(b) In addition to any other penalty provided by law, the**
42 **unlawful possession or use of medical cannabis may be a crime**



under IC 35-48-4.

Chapter 4. Physicians

Sec. 1. (a) A physician who issues a physician certification under this article may not have an ownership interest in a medical cannabis organization.

(b) A physician may issue a certification to a patient only if the physician:

(1) establishes and intends to maintain a bona fide physician patient relationship with the patient for the provision of medical services that is established by an in-person visit and for which there is an expectation that the physician will provide care to the patient on an ongoing basis; or

(2) establishes coordination with the patient's existing primary physician for treatment of the patient's serious medical condition.

(c) A physician who violates this section may be subject to professional discipline.

Sec. 2. A physician may issue a certification to use medical cannabis to a patient if the following requirements are met:

(1) The physician has determined that the patient has a qualifying medical condition.

(2) The patient is under the physician's continuing care for the serious medical condition, except as provided in section 1(b)(2) of this chapter.

(3) The physician has determined the patient is likely to receive therapeutic or palliative benefit from the use of medical cannabis.

Sec. 3. A physician issuing a certification under section 1(b)(2) of this chapter may not issue a certification unless the physician has contacted the patient's existing primary physician to discuss the patient's qualifying medical condition and which form of medical cannabis the patient is likely to benefit from.

Sec. 4. A certification must include the following information:

(1) The patient's name, date of birth, and address.

(2) The specific qualifying medical condition of the patient.

(3) A statement by the physician that the patient has a qualifying medical condition and the patient is under continuing care for the qualifying medical condition that is provided by:

(A) the physician; or

(B) the patient's existing primary physician (as described under section 1(b)(2) of this chapter).



(4) The date of issuance.

(5) The name, address, telephone number, and signature of the physician.

(6) Any requirement or limitation concerning the appropriate form of medical cannabis, and any limitation on the duration of use, if applicable.

Sec. 5. (a) A physician shall review INSPECT:

(1) to determine, before issuing a certification, the controlled substance history of a patient; and

(2) before recommending a change of amount or form of medical cannabis.

(b) A physician may access INSPECT to do any of the following:

(1) To determine whether a patient is under treatment with a controlled substance by another physician or other person.

(2) To allow the physician to review the patient's controlled substance history as considered necessary by the physician.

(3) To provide to the patient, or a caregiver on behalf of the patient if authorized by the patient, a copy of the patient's controlled substance history.

Sec. 6. A physician shall do the following:

(1) Provide the certification to the patient.

(2) Provide a copy of the certification to the commission, which shall place the information in the patient directory within the commission's electronic data base. The certification may be transmitted to the commission electronically.

(3) File a copy of the certification in the patient's health care record.

Sec. 7. A physician may not issue a certification for the physician's own use or for the use of a family or household member of the physician.

Chapter 5. Certification Form

Sec. 1. The commission shall develop a standard certification form, which it shall provide to a physician upon request. The form must be available electronically. The form must include a statement that a false statement made by a physician is punishable under the penalties of perjury.

Chapter 6. Patients

Sec. 1. The commission shall issue an identification card to a patient who has a valid certification and who otherwise meets the requirements of this article.

Sec. 2. The commission shall issue an identification card to a caregiver designated by the patient in accordance with this article.



1 **Sec. 3.** Except as provided in section 4 of this chapter, an
 2 identification card issued to a patient authorizes the patient to
 3 obtain and use medical cannabis as authorized by this article.
 4 Except as provided in section 5 of this chapter, an identification
 5 card issued to a caregiver authorizes the caregiver to obtain
 6 medical cannabis for a patient.

7 **Sec. 4.** A patient who is less than eighteen (18) years of age may
 8 not obtain medical cannabis from a dispensary. A caregiver may
 9 obtain medical cannabis at a dispensary for use by a patient.

10 **Sec. 5.** A caregiver may not obtain medical cannabis from a
 11 dispensary in a form that the patient who will use the medical
 12 cannabis is not permitted to use.

13 **Chapter 7. Identification Cards**

14 **Sec. 1.** The commission shall do the following:

- 15 (1) Review applications for identification cards.
- 16 (2) Review certifications submitted by physicians.
- 17 (3) Issue identification cards to patients and caregivers.
- 18 (4) Note in the electronic data base if a patient identification
 19 card may not be used to obtain medical cannabis from a
 20 dispensary because the patient is less than eighteen (18) years
 21 of age.
- 22 (5) Note in the electronic data base any restriction on the form
 23 of cannabis that may be dispensed.

24 **Sec. 2.** A patient or a caregiver may apply, in a form and
 25 manner prescribed by the commission, for issuance or renewal of
 26 an identification card. A caregiver must submit a separate
 27 application for issuance or renewal. Each application must include:

- 28 (1) the name, address, and date of birth of the patient;
- 29 (2) the name, address, and date of birth of a caregiver, if
 30 applicable;
- 31 (3) a copy of the certification issued by the physician;
- 32 (4) the name, address, and telephone number of the physician;
- 33 (5) the signature of the applicant and the date signed; and
- 34 (6) any other information required by the commission.

35 **Sec. 3.** The fee to apply for or to renew an identification card is
 36 fifty dollars (\$50). The commission may waive or reduce the fee if
 37 the applicant demonstrates financial hardship.

38 **Sec. 4.** The commission shall make application and renewal
 39 forms available on the commission's Internet web site.

40 **Sec. 5.** (a) The identification card of a patient or caregiver
 41 expires one (1) year after the date of issuance, unless a physician
 42 has specified that a patient should use medical cannabis for less



1 than one (1) year.

2 (b) If a physician has specified that a patient's use of medical
3 cannabis should be limited to certain forms of medical cannabis,
4 the permitted types of medical cannabis must be listed on the
5 identification card.

6 Sec. 6. (a) The commission shall issue separate identification
7 cards for a patient and a caregiver as soon as reasonably
8 practicable after receiving a properly completed application.

9 (b) If the commission determines that an application is
10 incomplete or factually inaccurate, the commission shall promptly
11 notify the applicant.

12 (c) If a patient application designates an individual as a
13 caregiver who is not authorized to be a caregiver, the commission
14 shall deny that portion of the application, but may approve the
15 balance of the application.

16 Sec. 7. (a) A patient or caregiver who has been issued an
17 identification card shall notify the commission not later than ten
18 (10) days after any change of name or address.

19 (b) A patient shall notify the commission within ten (10) days if
20 a physician has determined the patient no longer has the qualifying
21 medical condition noted on the certification.

22 Sec. 8. (a) If the identification card of a patient or caregiver is
23 lost, stolen, destroyed, or made illegible, the patient or caregiver
24 shall apply to the commission for a replacement card not later than
25 ten (10) days after discovery of the loss or defacement. The
26 application for a replacement card shall be on a form furnished by
27 the commission and accompanied by a twenty-five dollar (\$25) fee.
28 The commission may establish higher fees for issuance of second
29 and subsequent replacement identification cards.

30 (b) The commission may waive or reduce the fee in cases of
31 demonstrated financial hardship.

32 (c) The commission shall issue a replacement identification card
33 as soon as practicable.

34 (d) A patient or caregiver may not obtain medical cannabis
35 from a dispensary until the commission issues the replacement
36 card.

37 Sec. 9. The identification card must contain the following
38 information:

39 (1) The name of the patient or caregiver, as applicable. The
40 identification card must also state whether the individual is
41 designated as a patient or as a caregiver.

42 (2) The date of issuance and expiration date.



1 (3) A unique identification number for the patient or
2 caregiver, as applicable.

3 (4) A photograph of the individual to whom the identification
4 card is issued.

5 (5) Any requirement or limitation set by the physician as to
6 the form of medical cannabis.

7 (6) Any other requirements as determined by the commission.
8 However, the commission may not require that an
9 identification card disclose the patient's qualifying medical
10 condition.

11 The commission shall establish guidelines specifying an acceptable
12 photograph under subdivision (4) and shall provide a reasonable
13 accommodation for a patient who is confined to the patient's home
14 or is in inpatient care.

15 Sec. 10. The commission shall monthly transmit fees received
16 under this chapter to the auditor of state for deposit in the state
17 general fund.

18 Chapter 8. Caregivers

19 Sec. 1. (a) A caregiver must be at least eighteen (18) years of
20 age.

21 (b) However, a caregiver may be less than twenty-one (21) years
22 of age only if the commission determines that it is in the best
23 interests of the patient that a specific person less than twenty-one
24 (21) years of age serve as a caregiver.

25 Sec. 2. (a) A patient may terminate a person's designation as
26 caregiver at any time.

27 (b) The patient shall notify the commission that the patient has
28 terminated the person's caregiver designation as soon as
29 reasonably practicable after the termination.

30 (c) Upon learning that a patient has terminated a person's
31 caregiver designation, the commission shall cancel the caregiver's
32 identification card and notify the caregiver to return the physical
33 copy of the card.

34 Sec. 3. If a patient designates a caregiver, the caregiver may
35 submit an application for an identification card as a caregiver. The
36 caregiver application must include:

- 37 (1) the name, address, and date of birth of the caregiver;
- 38 (2) if the caregiver has an identification card for the caregiver
39 (as a patient) or another patient (as caregiver), the expiration
40 date of each identification card; and
- 41 (3) any other information required by the commission.

42 The application must be signed and dated by the caregiver



applicant and verified under penalties of perjury.

Sec. 4. (a) Except as provided in subsection (c), before the caregiver application is approved, the caregiver must authorize the commission to perform a national criminal history background check of the caregiver.

(b) The caregiver is responsible for the fee for the national criminal history background check.

(c) The commission may conduct only one (1) national criminal history background check of the caregiver per year.

Sec. 5. The caregiver shall pay an application fee of fifty dollars (\$50). The commission may waive or reduce the fee in cases of demonstrated financial hardship.

Sec. 6. (a) After receiving the caregiver application, the fee, and the results of the national criminal history background check, the commission shall:

(1) verify the information contained in the application; and

(2) review INSPECT with respect to the applicant.

(b) The commission may deny a caregiver application if it finds that the caregiver has:

(1) been convicted of a criminal offense within the previous five (5) years relating to the sale or possession of a controlled substance; or

(2) a history of drug abuse.

Sec. 7. The commission shall monthly transmit fees received under this chapter to the auditor of state for deposit in the state general fund.

Chapter 9. Minor Patients

Sec. 1. If a patient is less than eighteen (18) years of age, the following apply:

(1) The patient must have a caregiver.

(2) The caregiver must be:

(A) the patient's parent or legal guardian;

(B) an individual designated by a parent or legal guardian; or

(C) an appropriate individual approved by the commission on a sufficient showing that no parent or legal guardian is appropriate or available.

Chapter 10. Suspension

Sec. 1. If a patient or caregiver knowingly, intentionally, or recklessly:

(1) violates any provision of this article; or

(2) transfers or sells medical cannabis to a person not



1 qualified as a patient under this article;
 2 the commission may suspend or revoke the patient's or caregiver's
 3 identification card. The suspension or revocation is in addition to
 4 any criminal or other penalty.

5 Chapter 11. General Prohibitions

6 Sec. 1. A person may not operate a motor vehicle, including a
 7 motorboat, while under the influence of medical cannabis.

8 Sec. 2. A patient may not perform any employment duties in
 9 exposed high places or in confined spaces while under the influence
 10 of medical cannabis.

11 Sec. 3. A patient's employer may prohibit a patient from
 12 performing any task while under the influence of medical cannabis.
 13 The prohibition is not an adverse employment decision or unlawful
 14 discrimination, even if the prohibition results in financial harm to
 15 the patient.

16 Chapter 12. Medical Cannabis Organizations

17 Sec. 1. The following entities may receive a permit to operate as
 18 a medical cannabis organization to grow, process, transport,
 19 dispense, test, or transport medical cannabis (or, in the case of an
 20 integrated facility, to perform one (1) or more functions described
 21 in subdivisions (1), (2), (3), or (5)):

- 22 (1) A grower.
- 23 (2) A processor.
- 24 (3) A dispensary.
- 25 (4) A testing laboratory.
- 26 (5) A secure transporter.
- 27 (6) An integrated facility.

28 Sec. 2. A medical cannabis organization may not receive a
 29 permit if a person having an ownership interest in the medical
 30 cannabis organization has a felony conviction that has not been
 31 expunged.

32 Sec. 3. (a) An entity described in section 1 of this chapter may
 33 not hold an ownership interest in another entity described in
 34 section 1 of this chapter.

35 (b) A person holding an ownership interest, directly or through
 36 one (1) or more other entities, in an entity described in section 1 of
 37 this chapter may not hold an ownership interest, directly or
 38 through one (1) or more other entities, in another entity described
 39 in section 1 of this chapter.

40 Sec. 4. (a) The commission shall develop an application for:

- 41 (1) a grower permit allowing the grower to grow medical
 42 cannabis;



1 (2) a dispensary permit allowing a dispensary to dispense
2 medical cannabis;

3 (3) a processor permit allowing a processor to process medical
4 cannabis;

5 (4) a testing laboratory permit allowing a testing laboratory
6 to test medical cannabis;

7 (5) a secure transporter permit allowing a person to transport
8 medical cannabis; and

9 (6) an integrated facility permit, allowing a person to perform
10 more than one (1) function described in this section.

11 (b) The following information must be included on the permit
12 application:

13 (1) The name, address, telephone number, and other contact
14 information for every person having an ownership interest in
15 the medical cannabis organization.

16 (2) Information relating to a similar permit, license, or other
17 authorization granted in another jurisdiction, including any
18 suspensions, revocations, or discipline in that jurisdiction.

19 (3) A release authorizing the commission to conduct a
20 background check of the persons having an ownership
21 interest in the medical cannabis organization.

22 (4) A statement as to whether the applicant intends to operate
23 as a grower, processor, or dispensary, and a concise
24 description of the business activities in which the medical
25 cannabis organization intends to engage.

26 (5) The address or other location where the medical cannabis
27 organization intends to operate.

28 (6) A statement that no person having an ownership interest
29 in the medical cannabis organization has a felony conviction
30 that has not been expunged.

31 (7) Any other information required by the commission.

32 (c) A permit application described in this section shall be
33 verified and completed subject to the penalties of perjury.

34 (d) An applicant shall submit the appropriate application and
35 permit fees at the time the applicant submits the application.

36 Chapter 13. Medical Cannabis Organization Permits

37 Sec. 1. Subject to the limits and conditions described in section
38 10 of this chapter, the commission may grant a medical cannabis
39 organization permit if the commission makes the following
40 findings:

41 (1) The applicant will maintain effective control of medical
42 cannabis in the custody of the applicant.



(2) The applicant will comply with all state statutes, all rules adopted by the commission, and any ordinances adopted by a unit.

(3) The applicant has the ability to properly carry out the activity for which the permit is sought.

(4) The applicant has sufficient financial means to acquire all property, equipment, and permits required to properly grow, process, or dispense medical cannabis.

(5) The applicant is able to implement and maintain appropriate security, tracking, record keeping, and surveillance systems relating to the acquisition, possession, growth, manufacture, sale, delivery, transportation, distribution, or dispensing of medical cannabis.

(6) The applicant satisfies any other conditions required under rules adopted by the commission.

Sec. 2. If the commission finds that information included in the application is insufficient for the commission to grant a permit to the medical cannabis organization, the commission may request that the applicant submit additional documentation relating to one (1) or more items listed in section 1 of this chapter.

Sec. 3. (a) Except as provided under subsection (b), a permit granted under this chapter is nontransferable.

(b) A permit holder may transfer a permit to a person authorized to hold a permit in accordance with rules adopted by the commission if:

(1) the permit holder has held the permit for at least twenty-four (24) months; or

(2) the transfer is necessary due to the death or disability of the permit holder or a similar severe hardship. For purposes of this subdivision, financial hardship is not a severe hardship.

Sec. 4. A permit granted under this application is valid for one (1) year after the date of issuance.

Sec. 5. (a) A permit may be renewed for one (1) or more additional one (1) year periods.

(b) The commission shall establish deadlines for filing a renewal application that provide the commission with sufficient time to review the application without causing an interruption in the medical cannabis organization's activities.

(c) The same standards that apply for granting an initial application apply to an application for renewal. In determining whether the renewal of a permit serves the public interest, the commission shall consider the manner in which the renewal



1 applicant has operated the medical cannabis organization and
2 complied with all relevant laws.

3 Sec. 6. A permit issued by the commission to a medical cannabis
4 organization must include the following information:

- 5 (1) The name and address of the medical cannabis
6 organization.
- 7 (2) The type of permit.
- 8 (3) The activities that are permitted under the permit.
- 9 (4) A description of the property and facilities authorized to
10 be used by the medical cannabis organization.
- 11 (5) Any other information required by the commission.

12 Sec. 7. The commission may suspend or revoke all or part of a
13 permit granted under this chapter if, following a hearing, the
14 commission finds the following:

- 15 (1) That one (1) or more of the determinations made under
16 section 1 of this chapter are no longer valid.
- 17 (2) That the medical cannabis organization knowingly or
18 intentionally sold or distributed medical cannabis to a person
19 not qualified as a patient or a caregiver under this article.
- 20 (3) That the medical cannabis organization has failed to
21 maintain effective control against diversion of medical
22 cannabis.
- 23 (4) That the medical cannabis organization has violated a
24 provision of this article or a rule adopted by the commission.
- 25 (5) That the medical cannabis organization has failed to
26 comply with another law regulating controlled substances.

27 Sec. 8. (a) An applicant for a medical cannabis organization
28 permit has a continuing duty to notify the commission of any
29 material change in facts or circumstances relating to the
30 applicant's application, including a change in ownership.

31 (b) An applicant's duty to notify the commission begins on the
32 date the applicant submits the application and continues for as long
33 as the applicant holds a permit.

34 Sec. 9. The commission may, upon request of a permit holder,
35 amend an existing permit to authorize a permit holder to:

- 36 (1) move the permit holder's operations from one (1) location
37 to another; or
- 38 (2) perform additional activities, or cease the performance of
39 certain activities now performed, at the permit holder's
40 facility;

41 if the commission finds that the amendment is reasonable under
42 the circumstances.



1 **Sec. 10. (a) The commission may issue not more than:**

- 2 (1) thirteen (13) processor permits;
3 (2) forty (40) grower permits; and
4 (3) five (5) integrated facility permits.

5 **(b) The commission shall ensure that, to the extent practicable:**

- 6 (1) at least one (1) processor permit is issued for a facility
7 located in each geographical region described in
8 IC 10-11-2-5(d);
9 (2) at least three (3) grower permits are issued for cultivation
10 in each geographical region described in IC 10-11-2-5(d);
11 (3) no more than two (2) integrated facility permits are issued
12 for facilities located in the same geographical region
13 described in IC 10-11-2-5(d); and
14 (4) the persons receiving a permit reflect the diversity and
15 makeup of Indiana.

16 **Sec. 11. (a) The commission may not issue a grower, processor,**
17 **or dispensary permit for a new facility located in a municipality**
18 **unless the governing body of the municipality has adopted an**
19 **ordinance or resolution authorizing operation of the facility.**

20 **(b) The commission may not issue a grower, processor, or**
21 **dispensary permit for a new facility located in an unincorporated**
22 **part of a county unless the governing body of the county has**
23 **adopted an ordinance or resolution authorizing operation of the**
24 **facility.**

25 **Chapter 14. General Duties of a Permit Holder**

26 **Sec. 1. The holder of a medical cannabis organization permit**
27 **must do the following:**

- 28 (1) Report the loss, theft, or unexplained disappearance of
29 medical cannabis to a law enforcement agency not later than
30 twenty-four (24) hours after the loss, theft, or disappearance
31 is discovered.
32 (2) Permit announced or unannounced inspections by the
33 commission of all medical cannabis organization facilities and
34 records.

35 **Chapter 15. Application and Permit Fees**

36 **Sec. 1. The following fees apply to a grower:**

- 37 (1) A nonrefundable grower permit application fee of ten
38 thousand dollars (\$10,000).
39 (2) A refundable grower permit fee of fifty thousand dollars
40 (\$50,000).
41 (3) A refundable grower permit renewal fee of ten thousand
42 dollars (\$10,000).



(4) A nonrefundable permit amendment fee of two hundred fifty dollars (\$250).

Sec. 2. The following fees apply to a processor:

(1) A nonrefundable processor permit application fee of ten thousand dollars (\$10,000).

(2) A refundable processor permit fee of fifty thousand dollars (\$50,000).

(3) A refundable processor permit renewal fee of ten thousand dollars (\$10,000).

(4) A nonrefundable permit amendment fee of two hundred fifty dollars (\$250).

Sec. 3. The following fees apply to a dispensary:

(1) A nonrefundable dispensary permit application fee of five thousand dollars (\$5,000).

(2) A refundable dispensary permit fee of twenty thousand dollars (\$20,000) for each dispensary location.

(3) A refundable dispensary permit renewal fee of five thousand dollars (\$5,000) for each dispensary location.

(4) A nonrefundable permit amendment fee of two hundred fifty dollars (\$250).

Sec. 4. The following fees apply to a testing laboratory:

(1) A nonrefundable testing laboratory permit application fee of two thousand dollars (\$2,000).

(2) A refundable testing laboratory permit fee of ten thousand dollars (\$10,000) for each testing laboratory location.

(3) A refundable testing laboratory permit renewal fee of two thousand dollars (\$2,000) for each testing laboratory location.

(4) A nonrefundable permit amendment fee of two hundred fifty dollars (\$250).

Sec. 5. The following fees apply to a secure transporter:

(1) A nonrefundable secure transporter permit application fee of two thousand dollars (\$2,000).

(2) A refundable secure transporter permit fee of ten thousand dollars (\$10,000) for each secure transporter location.

(3) A refundable secure transporter permit renewal fee of two thousand dollars (\$2,000) for each secure transporter location.

(4) A nonrefundable permit amendment fee of two hundred fifty dollars (\$250).

Sec. 6. An applicant must submit the application fee and permit fee at the time the applicant submits the application.



1 **Sec. 7. (a) The commission shall retain the application fee even**
 2 **if the application is not approved.**

3 **(b) The commission shall refund the permit fee and renewal fee**
 4 **if the permit or renewal is not approved. However, the permit fee**
 5 **and renewal fee are not refundable if the permit is initially granted**
 6 **but later suspended or revoked.**

7 **(c) The commission shall retain the amendment fee even if the**
 8 **application for amendment is not approved.**

9 **Sec. 8. The commission shall transfer all fees to the auditor of**
 10 **state for deposit in the state general fund.**

11 **Chapter 16. Tracking and Record Keeping**

12 **Sec. 1. (a) A medical cannabis organization must implement an**
 13 **electronic inventory tracking system, which must be directly**
 14 **accessible to the commission through an electronic data base that**
 15 **is updated at least one (1) time each day.**

16 **(b) The electronic inventory tracking system must include the**
 17 **following:**

18 **(1) For a grower, a seed to sale tracking system that tracks the**
 19 **medical cannabis from seed to plant until the medical**
 20 **cannabis is sold or transferred to its final destination.**

21 **(2) For a processor, a system that tracks medical cannabis**
 22 **from its purchase from a grower to its transfer to a**
 23 **dispensary, testing laboratory, secure transporter, or research**
 24 **facility as authorized by this article.**

25 **(3) For a dispensary, a system that tracks medical cannabis**
 26 **from its purchase from a grower or processor, its receipt from**
 27 **a secure transporter, to its sale to a patient or caregiver or**
 28 **transfer to a testing laboratory, research facility, grower,**
 29 **secure transporter, or processor as authorized by this article.**

30 **(4) For a dispensary, a system to verify that an identification**
 31 **card presented by a patient or caregiver:**

32 **(A) is valid; and**

33 **(B) authorizes the patient or caregiver to receive medical**
 34 **cannabis from a dispensary.**

35 **(5) For a secure transporter, a system that tracks medical**
 36 **cannabis from its loading to its delivery.**

37 **(6) For a medical cannabis organization, a:**

38 **(A) daily log of each day's beginning inventory,**
 39 **acquisitions, amounts purchased and sold, disbursements,**
 40 **disposals, and ending inventory, including prices paid and**
 41 **amounts collected from patients and caregivers;**

42 **(B) system to recall defective medical cannabis; and**



(C) system to track the waste resulting from the growth of medical cannabis, including the name and address of a disposal service.

Sec. 2. A medical cannabis organization must implement a plan for:

- (1) security and surveillance; and
- (2) record keeping and record retention.

Sec. 3. The commission:

- (1) shall require a medical cannabis organization to make an annual report to the commission; and
- (2) may require a medical cannabis organization to make a quarterly report to the commission.

The commission shall determine the form and contents of the report and may make all or part of the report available to the public.

Chapter 17. Grower Operations

Sec. 1. A person holding a grower permit may do all the following in accordance with rules adopted by the commission:

- (1) Obtain seed and plant material from another grower.
- (2) Sell and transport seed and plant material to another grower or processor.
- (3) Sell cannabis to a processor or research facility authorized by the commission, and transfer cannabis to a testing facility authorized by the commission.
- (4) Transfer cannabis to a secure transporter to transport the medical cannabis for a purpose authorized under this section.

The commission may authorize a person holding a grower permit to sell seed, plant material, and medical cannabis to a grower, processor, dispensary, testing laboratory, or research facility in another state.

Sec. 2. The commission shall determine the manner in which medical cannabis may be grown, harvested, and stored at the cultivation site.

Sec. 3. The commission shall determine the manner in which the grower shall package or secure cannabis and medical cannabis before transfer to a secure transporter for transport as follows:

- (1) Requirements relating to shipping containers and packaging.
- (2) The manner in which trucks, vans, trailers, or other carriers will be secured.
- (3) Obtaining copies of driver's licenses and registrations and other information related to security and tracking.



(4) The use of a GPS tracking system.

(5) Record keeping requirements for delivery and receipt of medical cannabis products.

Sec. 4. A grower shall contract with a testing laboratory permittee to test the medical cannabis produced by the grower. If a grower learns that the grower's sample has failed required testing, the grower must take steps to remediate the harvest to allowable levels under IC 7.1-8-20-3, or immediately dispose of the harvest.

Chapter 18. Processor Operations

Sec. 1. A person holding a processor permit may do all the following in accordance with rules adopted by the commission:

(1) Obtain cannabis plant material from a grower.

(2) Sell and transport cannabis to another grower or processor.

(3) Sell and transport medical cannabis to a processor, dispensary, testing laboratory, or research facility authorized by the commission.

The commission may authorize a person holding a processor permit to sell processed medical cannabis or unprocessed cannabis to a grower, processor, dispensary, testing laboratory, or research facility in another state.

Sec. 2. The commission shall determine the manner in which cannabis and medical cannabis may be processed or stored at the processor facility.

Sec. 3. The commission shall determine the manner in which the processor shall package or secure cannabis and medical cannabis before transfer to a secure transporter for transport. Rules adopted by the commission must include the following:

(1) Requirements relating to shipping containers and packaging.

(2) The manner in which trucks, vans, trailers, or other carriers will be secured.

(3) Obtaining copies of driver's licenses and registrations and other information related to security and tracking.

(4) The use of a GPS tracking system.

(5) Record keeping requirements for delivery and receipt of medical cannabis products.

Sec. 4. A processor shall develop a plan to ensure that medical cannabis products are properly labeled, are not packaged in a manner that is appealing to children, and are placed in child resistant packaging.



1 **Sec. 5. A processor shall include on its labeling of medical**
 2 **cannabis products the following:**

3 **(1) The number of doses contained within the package, the**
 4 **species, and the percentage of tetrahydrocannabinol and**
 5 **cannabinol.**

6 **(2) A warning that the medical cannabis must be kept in the**
 7 **original container in which it was dispensed.**

8 **(3) A warning that unauthorized use is unlawful and will**
 9 **subject the person to criminal penalties.**

10 **(4) A list of ingredients.**

11 **(5) Any other information required by the commission.**

12 **Sec. 6. A processor shall contract with a testing laboratory**
 13 **permittee to test the medical cannabis product produced by the**
 14 **processor. If a processor learns that a sample submitted by the**
 15 **processor has failed required testing, the processor must take steps**
 16 **to remediate the product to allowable levels under IC 7.1-8-20-3,**
 17 **or immediately dispose of the batch.**

18 **Chapter 19. Dispensary Operations**

19 **Sec. 1. A dispensary holding a valid permit under this article**
 20 **may dispense medical cannabis to a patient or caregiver upon**
 21 **presentation of a valid identification card for that patient or**
 22 **caregiver and electronic verification that the identification card is**
 23 **valid and authorizes the patient or caregiver to receive medical**
 24 **cannabis from a dispensary.**

25 **Sec. 2. The dispensary shall provide to the patient or caregiver**
 26 **a receipt including all of the following:**

27 **(1) The name and address of the dispensary.**

28 **(2) The name and address of the patient and caregiver (if**
 29 **applicable).**

30 **(3) The date the medical cannabis was dispensed.**

31 **(4) Any requirement or limitation by the physician as to the**
 32 **form of medical cannabis for the patient.**

33 **(5) The form and the quantity of medical cannabis dispensed.**

34 **Sec. 3. (a) For purposes of this section:**

35 **(1) eight (8) grams of concentrated medical cannabis; or**

36 **(2) eighty (80) ten (10) milligram doses of**
 37 **tetrahydrocannabinol;**

38 **are equivalent to one (1) ounce of medical cannabis.**

39 **(b) A dispensary may not dispense:**

40 **(1) more than one (1) ounce of medical cannabis to a patient**
 41 **(or caregiver on behalf of a specific patient) per day; or**

42 **(2) a form of medical cannabis that the patient is not**



permitted to use.

Sec. 4. The medical cannabis packaging must include the following information:

(1) The number of doses contained within the package, the species, and the percentage of tetrahydrocannabinol and cannabitol.

(2) A warning that the medical cannabis must be kept in the original container in which it was dispensed.

(3) A warning that unauthorized use is unlawful and will subject the person to criminal penalties.

(4) Any other information required by the commission.

Sec. 5. A dispensary:

(1) may dispense medical cannabis only in an indoor, enclosed, secure facility located in Indiana; and

(2) may sell services approved by the commission related to the use of medical cannabis.

Sec. 6. A dispensary shall post a copy of its permit in a location within its facility in a manner that is easily observable by the public.

Sec. 7. A dispensary shall establish a plan to:

(1) prevent diversion of medical cannabis; and

(2) ensure a patient is not dispensed more than one (1) ounce of medical cannabis per day.

Chapter 20. Testing Laboratory Operations

Sec. 1. A testing laboratory may test cannabis and medical cannabis from a medical cannabis organization in accordance with rules adopted by the commission if:

(1) it holds a valid permit issued under this article; or

(2) it is already accredited as a testing laboratory to International Organization for Standardization (ISO) 17025 by a third party accrediting body such as the American Association for Laboratory Accreditation (A2LA) or Assured Calibration and Laboratory Accreditation Select Services (ACLASS).

Sec. 2. A testing laboratory shall maintain policies and procedures for the secure and proper analytical testing of cannabis and medical cannabis, which must include:

(1) laboratory analysis techniques, including specific instrumentation and protocols necessary to perform the tests required by the commission;

(2) the implementation of standards and methods for conducting analysis of forms of medical cannabis in



accordance with the requirements of ISO/IEC 17025
 "General Requirements for the Competence of Testing and
 Calibration Laboratories"; and

(3) methods of testing to detect:

(A) potency levels of tetrahydrocannabinol and
 cannabinal;

(B) microbials;

(C) mycotoxins;

(D) pesticides;

(E) residual solvents; and

(F) any other matter as required by the commission.

Sec. 3. The commission shall establish the allowable level of
 microbials, mycotoxins, pesticides, residual solvents, and other
 matter determined by the commission. If a sample received from
 a grower or processor exceeds allowable levels, the testing
 laboratory must immediately notify the grower or processor from
 whom the testing laboratory received the sample.

Chapter 21. Secure Transporters

Sec. 1. A secure transporter may transport cannabis and
 medical cannabis if the secure transporter complies with this
 article.

Sec. 2. Cannabis and medical cannabis transported under this
 article must be:

(1) packed in a tamper resistant and tamper evident package;

(2) clearly marked as to quantity and contents; and

(3) securely stored in the vehicle used for transport.

Sec. 3. The secure transporter shall proceed as directly and
 expeditiously as practicable from the shipping location to the
 receiving location.

Sec. 4. The person who ships the cannabis or medical cannabis
 shall provide the secure transporter with a shipping manifest
 clearly stating the:

(1) exact quantity of cannabis or medical cannabis that is
 being transported;

(2) address of the shipping location;

(3) address of the receiving location;

(4) identification of the person transporting the material; and

(5) time the person transporting the material left the shipping
 location.

Sec. 5. The secure transporter shall keep the shipping manifest
 in the transporter's possession at all times.

Sec. 6. The commission may adopt rules to regulate the secure



transport of cannabis and medical cannabis. The commission may authorize a transporter to transport cannabis and medical cannabis out of state.

Chapter 22. Integrated Facilities

Sec. 1. If and to the extent authorized by a permit issued by the commission, an integrated facility may perform the functions of at least two (2) of the following:

- (1) A grower.
- (2) A processor.
- (3) A secure transporter.
- (4) A dispensary.

An integrated facility may not perform the function of a testing laboratory.

Sec. 2. Except as provided in section 3 of this chapter, a requirement that applies to:

- (1) a grower;
- (2) a processor;
- (3) a secure transporter; or
- (4) a dispensary;

also applies to an integrated facility carrying out the functions of that entity.

Sec. 3. (a) The commission may exempt an integrated facility from a specific rule governing a grower, processor, secure transporter, or dispensary, if following the rule would result in needless duplication.

(b) The commission may adopt rules under IC 4-22-2 to regulate an integrated facility.

Chapter 23. Reports

Sec. 1. The commission shall, not later than December 31 of each year, submit a report concerning the medical cannabis program to the legislative council, the governor, and the chief justice of Indiana. The report to the legislative council must be in an electronic format under IC 5-14-6.

Chapter 24. Civil Penalties

Sec. 1. The commission may assess a penalty of not more than ten thousand dollars (\$10,000) for each violation of this article or a rule adopted under this article. In addition, the commission may impose an additional penalty of not more than one thousand dollars (\$1,000) for each day of a continuing violation.

Sec. 2. (a) In determining the amount of a civil penalty imposed under this chapter, the commission shall consider the following:

- (1) The seriousness of the violation.



(2) The potential harm resulting from the violation to patients, caregivers, or the general public.

(3) The willfulness of the violation.

(4) Any previous violations.

(5) The economic benefit that accrued to the person who committed the violation.

(b) If the commission finds that the:

(1) violation did not threaten the safety or health of a patient, a caregiver, or the general public; and

(2) violator took immediate action to remedy the violation upon learning of it;

the commission may issue a written warning instead of assessing a civil penalty.

Sec. 3. In addition to the civil penalty described in this chapter, and any other penalty authorized by law, the commission may revoke or suspend a person's permit or identification card.

Chapter 25. Research

Sec. 1. The commission may provide assistance to universities, research facilities, pharmaceutical companies, state agencies, and similar entities that wish to conduct research concerning medical cannabis.

Sec. 2. The commission may authorize persons conducting research on medical cannabis to obtain, possess, transport, test, and use medical cannabis for research purposes, under terms and conditions established by the commission. The commission shall issue appropriate documentation to allow persons to obtain medical cannabis for research purposes.

Chapter 26. Use of Medical Cannabis Inadmissible

Sec. 1. A person's use of medical cannabis under this article is not admissible as evidence against an employer in an action for negligent hiring.

SECTION 6. IC 7.1-9 IS ADDED TO THE INDIANA CODE AS A NEW ARTICLE TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2022]:

ARTICLE 9. INDIANA CANNABIS COMMISSION

Chapter 1. Definitions

Sec. 1. The definitions in IC 7.1-8-1-1 apply throughout this article.

Chapter 2. General Provisions

Sec. 1. The Indiana cannabis commission (commission) is established as an agency of the state for purposes of administering the medical cannabis program. The commission consists of the



1 executive commission, an executive director hired by the executive
 2 commission to oversee the day to day operations of the
 3 commissions, and other employees employed by the commission.

4 **Sec. 2. (a)** The executive commission shall supervise and oversee
 5 the operations of the commission. The executive commission
 6 consists of the following commissioners:

7 (1) A physician licensed under IC 25-22.5, appointed by the
 8 governor.

9 (2) A physician licensed under IC 25-22.5 who is primarily
 10 engaged in pediatric medicine, appointed by the governor.

11 (3) A pharmacist licensed under IC 25-26, appointed by the
 12 governor.

13 (4) An attorney licensed to practice law in Indiana with
 14 experience in health care law, appointed by the governor.

15 (5) A biochemist, appointed by the governor.

16 (6) A banker or broker with experience in agricultural
 17 lending, appointed by the governor.

18 (7) The state seed commissioner or the commissioner's
 19 designee.

20 (8) The state health commissioner or the commissioner's
 21 designee.

22 (9) The attorney general or the attorney general's designee,
 23 who serves as a nonvoting member.

24 (10) The superintendent of the state police department or the
 25 superintendent's designee, who serves as a nonvoting member.

26 (b) No more than three (3) of the commissioners described in
 27 subsection (a)(1) through (a)(6) may be members of the same
 28 political party. Each commissioner described in subsection (a)(1)
 29 through (a)(6):

30 (1) serves a four (4) year term;

31 (2) serves at the pleasure of the governor; and

32 (3) may be reappointed.

33 (c) A commissioner described in subsection (a)(7) through
 34 (a)(10) serves ex officio.

35 **Sec. 3.** To be eligible for appointment as a commissioner under
 36 section 2(a)(1) through 2(a)(6), an individual must have the
 37 following qualifications:

38 (1) The individual may not be employed by the state in any
 39 other capacity.

40 (2) The individual must have good moral character.

41 (3) The individual must have been a resident of Indiana for at
 42 least ten (10) years immediately preceding the appointment.



1 **Sec. 4.** The governor shall appoint one (1) voting commissioner
 2 to serve as chairperson of the executive commission and one (1)
 3 voting commissioner to serve as vice chairperson. The vice
 4 chairperson shall act as the chairperson if the chairperson is
 5 unable to attend a meeting of the executive commission.

6 **Sec. 5.** A commissioner appointed to fill a vacancy in the
 7 membership of the executive commission shall serve only for the
 8 unexpired part of the original, vacated term. In all other respects,
 9 an appointment to fill a vacancy shall be made in the same manner
 10 that an original appointment is made.

11 **Sec. 6.** As compensation for services, each commissioner is
 12 entitled to the minimum salary per diem provided by
 13 IC 4-10-11-2.1(b). A commissioner is also entitled to
 14 reimbursement for traveling expenses as provided under
 15 IC 4-13-1-4 and other expenses actually incurred in connection
 16 with the commissioner's duties as provided in the state policies and
 17 procedures established by the department of administration and
 18 approved by the budget agency.

19 **Sec. 7.** The executive commission shall hold meetings at the call
 20 of the chairperson. The executive commission may establish rules
 21 governing meetings, including rules for meetings of subcommittees
 22 or working groups.

23 **Sec. 8.** A majority of voting commissioners constitutes a quorum
 24 for the transaction of business.

25 **Sec. 9.** A commissioner may not solicit or accept a political
 26 contribution from a patient, caregiver, or any individual or entity
 27 that has a permit or has applied for a permit issued by the
 28 commission. However, the right of a commissioner to vote as the
 29 commissioner chooses and to express the commissioner's opinions
 30 on political subjects and candidates may not be impaired.

31 **Chapter 3. Employees and Administration**

32 **Sec. 1. (a)** The executive commission shall appoint an executive
 33 director to assist the commission in the efficient administration of
 34 its powers and duties.

35 **(b)** The executive commission shall fix the salary of the executive
 36 director, subject to the approval of the budget agency.

37 **Sec. 2.** The commission has the power to employ all necessary
 38 employees, determine their duties, and, subject to the approval of
 39 the executive commission and the budget agency, fix their salaries.

40 **Chapter 4. Powers and Duties**

41 **Sec. 1.** The chairperson is the presiding officer at the meetings
 42 of the executive commission. The chairperson, together with the



1 executive director, shall prepare, certify, and authenticate all
 2 proceedings, minutes, records, rules, and regulations of the
 3 executive commission. The chairperson shall also perform all other
 4 duties as imposed on the chairperson by this title.

5 Sec. 2. The commission has the power to organize its work, to
 6 enforce and administer this article and IC 7.1-8, and to enforce and
 7 administer the rules adopted by the commission.

8 Sec. 3. The commission shall adopt rules under IC 4-22-2 to
 9 prescribe the forms for all applications, documents, permits,
 10 medical cannabis identification cards, and licenses used in the
 11 administration of this article and IC 7.1-8.

12 Sec. 4. The commission has the following powers:

- 13 (1) To hold hearings before the commission or its
- 14 representative.
- 15 (2) To take testimony and receive evidence.
- 16 (3) To conduct inquiries with or without a hearing.
- 17 (4) To receive reports of investigators or other governmental
- 18 officers and employees.
- 19 (5) To administer oaths.
- 20 (6) To subpoena witnesses and to compel them to appear and
- 21 testify.
- 22 (7) To certify copies of records of the commission or any other
- 23 document or record on file with the commission.
- 24 (8) To fix the form, mode, manner, time, and number of times
- 25 for the posting or publication of any required notices if not
- 26 otherwise provided.
- 27 (9) To adopt rules under IC 4-22-2 to carry out this article
- 28 and IC 7.1-8.

29 Sec. 5. The commission has the following duties:

- 30 (1) To establish the medical cannabis program described in
- 31 IC 7.1-8 and to adopt all necessary rules to implement the
- 32 program.
- 33 (2) To implement protocols for the application and issuance
- 34 of a medical cannabis identification card, including protocols
- 35 to:
- 36 (A) prevent fraud;
- 37 (B) ensure the accuracy of information contained in the
- 38 application; and
- 39 (C) protect the privacy of an applicant.
- 40 (3) To advise the general assembly concerning the medical
- 41 cannabis program.
- 42 (4) To encourage research concerning medical cannabis.



Chapter 5. Research and Development

Sec. 1. To permit and encourage research concerning medical cannabis:

- (1) an accredited institution of higher education with a physical presence in Indiana;
- (2) a pharmaceutical or agricultural business having a research facility in Indiana;
- (3) a research facility located in Indiana;
- (4) a state agency; and
- (5) a similar entity that wishes to conduct research;

may apply to the commission for a license to conduct research concerning medical cannabis.

Sec. 2. An application under this chapter must include the following:

- (1) The nature of the research project.
- (2) The names of the individuals who will conduct the research project.
- (3) The approximate quantity of cannabis that will be used in the research project.
- (4) The security protocol to be implemented to ensure that cannabis is not diverted for uses other than the research project.
- (5) Any other information required by the commission.

Sec. 3. Upon receipt of a completed application, the commission may issue a research license to the entity. The research license must specifically list the names of each individual participating in the research project who will have custody or control of cannabis for research purposes and the approximate quantity of the cannabis that will be used in the research project.

Sec. 4. The commission may charge a reasonable fee for issuance of a research license.

SECTION 7. IC 35-48-4-10, AS AMENDED BY P.L.153-2018, SECTION 25, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2022]: Sec. 10. (a) A person who:

- (1) knowingly or intentionally:
 - (A) manufactures;
 - (B) finances the manufacture of;
 - (C) delivers; or
 - (D) finances the delivery of;
 marijuana, hash oil, hashish, or salvia, pure or adulterated; or
- (2) possesses, with intent to:
 - (A) manufacture;



- 1 (B) finance the manufacture of;
- 2 (C) deliver; or
- 3 (D) finance the delivery of;
- 4 marijuana, hash oil, hashish, or salvia, pure or adulterated;
- 5 commits dealing in marijuana, hash oil, hashish, or salvia, a Class A
- 6 misdemeanor, except as provided in subsections (b) through (d).
- 7 (b) A person may be convicted of an offense under subsection (a)(2)
- 8 only if:
- 9 (1) there is evidence in addition to the weight of the drug that the
- 10 person intended to manufacture, finance the manufacture of,
- 11 deliver, or finance the delivery of the drug; or
- 12 (2) the amount of the drug involved is at least:
- 13 (A) ten (10) pounds, if the drug is marijuana; or
- 14 (B) three hundred (300) grams, if the drug is hash oil, hashish,
- 15 or salvia.
- 16 (c) The offense is a Level 6 felony if:
- 17 (1) the person has a prior conviction for a drug offense and the
- 18 amount of the drug involved is:
- 19 (A) less than thirty (30) grams of marijuana; or
- 20 (B) less than five (5) grams of hash oil, hashish, or salvia; or
- 21 (2) the amount of the drug involved is:
- 22 (A) at least thirty (30) grams but less than ten (10) pounds of
- 23 marijuana; or
- 24 (B) at least five (5) grams but less than three hundred (300)
- 25 grams of hash oil, hashish, or salvia.
- 26 (d) The offense is a Level 5 felony if:
- 27 (1) the person has a prior conviction for a drug dealing offense
- 28 and the amount of the drug involved is:
- 29 (A) at least thirty (30) grams but less than ten (10) pounds of
- 30 marijuana; or
- 31 (B) at least five (5) grams but less than three hundred (300)
- 32 grams of hash oil, hashish, or salvia;
- 33 (2) the:
- 34 (A) amount of the drug involved is:
- 35 (i) at least ten (10) pounds of marijuana; or
- 36 (ii) at least three hundred (300) grams of hash oil, hashish,
- 37 or salvia; or
- 38 (B) offense involved a sale to a minor; or
- 39 (3) the:
- 40 (A) person is a retailer;
- 41 (B) marijuana, hash oil, hashish, or salvia is packaged in a
- 42 manner that appears to be low THC hemp extract; and



(C) person knew or reasonably should have known that the product was marijuana, hash oil, hashish, or salvia.

(e) This section does not apply to a patient, caregiver, medical cannabis organization, or researcher described in IC 7.1-8 if the person is in substantial compliance with the requirements of IC 7.1-8.

SECTION 8. IC 35-48-4-11, AS AMENDED BY P.L.153-2018, SECTION 26, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2022]: Sec. 11. (a) A person who:

- (1) knowingly or intentionally possesses (pure or adulterated) marijuana, hash oil, hashish, or salvia;
- (2) knowingly or intentionally grows or cultivates marijuana; or
- (3) knowing that marijuana is growing on the person's premises, fails to destroy the marijuana plants;

commits possession of marijuana, hash oil, hashish, or salvia, a Class B misdemeanor, except as provided in subsections (b) through (c).

(b) The offense described in subsection (a) is a Class A misdemeanor if:

- (1) the person has a prior conviction for a drug offense; or
- (2) the:
 - (A) marijuana, hash oil, hashish, or salvia is packaged in a manner that appears to be low THC hemp extract; and
 - (B) person knew or reasonably should have known that the product was marijuana, hash oil, hashish, or salvia.

(c) The offense described in subsection (a) is a Level 6 felony if:

- (1) the person has a prior conviction for a drug offense; and
- (2) the person possesses:
 - (A) at least thirty (30) grams of marijuana; or
 - (B) at least five (5) grams of hash oil, hashish, or salvia.

(d) This section does not apply to a patient, caregiver, medical cannabis organization, or researcher described in IC 7.1-8 if the person is in substantial compliance with the requirements of IC 7.1-8.

