



# COMMITTEE REPORT

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## MADAM PRESIDENT:

The Senate Committee on Tax and Fiscal Policy, to which was referred Senate Bill No. 539, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

- 1 Page 2, line 5, delete "7.1-7-2-6." and insert "**7.1-7-2-7.**"
- 2 Page 2, line 12, delete "7.1-7-2-8." and insert "**7.1-7-2-9.**"
- 3 Page 2, line 18, delete "7.1-7-2-16." and insert "**7.1-7-2-17.**"
- 4 Page 2, line 26, delete "7.1-7-2-17." and insert "**7.1-7-2-18.**"
- 5 Page 2, line 35, delete "7.1-7-2-18." and insert "**7.1-7-2-19.**"
- 6 Page 3, line 1, delete "7.1-7-2-9);" and insert "**7.1-7-2-10) that**
- 7 **contains tobacco;**".
- 8 Page 3, line 7, after "Applicability" insert "**and Purpose**".
- 9 Page 3, between lines 12 and 13, begin a new paragraph and insert:
- 10 "**Sec. 2. The purpose of this article is, in the absence of federal**
- 11 **regulations, to protect public health and safety by:**
- 12 (1) **ensuring the safety and security of e-liquid manufactured**
- 13 **for sale in Indiana;**
- 14 (2) **ensuring that e-liquid manufactured or sold in Indiana**
- 15 **conforms to appropriate standards of identity, strength,**
- 16 **quality, and purity; and**
- 17 (3) **ensuring that e-liquid is not contaminated or adulterated**
- 18 **by the inclusion of ingredients or other substances that might**
- 19 **pose unreasonable threats to public health and safety.**".
- 20 Page 3, line 13, delete "Sec. 2." and insert "**Sec. 3.**".

- 1 Page 3, line 15, delete "Sec. 3." and insert "**Sec. 4.**".
- 2 Page 3, line 40, delete "food processing facilities in the state where  
3 food is" and insert "**commercial kitchens in the state.**".
- 4 Page 3, delete line 41.
- 5 Page 3, after line 42, begin a new paragraph and insert:  
6 "**Sec. 6. "Cooperative" means any group of people who join  
7 together to satisfy the requirements set forth in IC 7.1-7-4-6.**".
- 8 Page 4, line 1, delete "Sec. 6." and insert "**Sec. 7.**".
- 9 Page 4, line 3, delete "Sec. 7." and insert "**Sec. 8.**".
- 10 Page 4, line 9, delete "Sec. 8." and insert "**Sec. 9.**".
- 11 Page 4, line 12, delete "two (2)" and insert "**four (4)**".
- 12 Page 4, line 15, delete "Sec. 9." and insert "**Sec. 10.**".
- 13 Page 4, line 19, delete "two (2)" and insert "**four (4)**".
- 14 Page 4, line 21, delete "Sec. 10." and insert "**Sec. 11.**".
- 15 Page 4, line 28, delete "Sec. 11." and insert "**Sec. 12.**".
- 16 Page 4, line 30, delete "Sec. 12." and insert "**Sec. 13.**".
- 17 Page 4, line 34, delete "Sec. 13." and insert "**Sec. 14.**".
- 18 Page 4, delete lines 40 through 41, begin a new paragraph and  
19 insert:  
20 "**Sec. 15. "Manufacturer" means a person or cooperative,  
21 located inside or outside Indiana, that is engaged in manufacturing  
22 e-liquid.**".
- 23 Page 4, line 42, delete "Sec. 15." and insert "**Sec. 16.**".
- 24 Page 5, line 2, delete "Sec. 16." and insert "**Sec. 17.**".
- 25 Page 5, line 4, delete "Sec. 17." and insert "**Sec. 18.**".
- 26 Page 5, line 7, delete "Sec. 18." and insert "**Sec. 19.**".
- 27 Page 5, line 10, delete "Sec. 19." and insert "**Sec. 20.**".
- 28 Page 5, delete lines 17 through 23, begin a new paragraph and  
29 insert:  
30 "**Sec. 21. "Security firm" means an entity that:  
31 (1) is independent from an applicant and manufacturer;  
32 (2) has experience in the security business; and  
33 (3) as of July 1, 2015:  
34 (A) meets the qualifications under IC 7.1-7-4-1(d)(3);  
35 (B) is a locksmith; and  
36 (C) provides services necessary to ensure the safety and  
37 security of e-liquid manufactured for sale in Indiana.**".
- 38 Page 5, line 24, delete "Sec. 21." and insert "**Sec. 22.**".
- 39 Page 5, line 35, delete "permits and charge fees." and insert  
40 "**permits.**".
- 41 Page 5, between lines 35 and 36, begin a new line block indented  
42 and insert:

1           **"(3) To charge fees to cover the costs of administering this**  
 2           **article. The fees charged under this subdivision may not**  
 3           **exceed the actual costs incurred by the commission."**

4           Page 5, line 36, delete "(3)" and insert "(4)".

5           Page 5, line 37, delete "(4)" and insert "(5)".

6           Page 5, line 40, delete "(5)" and insert "(6)".

7           Page 6, line 2, delete "(6)" and insert "(7)".

8           Page 6, delete lines 25 through 30, begin a new line block indented  
 9           and insert:

10           **"(2) A service agreement that:**

11                   **(A) the applicant has entered into with a security firm;**

12                   **(B) is valid for a period of five (5) years after the date of**  
 13                   **the permit application;**

14                   **(C) provides for the security firm to provide service and**  
 15                   **support to meet the security requirements established by**  
 16                   **this article;**

17                   **(D) requires the security firm to certify that the**  
 18                   **manufacturer meets all requirements set forth in**  
 19                   **IC 7.1-7-4-6(10) through IC 7.1-7-4-6(15); and**

20                   **(E) is renewable for the entire length of time that the**  
 21                   **applicant holds a permit issued by the commission."**

22           Page 7, line 30, delete "five" and insert "one".

23           Page 7, line 31, delete "(\$5,000)." and insert "(\$1,000)."

24           Page 8, between lines 10 and 11, begin a new line block indented  
 25           and insert:

26                   **"(7) Certification by the security firm with which the**  
 27                   **manufacturer has a security agreement that the manufacturer**  
 28                   **meets all requirements set forth in IC 7.1-7-4-6(10) through**  
 29                   **IC 7.1-7-4-6(15)."**

30           Page 8, line 11, delete "(7)" and insert "(8)".

31           Page 8, line 14, delete "(8)" and insert "(9)".

32           Page 8, delete lines 20 through 21, begin a new line block indented  
 33           and insert:

34                   **"(10) A nonrefundable renewal application fee of five hundred**  
 35                   **dollars (\$500)."**

36           Page 8, line 22, delete "(10)" and insert "(11)".

37           Page 9, line 10, delete "proscribed" and insert "prescribed".

38           Page 9, line 22, delete "manufacturer's security firm shall install"  
 39           and insert "**manufacturer shall have**".

40           Page 9, line 30, delete "with remote viewing".

41           Page 9, line 31, delete "capability in areas".

42           Page 10, delete lines 3 through 4, begin a new line block indented

1 and insert:  
2 **"(17) The manufacturer may:**  
3 **(A) own and control both the e-liquid manufacturing**  
4 **process and the bottling process; or**  
5 **(B) subcontract with another manufacturer for the**  
6 **performance of the e-liquid manufacturing service, the**  
7 **bottling services, or both services.**  
8 **However, both the manufacturer performing a service under**  
9 **clause (B) and the manufacturer for which the service is**  
10 **performed must meet the requirements of this chapter."**  
11 Page 10, line 7, delete "moral turpitude or".  
12 Page 11, line 13, delete "IC 7.1-7.5-1;" and insert "**IC 7.1-7-4;**".  
(Reference is to SB 539 as printed February 3, 2015.)

**and when so amended that said bill do pass .**

Committee Vote: Yeas 11, Nays 0.

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**Senator Hershman, Chairperson**