



Reprinted
April 1, 2015

ENGROSSED HOUSE BILL No. 1432

DIGEST OF HB 1432 (Updated March 31, 2015 4:15 pm - DI 110)

Citations Affected: IC 7.1-1; IC 7.1-7.

Synopsis: Regulation of e-liquids. Defines "e-liquid" as a substance that is intended to be vaporized and inhaled using a vapor pen. Requires a manufacturer of e-liquid to obtain a permit from the alcohol and tobacco commission before bottling e-liquid or selling e-liquid to
(Continued next page)

Effective: July 1, 2015.

**Mahan, VanNatter, Morris, Wright, Dermody,
Gutwein, Truitt, Ziemke, Judy, Braun, Eberhart,
McNamara, Kirchhofer, Heaton, Lucas, Carbaugh,
Bacon, DeVon, Ubelhor, Speedy, Lehe, Smith M,
Cherry, Lehman, Miller D, Negele, Klinker,
Summers, Austin, Brown C, Errington, Niezgodski,
Hale, GiaQuinta, Pryor, Torr, Arnold L, Fine,
Olthoff, Wesco, Karickhoff, Cook, Beumer,
Steuerwald, Baird, Davisson, Brown T, Thompson,
Borders, Richardson, Leonard, Price, Lawson L,
Schaibley, Zent**

(SENATE SPONSORS — YODER, ARNOLD J, RANDOLPH)

January 14, 2015, read first time and referred to Committee on Public Policy.
February 19, 2015, amended, reported — Do Pass.
February 23, 2015, read second time, amended, ordered engrossed.
February 24, 2015, engrossed. Read third time, passed. Yeas 85, nays 9.

SENATE ACTION

March 2, 2015, read first time and referred to Committee on Public Policy.
March 5, 2015, reported favorably — Do Pass; reassigned to Committee on Tax & Fiscal Policy.
March 19, 2015, reported favorably — Do Pass.
March 23, 2015, read second time, ordered engrossed. Engrossed.
March 26, 2015, returned to second reading.
March 31, 2015, re-read second time, amended, ordered engrossed.

EH 1432—LS 7390/DI 77



Digest Continued

retailers or distributors. Provides that the initial application for a manufacturing permit must include: (1) plans for the applicant's manufacturing facility; (2) a service agreement between the applicant and a security firm requiring the security firm to certify that the manufacturer meets certain security requirements; and (3) an application fee of \$1,000. Provides that a manufacturer's permit is valid for five years and establishes requirements for permit renewal, including a \$500 permit renewal application fee. Establishes requirements for e-liquid retailers, distributors, and manufacturers. Limits the ingredients that can be used in making e-liquids. Provides for the suspension or revocation of a manufacturer's permit and the assessment of a civil penalty against a manufacturer for a violation of the law. Provides that a retailer who knowingly: (1) sells e-liquid to a minor; (2) sells e-liquid purchased from a manufacturer that does not have a permit; or (3) sells e-liquid that has been altered or tampered with; commits a Class C infraction. Makes other unauthorized actions involving e-liquid a Class A infraction. Authorizes a permit holder to bring a civil action against an e-liquid producer that distributes e-liquid not approved for sale in Indiana.

EH 1432—LS 7390/DI 77



Reprinted
April 1, 2015

First Regular Session 119th General Assembly (2015)

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 2014 Regular Session and 2014 Second Regular Technical Session of the General Assembly.

ENGROSSED HOUSE BILL No. 1432

A BILL FOR AN ACT to amend the Indiana Code concerning alcohol and tobacco.

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

- 1 SECTION 1. IC 7.1-1-3-5.5, AS ADDED BY P.L.94-2008,
2 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2015]: Sec. 5.5. (a) "Applicant", for purposes of
4 IC 7.1-3-18.5, means a person who applies for a tobacco sales
5 certificate.
6 (b) "Applicant", for purposes of IC 7.1-7, has the meaning set
7 forth in IC 7.1-7-2-2.
8 SECTION 2. IC 7.1-1-3-13 IS AMENDED TO READ AS
9 FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 13. ~~Container. The term~~
10 (a) "Container", **except as provided in subsection (b)**, means a
11 receptacle in which an alcoholic beverage is immediately contained
12 and with which the alcoholic beverage contained in it is in immediate
13 contact.
14 (b) "Container", for purposes of IC 7.1-7, has the meaning set
15 forth in IC 7.1-7-2-5.
16 SECTION 3. IC 7.1-1-3-14.5 IS AMENDED TO READ AS

EH 1432—LS 7390/DI 77



1 FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 14.5. ~~Department. The~~
 2 ~~term (a) "Department", except as provided in subsection (b),~~ means
 3 the Indiana Department of State Revenue.

4 **(b) "Department", for purposes of IC 7.1-7, has the meaning set**
 5 **forth in IC 7.1-7-2-7.**

6 SECTION 4. IC 7.1-1-3-15.5, AS ADDED BY P.L.20-2013,
 7 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 8 JULY 1, 2015]: Sec. 15.5. **(a) "Electronic cigarette", except as**
 9 **provided in subsection (b),** has the meaning set forth in
 10 IC 35-46-1-1.5.

11 **(b) "Electronic cigarette", for purposes of IC 7.1-7, has the**
 12 **meaning set forth in IC 7.1-7-2-9.**

13 SECTION 5. IC 7.1-1-3-25 IS AMENDED TO READ AS
 14 FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 25. ~~Minor. The term (a)~~
 15 ~~"Minor", except as provided in subsection (b),~~ means a person less
 16 than twenty-one (21) years of age.

17 **(b) "Minor", for purposes of IC 7.1-7, has the meaning set forth**
 18 **in IC 7.1-7-2-17.**

19 SECTION 6. IC 7.1-1-3-29 IS AMENDED TO READ AS
 20 FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 29. ~~Permit. The term~~
 21 ~~(a) "Permit", except as provided in subsection (b),~~ means a written
 22 authorization issued by the commission entitling its holder to
 23 manufacture, rectify, distribute, transport, sell, or otherwise deal in
 24 alcoholic beverages, all as provided in this title.

25 **(b) "Permit", for purposes of IC 7.1-7, has the meaning set forth**
 26 **in IC 7.1-7-2-18.**

27 SECTION 7. IC 7.1-1-3-30 IS AMENDED TO READ AS
 28 FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 30. ~~Permittee. The term~~
 29 ~~(a) "Permittee", except as provided in subsection (b),~~ means

30 ~~(a) a person who is the holder of a valid permit under this title, and;~~

31 ~~(b) Also includes including~~ an agent, servant, or employee of, or
 32 other person acting on behalf of, a permittee, whenever a permittee is
 33 prohibited from doing a certain act under this title.

34 **(b) "Permittee", for purposes of IC 7.1-7, has the meaning set**
 35 **forth in IC 7.1-7-2-19.**

36 SECTION 8. IC 7.1-1-3-47.5 IS AMENDED TO READ AS
 37 FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 47.5. **(a) "Tobacco**
 38 **product", except as provided in subsection (b),** has the meaning set
 39 forth in IC 7.1-6-1-3.

40 **(b) "Tobacco product", for purposes of IC 7.1-3-18.5, means a**
 41 **product that:**

42 **(1) contains tobacco, including e-liquid (as defined by**



1 **IC 7.1-7-2-10) that contains tobacco; and**
 2 **(2) is intended for human consumption.**
 3 SECTION 9. IC 7.1-7 IS ADDED TO THE INDIANA CODE AS A
 4 **NEW ARTICLE TO READ AS FOLLOWS [EFFECTIVE JULY 1,**
 5 **2015]:**
 6 **ARTICLE 7. VAPOR PENS AND E-LIQUID**
 7 **Chapter 1. Applicability and Purpose**
 8 **Sec. 1. This article applies to the following:**
 9 (1) **The commercial manufacturing, bottling, selling,**
 10 **bartering, or importing of e-liquid in Indiana.**
 11 (2) **The sale, possession, and use of e-liquid products in**
 12 **Indiana.**
 13 **Sec. 2. The purpose of this article is, in the absence of federal**
 14 **regulations, to protect public health and safety by:**
 15 (1) **ensuring the safety and security of e-liquid manufactured**
 16 **for sale in Indiana;**
 17 (2) **ensuring that e-liquid manufactured or sold in Indiana**
 18 **conforms to appropriate standards of identity, strength,**
 19 **quality, and purity; and**
 20 (3) **ensuring that e-liquid is not contaminated or adulterated**
 21 **by the inclusion of ingredients or other substances that might**
 22 **pose unreasonable threats to public health and safety.**
 23 **Sec. 3. This article does not limit the powers or duties of the**
 24 **commission under IC 7.1-2.**
 25 **Sec. 4. This article may not be construed to restrict or limit any**
 26 **law under IC 35-48.**
 27 **Chapter 2. Definitions**
 28 **Sec. 1. The definitions contained in this chapter apply**
 29 **throughout this article unless the context clearly requires**
 30 **otherwise.**
 31 **Sec. 2. "Applicant" means a person who applies for a permit**
 32 **under this article.**
 33 **Sec. 3. "Audit" means a procedure performed by the**
 34 **commission, including inspection of manufacturing facilities and**
 35 **preparation areas, review of required records, compliance checks,**
 36 **and auditing of samples of e-liquid.**
 37 **Sec. 4. "Clean room" refers to the part of an e-liquid**
 38 **manufacturing facility where:**
 39 (1) **the mixing, bottling, and packaging activities are**
 40 **conducted in secure and sanitary conditions in a space that is**
 41 **kept in repair sufficient to prevent e-liquid from becoming**
 42 **contaminated;**



- 1 (2) equipment used in the manufacturing process is easily
2 cleanable, as defined in 410 IAC 7-24-27(a), in such a way that
3 it protects against contamination of e-liquid, e-liquid
4 containers, or e-liquid packaging materials; and
5 (3) the cleaning and sanitizing of equipment is consistent with
6 the Indiana standards for public health and cleanliness that
7 apply to commercial kitchens in the state.
- 8 Sec. 5. "Container" means any receptacle that contains e-liquid.
- 9 Sec. 6. "Cooperative" means any group of people who join
10 together to manufacture e-liquids.
- 11 Sec. 7. "Department" means the Indiana state department of
12 health.
- 13 Sec. 8. "Distributor" means a person who is licensed under
14 IC 6-7-2-8 that:
- 15 (1) distributes, sells, barter, or exchanges e-liquid in Indiana
16 to retail dealers for the purpose of resale; or
17 (2) purchases e-liquid directly from a manufacturer for the
18 purpose of resale.
- 19 Sec. 9. "Electronic cigarette" means a powered vaporizer that:
- 20 (1) is the size and shape of a traditional cigarette;
21 (2) uses a sealed nonrefillable cartridge containing not more
22 than four (4) milliliters of a liquid; and
23 (3) is intended to be vaporized and inhaled.
- 24 The term does not include a vapor pen.
- 25 Sec. 10. "E-liquid" means a substance that:
- 26 (1) is intended to be vaporized and inhaled using a vapor pen;
27 and
28 (2) specifically excludes substances contained in nonrefillable
29 sealed cartridges of four (4) milliliters or less used in
30 electronic cigarettes.
- 31 Sec. 11. "Employee" means a person who works directly in the
32 service of another person under an express or implied contract of
33 hire, and the employer has the direct right to control the details of
34 work performance. The term does not include a person who works
35 for any independent subcontractor, temporary service provider, or
36 an entity or person not under the direct full control of the
37 employer.
- 38 Sec. 12. "Flavorings" means a food grade additive or synthetic
39 flavoring substance that is used to add flavor, that is approved by
40 the federal Food and Drug Administration as a permissible
41 flavoring, and that is not prohibited by law.
- 42 Sec. 13. "Key system" means a licensed or patented key design



1 used to prevent unauthorized duplication of keys for use in high
 2 security installations, and that is prospectively exclusive to the
 3 security firm for a period of at least ten (10) years.

4 Sec. 14. "Locksmith" means a person who, or a firm that
 5 employs at least one (1) employee who, for the previous one (1)
 6 year period has been certified as a certified professional locksmith
 7 by the Associated Locksmiths of America.

8 Sec. 15. "Manufacturer" means a person or cooperative, located
 9 inside or outside Indiana, that is engaged in manufacturing
 10 e-liquid.

11 Sec. 16. "Manufacturing" means the process by which an
 12 e-liquid is mixed, bottled, packaged, and stored.

13 Sec. 17. "Minor" means an individual who is less than eighteen
 14 (18) years of age.

15 Sec. 18. "Permit" means a written authorization issued by the
 16 commission entitling the holder to manufacture, sell, or otherwise
 17 deal in e-liquid, as provided in this article.

18 Sec. 19. "Permittee" means a person who holds a valid permit
 19 under this article, including an agent of, employee of, or other
 20 person acting on behalf of, a permittee.

21 Sec. 20. "Quick response code" means a two (2) dimensional bar
 22 code that is used to provide easy access to information through a
 23 smartphone or other electronic mobile device.

24 Sec. 21. "Retailer" means a person, other than a manufacturer,
 25 who in the ordinary course of the person's regular trade or
 26 business:

- 27 (1) acquires any form of e-liquid for the purpose of resale;
- 28 and
- 29 (2) transfers the e-liquid to another person for money or other
- 30 consideration.

31 Sec. 22. "Security firm" means an entity that:

- 32 (1) is independent from an applicant and manufacturer;
- 33 (2) has experience in the security business; and
- 34 (3) as of July 1, 2015:
 - 35 (A) meets the qualifications under IC 7.1-7-4-1(d)(3);
 - 36 (B) is a locksmith; and
 - 37 (C) provides services necessary to ensure the safety and
 - 38 security of e-liquid manufactured for sale in Indiana.

39 Sec. 23. "Vapor pen" means a powered vaporizer, other than an
 40 electronic cigarette, that converts e-liquid to a vapor intended for
 41 inhalation.

42 Chapter 3. Duties and Responsibilities of the Alcohol and



1 **Tobacco Commission**

2 **Sec. 1. The commission is responsible for the enforcement and**
 3 **administration of this article.**

4 **Sec. 2. (a) The commission has the following duties and**
 5 **responsibilities:**

6 (1) **To require the submission of information reports, plans,**
 7 **and specifications that are necessary to implement this article.**

8 (2) **To issue permits.**

9 (3) **To charge fees as set forth in this article. The fees charged**
 10 **under this subdivision may not exceed the actual costs**
 11 **incurred by the commission.**

12 (4) **To audit facilities that manufacture or sell e-liquid.**

13 (5) **To audit random samples maintained by the manufacturer**
 14 **to ensure the safety and quality of the e-liquid and that the**
 15 **e-liquid meets the requirements in this article.**

16 (6) **To ensure, in coordination with the department, that the**
 17 **e-liquid manufactured or sold in Indiana conforms to**
 18 **appropriate standards of identity, strength, quality, and**
 19 **purity.**

20 (7) **To approve not less than three (3) different independent**
 21 **testing laboratories to which a manufacturer may choose to**
 22 **send any e-liquid sample for testing, at the manufacturer's**
 23 **expense, as part of any audit, as directed by the commission.**

24 (b) **All records subject to audit by the commission under**
 25 **subsection (a) are declared confidential for the purposes of**
 26 **IC 5-14-3-4(a)(1) and are not subject to inspection or copying by**
 27 **the public.**

28 **Sec. 3. (a) Not later than December 31, 2015, the commission**
 29 **shall adopt rules under IC 4-22-2, including emergency rules under**
 30 **IC 4-22-2-37.1, to implement this article.**

31 (b) **The commission shall adopt rules as described in subsection**
 32 **(a) to establish minimum eligibility requirements for testing**
 33 **e-liquids under this article.**

34 **Chapter 4. Permit Requirements**

35 **Sec. 1. (a) A manufacturer of e-liquid shall obtain a permit from**
 36 **the commission before mixing, bottling, packaging, or selling**
 37 **e-liquid to retailers or distributors in Indiana.**

38 (b) **The commission shall accept initial applications and issue**
 39 **manufacturing permits until June 30, 2016.**

40 (c) **A manufacturing permit issued by the commission is valid**
 41 **for five (5) years.**

42 (d) **An initial application for a manufacturing permit must**



- 1 include the following:
- 2 (1) Plans for the construction and operation of the
- 3 manufacturing facility that demonstrate that the facility
- 4 design is:
- 5 (A) designed to include a clean room space where all
- 6 mixing, bottling, and packaging activities will occur; and
- 7 (B) capable of meeting all of the security requirements
- 8 contained in this article.
- 9 (2) A service agreement that:
- 10 (A) the applicant has entered into with a security firm;
- 11 (B) is valid for a period of five (5) years after the date of
- 12 the permit application;
- 13 (C) provides for the security firm to provide service and
- 14 support to meet the security requirements established by
- 15 this article;
- 16 (D) requires the security firm to certify that the
- 17 manufacturer meets all requirements set forth in
- 18 IC 7.1-7-4-6(10) through IC 7.1-7-4-6(15);
- 19 (E) prohibits the security firm from withholding its
- 20 certification as described in clause (D) because the security
- 21 equipment of the applicant is not sold by or proprietary to
- 22 the security firm; and
- 23 (F) is renewable for the entire length of time that the
- 24 applicant holds a permit issued by the commission.
- 25 (3) Verified documents satisfactory to the commission from
- 26 the security firm demonstrating that the security firm meets
- 27 the following requirements:
- 28 (A) The security firm has continuously employed not less
- 29 than one (1) employee for not less than the previous one (1)
- 30 year period who is accredited or certified by both:
- 31 (i) the Door and Hardware Institute as an Architectural
- 32 Hardware Consultant; and
- 33 (ii) the International Door Association as a certified
- 34 Rolling Steel Fire Door Technician.
- 35 (B) The security firm has at least one (1) year of
- 36 commercial experience, in the preceding year, with the
- 37 following:
- 38 (i) Video surveillance system design and installation with
- 39 remote viewing capability from a secure facility.
- 40 (ii) Owning and operating a security monitoring station
- 41 with ownership control and use of a redundant offsite
- 42 backup security monitoring station.



- 1 (iii) Operating a facility that modifies commercial hollow
2 metal doors, frames, and borrowed lights with
3 authorization to apply the Underwriters Laboratories
4 label.
- 5 (4) The name, telephone number, and address of the
6 applicant.
- 7 (5) The name, telephone number, and address of the
8 manufacturing facility.
- 9 (6) The projected output in liters per year of e-liquid of the
10 manufacturing facility.
- 11 (7) The name, telephone number, title, and address of the
12 person responsible for the manufacturing facility.
- 13 (8) Verification that the facility will comply with proper
14 manufacturing processes.
- 15 (9) Written consent allowing the state police department to
16 conduct a state or national criminal history background check
17 on any person listed on the application.
- 18 (10) Written consent allowing the commission, after a permit
19 is issued to the applicant, to enter during normal business
20 hours the premises where the e-liquid is manufactured to
21 conduct physical inspections, sample the product to ensure the
22 e-liquid meets the requirements for e-liquid set forth in this
23 article, and perform an audit.
- 24 (11) A nonrefundable initial application fee of one thousand
25 dollars (\$1,000).
- 26 (12) Any other information required by the commission for
27 purposes of administering this article.
- 28 Sec. 2. (a) A manufacturing permit that is renewed by the
29 commission is valid for five (5) years.
- 30 (b) A renewal application for a manufacturing permit must
31 include the following:
- 32 (1) The name, telephone number, and address of the
33 applicant.
- 34 (2) The name, telephone number, and address of the
35 manufacturing facility.
- 36 (3) The annual output in liters of e-liquid of the
37 manufacturing facility for the five (5) years preceding the
38 year of the application.
- 39 (4) The name, telephone number, title, and address of the
40 person responsible for the manufacturing facility.
- 41 (5) Certification by the applicant that the applicant will
42 continue to use the security protocol approved by the



1 commission with the applicant's initial application. However,
2 if the applicant desires to change the previously approved
3 security protocol, the applicant shall submit the suggested
4 changes to the commission for approval.

5 (6) Certification by the security firm with which the
6 manufacturer has a security agreement that the manufacturer
7 meets all security requirements set forth in section 6(10)
8 through 6(15) of this chapter and that the security firm will
9 not withhold its certification because the security equipment
10 of the manufacturer is not sold by or proprietary to the
11 security firm.

12 (7) Verification that the facility uses proper manufacturing
13 processes.

14 (8) Written consent allowing the state police department to
15 conduct a state or national criminal history background check
16 on any person listed on the application.

17 (9) Written consent allowing the commission, if a permit is
18 renewed to the applicant, to enter the premises where the
19 e-liquid is manufactured to conduct physical inspections,
20 sample the product to ensure the e-liquid meets the
21 requirements of e-liquid set forth in this article, and perform
22 an audit.

23 (10) A nonrefundable renewal application fee of five hundred
24 dollars (\$500).

25 (11) Any other information required by the commission for
26 purposes of administering this article.

27 **Sec. 3.** The security protocol that is employed at the applicant's
28 facility is confidential under IC 5-14-3-4.

29 **Sec. 4. (a)** A permit may not be transferred:

30 (1) from the permit holder to another person; or

31 (2) from the location where the permit was approved or
32 renewed to another location;

33 unless approved by the commission.

34 (b) The commission shall allow a permit to be transferred under
35 subsection (a) if the permit has not been suspended or revoked and
36 the new permit holder or location meets the requirements under
37 this article.

38 **Sec. 5.** If the information required for the initial or renewal
39 permit changes, the permit holder shall notify the commission
40 within ten (10) business days of the change. If any change in the
41 information required for an application results in a violation of this
42 article, the commission may impose a penalty as provided in this



- 1 article.
2 **Sec. 6. A manufacturing facility shall comply with the following**
3 **requirements:**
4 **(1) An e-liquid container must use a child proof cap that has**
5 **the child resistant effectiveness set forth in 16 CFR**
6 **1700.15(b)(1).**
7 **(2) An e-liquid container must be secured using either ring**
8 **seals or plastic wrap.**
9 **(3) The label on an e-liquid container must identify the active**
10 **ingredients.**
11 **(4) The label must include a separate designation if the**
12 **product contains nicotine.**
13 **(5) The label or container must include a:**
14 **(A) batch number; and**
15 **(B) means for the commission to obtain the manufacturing**
16 **date.**
17 **(6) The label must include a scannable code, including a quick**
18 **response code, tied to the batch number as prescribed by the**
19 **commission.**
20 **(7) An e-liquid container must be distributed and sold within**
21 **two (2) years of the date of manufacture.**
22 **(8) The manufacturing facility must conduct all mixing,**
23 **bottling, and packaging activities in a clean room.**
24 **(9) The manufacturer must take reasonable steps to ensure**
25 **that an unauthorized ingredient is not included in any e-liquid**
26 **produced for sale in Indiana.**
27 **(10) The manufacturer must take reasonable steps to ensure**
28 **that all ingredients used in the production of e-liquid are**
29 **stored in a secure area accessible only by authorized**
30 **personnel.**
31 **(11) The manufacturer shall have a remotely monitored**
32 **security system at the facility in areas where e-liquid is mixed,**
33 **bottled, packaged, and stored.**
34 **(12) The manufacturer shall have an exclusive high security**
35 **key system that limits access to areas where e-liquid is mixed,**
36 **bottled, packaged, and stored to authorized personnel only.**
37 **(13) The manufacturer's facility must be subject to**
38 **twenty-four (24) hour video recording where e-liquid is**
39 **mixed, bottled, packaged, and stored. The video recordings**
40 **must be retained for at least thirty (30) days.**
41 **(14) The manufacturer must take reasonable steps to ensure**
42 **that only authorized personnel have access to secured areas of**



1 the facility where e-liquid is mixed, bottled, and packaged.

2 (15) The manufacturer must store and maintain three (3) ten
3 (10) milliliter sample bottles from each production batch of
4 more than two (2) liters for a period of not less than three (3)
5 years in a secure, limited access area with recorded video
6 surveillance.

7 (16) The manufacturer must submit to random audits of the
8 facility and the manufacturer's samples and records by the
9 commission.

10 (17) The manufacturer must submit to random site visits by
11 the commission.

12 (18) The manufacturer may:

13 (A) own and control both the e-liquid manufacturing
14 process and the bottling process; or

15 (B) subcontract with another manufacturer for the
16 performance of the e-liquid manufacturing service, the
17 bottling services, or both services.

18 However, both the manufacturer performing a service under
19 clause (B) and the manufacturer for which the service is
20 performed must meet the requirements of this article.

21 (19) The manufacturer or any person listed on the permit
22 application may not have been convicted of a felony or an
23 offense involving a controlled substance.

24 Sec. 7. (a) On receipt of a completed permit application, the
25 commission shall forward a copy of the application to the state
26 police department. The state police department shall perform a
27 state or national criminal history background check of the
28 applicant and return the application to the commission along with
29 the state police department's findings from the state or national
30 background check. The applicant is responsible for the cost of a
31 state or national criminal history background check conducted
32 under this article.

33 (b) The commission shall review the permit application after it
34 is returned from the state police department under subsection (a).
35 The commission shall grant or deny a completed application for a
36 permit within sixty (60) days of receipt of the application. If the
37 commission determines that:

38 (1) all the requirements under this article have been met; and

39 (2) the applicant has not been convicted of a felony involving
40 a controlled substance;

41 the commission shall approve the application for issuance of the
42 permit.



1 (c) If the completed application for a permit is denied, the
 2 commission must state the reasons for the denial. If a completed
 3 application is denied under this section, the applicant may reapply
 4 within thirty (30) days after the date of the denial. There is no
 5 application fee for a reapplication under this subsection.

6 Chapter 5. Manufacturing and Safety Requirements

7 Sec. 1. (a) E-liquid distributed and sold within Indiana may be
 8 comprised of any of the following ingredients:

9 (1) Vegetable glycerol or vegetable glycerin.

10 (2) Propylene glycol.

11 (3) Nicotine.

12 (4) Flavorings.

13 (5) Water.

14 (6) Other ingredients approved by the department under
 15 section 2 of this chapter or any ingredient specifically
 16 approved for inclusion in e-liquid by the federal Food and
 17 Drug Administration.

18 (b) A person may not purchase, sell, use, or possess any
 19 substance intended to be vaporized and inhaled in a vapor pen that
 20 contains any ingredient other than an ingredient allowed under
 21 subsection (a).

22 (c) All e-liquid retailers, distributors, and manufacturers who
 23 mix, bottle, or sell e-liquid in Indiana before July 1, 2015, shall,
 24 before July 1, 2016:

25 (1) sell or remove from retail all inventory of e-liquid
 26 manufactured before July 1, 2015, that was not
 27 manufactured, mixed, bottled, packaged, stored, or sold in
 28 compliance with this article; or

29 (2) acquire:

30 (A) a valid tobacco sales certificate issued by the
 31 commission in accordance with IC 7.1-3-18.5-1 that
 32 contains a separate box to check for identifying a retailer
 33 that sells e-liquids;

34 (B) an e-liquid manufacturing permit issued under
 35 IC 7.1-7-4; or

36 (C) a distributor's license issued under IC 6-7-2-8.

37 Sec. 2. (a) A manufacturer of e-liquid may file a request with the
 38 department for approval of an ingredient to be allowed in the
 39 composition of e-liquid.

40 (b) The department may approve the request filed under
 41 subsection (a) if the department determines that the ingredient will
 42 not pose an unreasonable threat to public health and safety.



1 **Chapter 6. Violations and Penalties**

2 **Sec. 1. (a) If a manufacturer violates this article, the**
 3 **manufacturer may be reprimanded, assessed a civil penalty, or**
 4 **have the manufacturer's permit suspended. In the case of gross or**
 5 **willful misconduct, the permit holder may have the manufacturer's**
 6 **permit suspended for a period of up to one (1) year. At the end of**
 7 **the suspension period, the manufacturer may apply to the**
 8 **commission for reinstatement of the permit.**

9 **(b) The commission may assess a civil penalty against a**
 10 **manufacturer for a violation of this article in an amount that does**
 11 **not exceed ten thousand dollars (\$10,000). A civil penalty may be**
 12 **assessed in addition to other penalties allowed under this article.**

13 **Sec. 2. (a) If a retailer knowingly sells e-liquid:**

14 **(1) to a minor;**

15 **(2) purchased from a manufacturer that does not have a**
 16 **permit; or**

17 **(3) that has been altered or tampered with;**

18 **the retailer commits a Class C infraction. For a sale to take place**
 19 **under this section, the buyer must pay the retail establishment for**
 20 **the e-liquid.**

21 **(b) Notwithstanding IC 34-28-5-4(c), a civil judgment for an**
 22 **infraction committed under this section must be imposed as**
 23 **follows:**

24 **(1) If the retail establishment at that specific business location**
 25 **has not been issued a citation or summons for a violation of**
 26 **this section in the previous one hundred eighty (180) days, a**
 27 **civil penalty of up to two hundred dollars (\$200).**

28 **(2) If the retail establishment at that specific business location**
 29 **has had one (1) citation or summons issued for a violation of**
 30 **this section in the previous one hundred eighty (180) days, a**
 31 **civil penalty of up to four hundred dollars (\$400).**

32 **(3) If the retail establishment at that specific business location**
 33 **has had two (2) citations or summonses issued for a violation**
 34 **of this section in the previous one hundred eighty (180) days,**
 35 **a civil penalty of up to seven hundred dollars (\$700).**

36 **(4) If the retail establishment at that specific business location**
 37 **has had three (3) or more citations or summonses issued for**
 38 **a violation of this section in the previous one hundred eighty**
 39 **(180) days, a civil penalty of up to one thousand dollars**
 40 **(\$1,000).**

41 **A retail establishment may not be issued a citation or summons for**
 42 **a violation of this section more than once every twenty-four (24)**



- 1 hours for each specific business location.
- 2 (c) It is not a defense that the person to whom e-liquid was sold
3 or distributed did not inhale or otherwise consume e-liquid.
- 4 (d) The following defenses are available to a retail establishment
5 accused of selling or distributing e-liquid to a person who is less
6 than eighteen (18) years of age:
- 7 (1) The buyer or recipient produced a driver's license bearing
8 the purchaser's or recipient's photograph showing that the
9 purchaser or recipient was of legal 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 showing that the purchaser or recipient was of
14 legal age to make the purchase.
- 15 (3) The appearance of the purchaser or recipient was such
16 that an ordinary prudent person would believe that the
17 purchaser or recipient was not less than the age that complies
18 with regulations promulgated by the federal Food and Drug
19 Administration.
- 20 (e) It is a defense that the accused retail establishment sold or
21 delivered e-liquid to a person who acted in the ordinary course of
22 employment or a business concerning e-liquid:
- 23 (1) agriculture;
24 (2) processing;
25 (3) transporting;
26 (4) wholesaling; or
27 (5) retailing.
- 28 (f) As used in this section, "distribute" means to give e-liquid to
29 another person as a means of promoting, advertising, or marketing
30 e-liquid to the general public.
- 31 (g) Unless a person buys or receives e-liquid under the direction
32 of a law enforcement officer as part of an enforcement action, a
33 retail establishment that sells or distributes e-liquid is not liable for
34 a violation of this section unless the person less than eighteen (18)
35 years of age who bought or received the e-liquid is issued a citation
36 or summons in violation of this article.
- 37 (h) Notwithstanding IC 34-28-5-5(c), civil penalties collected
38 under this section must be deposited in the Richard D. Doyle youth
39 tobacco education and enforcement fund (IC 7.1-6-2-6).
- 40 (i) A person who violates subsection (a) at least six (6) times in
41 any one hundred eighty (180) day period commits habitual illegal
42 sale of e-liquid, a Class B infraction.



1 **Sec. 3. (a) Except as otherwise permitted by this article, a person**
2 **may not purchase, receive, manufacture, import, or transport, or**
3 **cause to be imported or transported from another state, territory,**
4 **or country into Indiana, or transport, ship, barter, give away,**
5 **exchange, furnish, or otherwise handle or dispose of e-liquid, or to**
6 **possess e-liquid for purpose of sale.**

7 **(b) A person may not knowingly receive or acquire e-liquid**
8 **from a person or authorized distributor who does not hold a valid**
9 **permit under this article to sell, deliver, furnish, or give the**
10 **e-liquid.**

11 **(c) A person who violates this section commits a Class A**
12 **infraction.**

13 **Sec. 4. (a) A permittee may bring a civil action against any:**

14 **(1) producer of e-liquid; or**

15 **(2) other person or entity;**

16 **that distributes an e-liquid not approved for sale in Indiana to a**
17 **retailer for the purposes of resale.**

18 **(b) A permittee may bring the civil action described in**
19 **subsection (a) in a court with jurisdiction in Indiana:**

20 **(1) based on a violation of this article or the rules adopted by**
21 **the commission to enjoin the violation; and**

22 **(2) to recover for actual monetary loss from the violation.**

23 **The court shall award attorney's fees to the prevailing party.**



COMMITTEE REPORT

Mr. Speaker: Your Committee on Public Policy, to which was referred House Bill 1432, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 3, line 33, delete "and".

Page 3, line 34, delete "the cleaning and sanitizing of".

Page 3, line 34, after "equipment" insert **"used in the manufacturing process is easily cleanable as defined in 410 IAC 7-24-27(a), in such a way that it"**.

Page 3, line 36, delete "." and insert **"; and**

(3) the cleaning and sanitizing of equipment is consistent with the Indiana standards for public health and cleanliness that apply to commercial kitchens in the state."

Page 3, line 37, delete "refillable and unsealed receptacles" and insert **"any receptacle that contains e-liquid."**

Page 3, delete lines 38 through 41.

Page 3, between lines 41 and 42, begin a new paragraph and insert: **"Sec. 5.5. "Cooperative" means a group of people."**

Page 4, between lines 1 and 2, begin a new paragraph and insert:

"Sec. 6.5. "Distributor" means a person who is licensed under IC 6-7-2-8 that:

(1) distributes, sells, barters, or exchanges e-liquid in Indiana to retail dealers for the purpose of resale; or

(2) purchases e-liquid directly from the manufacturer for the purpose of resale."

Page 4, line 5, delete "two (2)" and insert **"four (4)"**.

Page 4, line 8, delete "is".

Page 4, line 9, after "(1)" insert **"is"**.

Page 4, line 11, delete "manufactured and sold in a refillable or unsealed" and insert **"specifically excludes substances contained in non-refillable sealed cartridges of four (4) milliliters or less used in e-cigarettes."**

Page 4, delete line 12.

Page 4, line 28, delete "a:" and insert **"both of the following:"**.

Page 4, line 29, after "(1)" insert **"a"**.

Page 4, line 30, after "(2)" insert **"a"**.

Page 4, line 32, after "person" insert **"or cooperative, located inside or outside of Indiana,"**.

Page 5, line 11, delete "and that:" and insert **"who as of July 1, 2015:"**.

EH 1432—LS 7390/DI 77



Page 5, line 27, delete "and charge fees".

Page 5, between lines 28 and 29, begin a new line block indented and insert:

(4) To charge fees to cover the costs of administering this article, but not to exceed the actual costs of the commission."

Page 5, line 29, delete "(4)" and insert "(5)".

Page 5, line 29, delete "take" and insert "audit".

Page 5, line 29, after "samples" insert **"maintained by the manufacturer"**.

Page 5, line 32, delete "(5)" and insert "(6)".

Page 5, between lines 35 and 36, begin a new line block indented and insert:

"(7) To approve not less than three (3) different independent testing laboratories to which a manufacturer may choose to send any e-liquid sample for testing, at the manufacturer's expense, as part of any audit, as directed by the commission."

Page 5, line 41, after "e-liquid" insert **"to retailers or distributors"**.

Page 6, delete lines 9 through 10, begin a new line double block indented and insert:

"(A) designed to include a clean room space where all mixing, bottling, and packaging activities will occur; and".

Page 6, line 18, after "commission." insert **"The security firm shall certify that the manufacturer meets all security requirements found in section 6(10) through 6(15) of this chapter."**

Page 6, line 19, delete "Documentation" and insert **"Verified documents satisfactory to the commission"**.

Page 6, line 23, delete "by:" and insert **"by both:"**.

Page 7, line 2, delete "gallons" and insert **"liters"**.

Page 7, line 12, after "premises" insert **"during normal business hours"**.

Page 7, line 17, delete "five" and insert **"one"**.

Page 7, line 18, delete "(\$5,000)." and insert **"(\$1,000)."**

Page 7, line 28, delete "gallons" and insert **"liters"**.

Page 7, between lines 37 and 38, begin a new line block indented and insert:

"(6) The security firm shall certify that the manufacturer meets all security requirements found in section 6(10) through 6(15) of this chapter."

Page 7, line 38, delete "(6)" and insert "(7)".

Page 7, line 40, delete "(7)" and insert "(8)".

Page 8, line 1, delete "(8)" and insert "(9)".

Page 8, line 7, delete "(9)" and insert "(10)".



Page 8, line 7, delete "one thousand" and insert "**five hundred**".

Page 8, line 8, delete "(\$1,000)." and insert "**(\$500)**".

Page 8, line 9, delete "(10)" and insert "**(11)**".

Page 8, line 11, delete "confidential and not a public record under IC 5-14-3-4." and insert "**confidential**".

Page 8, line 42, delete "comply with reasonable" and insert "**conduct all mixing, bottling, and packaging activities in a clean room**".

Page 9, delete lines 1 through 2.

Page 9, line 10, delete "manufacturer's security firm" and insert "**manufacturer**".

Page 9, line 10, delete "install" and insert "**have**".

Page 9, line 13, delete "manufacturer's security firm" and insert "**manufacturer**".

Page 9, line 13, delete "install" and insert "**have**".

Page 9, line 18, delete "with remote viewing".

Page 9, line 19, delete "capability in areas".

Page 9, between lines 24 and 25, begin a new line block indented and insert:

"(15) The manufacturer must store and maintain three (3) ten (10) milliliter sample bottles from each production batch for a period of not less than three (3) years in a secure, limited access area with recorded video surveillance."

Page 9, line 25, delete "(15)" and insert "**(16)**".

Page 9, line 27, delete "(16)" and insert "**(17)**".

Page 9, line 29, delete "(17)" and insert "**(18)**".

Page 9, line 29, delete "must" and insert "**may**".

Page 9, line 30, after "bottling process" insert "**or subcontract with another manufacturer to perform these services. All manufacturers must meet the requirements of this chapter**".

Page 9, line 31, delete "(18)" and insert "**(19)**".

Page 9, line 33, delete "moral turpitude or".

Page 10, line 23, delete "chapter." and insert "**chapter or any ingredient specifically approved for inclusion in e-liquid by the federal Food and Drug Administration**".

Page 10, between lines 27 and 28, begin a new paragraph and insert:

"(c) All e-liquid retailers, distributors, and manufacturers who mix, bottle, or sell in Indiana prior to July 1, 2015, shall have until July 1, 2016, to:

- (1) sell or remove from retail all inventory of e-liquid manufactured prior to July 1, 2015; and**
- (2) acquire either a valid tobacco sales certificate issued by**



the commission in accordance with IC 7.1-3-18.5-1, an e-liquid manufacturing permit issued under IC 7.1-7-4-1, or a distributor's license issued under IC 6-7-2-8."

Page 12, line 41, after "person" insert "**or authorized distributor**".
and when so amended that said bill do pass.

(Reference is to HB 1432 as introduced.)

DERMODY

Committee Vote: yeas 9, nays 2.

HOUSE MOTION

Mr. Speaker: I move that House Bill 1432 be amended to read as follows:

Page 2, line 5, delete "7.1-7-2-6." and insert "**7.1-7-2-7.**".

Page 2, line 12, delete "7.1-7-2-7." and insert "**7.1-7-2-9.**".

Page 2, line 18, delete "7.1-7-2-15." and insert "**7.1-7-2-17.**".

Page 2, line 26, delete "7.1-7-2-16." and insert "**7.1-7-2-18.**".

Page 2, line 35, delete "7.1-7-2-17." and insert "**7.1-7-2-19.**".

Page 3, line 1, delete "7.1-7-2-8);" and insert "**7.1-7-2-10) that contains tobacco;**".

Page 3, line 7, after "Applicability" insert "**and Purpose**".

Page 3, between lines 12 and 13, begin a new paragraph and insert:
"Sec. 2. The purpose of this article is, in the absence of federal regulations, to protect public health and safety by:

(1) ensuring the safety and security of e-liquid manufactured for sale in Indiana;

(2) ensuring that e-liquid manufactured or sold in Indiana conforms to appropriate standards of identity, strength, quality, and purity; and

(3) ensuring that e-liquid is not contaminated or adulterated by the inclusion of ingredients or other substances that might pose unreasonable threats to public health and safety."

Page 3, line 13, delete "Sec. 2." and insert "**Sec. 3.**".

Page 3, line 15, delete "Sec. 3." and insert "**Sec. 4.**".

Page 3, line 26, delete "review of personnel working knowledge and training,".

Page 3, line 26, delete "taking" and insert "**auditing of**".

Page 3, line 35, delete "cleanable" and insert "**cleanable,**".



Page 3, line 36, delete "is conducted in a manner that reasonably".

Page 4, line 1, delete "Sec. 5.5." and insert "**Sec. 6.**".

Page 4, line 1, delete "a" and insert "**any**".

Page 4, line 1, delete "people." and insert "**people who join together to satisfy the requirements set forth in IC 7.1-7-4-6.**".

Page 4, line 2, delete "Sec. 6." and insert "**Sec. 7.**".

Page 4, line 4, delete "Sec. 6.5." and insert "**Sec. 8.**".

Page 4, line 8, after "from" delete "the" and insert "**a**".

Page 4, line 10, delete "Sec. 7." and insert "**Sec. 9.**".

Page 4, line 16, delete "Sec. 8." and insert "**Sec. 10.**".

Page 4, line 22, delete "Sec. 9." and insert "**Sec. 11.**".

Page 4, line 29, delete "Sec. 10." and insert "**Sec. 12.**".

Page 4, line 29, delete "certified".

Page 4, line 29, after "additive" insert "**or synthetic flavoring substance that is**".

Page 4, line 30, delete "flavor" and insert "**flavor, that is approved by the federal Food and Drug Administration as a permissible flavoring,**".

Page 4, line 31, delete "Sec. 11." and insert "**Sec. 13.**".

Page 4, delete lines 35 through 40, begin a new paragraph and insert:

"Sec. 14. "Locksmith" means a person who, or a firm that employs at least one (1) employee who, for the previous one (1) year period has been certified as a certified professional locksmith by the Associated Locksmiths of America."

Page 4, line 41, delete "Sec. 13." and insert "**Sec. 15.**".

Page 4, line 42, delete "of".

Page 4, line 42, delete "who has been issued a permit." and insert "**that is engaged in manufacturing e-liquid.**".

Page 5, line 1, delete "Sec. 14." and insert "**Sec. 16.**".

Page 5, line 3, delete "Sec. 15." and insert "**Sec. 17.**".

Page 5, line 5, delete "Sec. 16." and insert "**Sec. 18.**".

Page 5, line 8, delete "Sec. 17." and insert "**Sec. 19.**".

Page 5, line 11, delete "Sec. 18." and insert "**Sec. 20.**".

Page 5, delete lines 18 through 24, begin a new paragraph and insert:

"Sec. 21. "Security firm" means an entity that:

- (1) is independent from an applicant and manufacturer;**
- (2) has experience in the security business; and**
- (3) as of July 1, 2015:**
 - (A) meets the qualifications under IC 7.1-7-4-1(d)(3);**
 - (B) is a locksmith; and**



(C) provides services necessary to ensure the safety and security of e-liquid manufactured for sale in Indiana."

Page 5, line 25, delete "Sec. 20." and insert "**Sec. 22.**".

Page 5, line 32, after "Sec. 2." insert "**(a)**".

Page 5, delete line 37.

Page 5, line 38, delete "(4)" and insert "**(3)**".

Page 5, line 39, delete "article, but not to exceed the actual cost of the commission." and insert "**article. The fees charged under this subdivision may not exceed the actual costs incurred by the commission.**".

Page 5, between lines 39 and 40, begin a new line block indented and insert:

"(4) To audit facilities that manufacture or sell e-liquid."

Page 6, between lines 8 and 9, begin a new paragraph and insert:

"(b) All records subject to audit by the commission under subsection (a) are declared confidential for the purposes of IC 5-14-3-4(a)(1) and are not subject to inspection or copying by the public."

Page 6, delete lines 28 through 36, begin a new line block indented and insert:

"(2) A service agreement that:

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

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

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

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

(E) prohibits the security firm from withholding its certification as described in clause (D) because the security equipment of the applicant is not sold by or proprietary to the security firm; and

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

Page 7, line 31, delete "the premises".

Page 7, line 32, after "hours" insert "**the premises**".

Page 8, line 15, delete "The" and insert "**Certification by the**".

Page 8, line 15, delete "shall certify" and insert "**with which the manufacturer has a security agreement**".

Page 8, line 16, delete "found" and insert "**set forth**".



Page 8, line 17, delete "chapter." and insert "**chapter and that the security firm will not withhold its certification because the security equipment of the manufacturer is not sold by or proprietary to the security firm.**".

Page 8, line 33, delete "confidential." and insert "**confidential under IC 5-14-3-4.**".

Page 9, line 3, delete "three (3)" and insert "**ten (10)**".

Page 9, line 19, delete "proscribed" and insert "**prescribed**".

Page 10, line 7, after "manufacturer's" insert "**samples and**".

Page 10, delete lines 10 through 13, begin a new line block indented and insert:

"(18) The manufacturer may:

(A) own and control both the e-liquid manufacturing process and the bottling process; or

(B) subcontract with another manufacturer for the performance of the e-liquid manufacturing service, the bottling services, or both services.

However, both the manufacturer performing a service under clause (B) and the manufacturer for which the service is performed must meet the requirements of this chapter."

Page 10, line 29, after "met;" insert "**and**".

Page 10, delete line 30.

Page 10, line 31, delete "(3)" and insert "**(2)**".

Page 10, line 31, delete "felony;" and insert "**felony involving a controlled substance;**".

Page 10, line 36, after "reapply" insert "**within thirty (30) days after the date of the denial. There is no application fee for a reapplication under this subsection.**".

Page 10, delete line 37.

Page 11, delete lines 12 through 20, begin a new paragraph and insert:

"(c) All e-liquid retailers, distributors, and manufacturers who mix, bottle, or sell e-liquid in Indiana before July 1, 2015, shall, before July 1, 2016:

(1) sell or remove from retail all inventory of e-liquid manufactured before July 1, 2015; or

(2) acquire:

(A) a valid tobacco sales certificate issued by the commission in accordance with IC 7.1-3-18.5-1;

(B) an e-liquid manufacturing permit issued under IC 7.1-7-4; or

(C) a distributor's license issued under IC 6-7-2-8."



Page 13, line 39, after "Sec. 4." insert "(a)".

Page 13, line 39, delete "any person" and insert "**any:**

(1) producer of e-liquid; or

(2) other person or entity;

that distributes an e-liquid not approved for sale in Indiana to a retailer for the purposes of resale."

Page 13, line 40, delete "or entity who violates this article.", begin a new paragraph and insert:

"(b)".

Page 13, line 41, after "action" insert "**described in subsection (a)**".

(Reference is to HB 1432 as printed February 20, 2015.)

MAHAN

COMMITTEE REPORT

Madam President: The Senate Committee on Public Policy, to which was referred House Bill No. 1432, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill DO PASS and be reassigned to the Senate Committee on Tax & Fiscal Policy.

(Reference is to HB1432 as reprinted February 24, 2015.)

ALTING, Chairperson

Committee Vote: Yeas 9, Nays 0

COMMITTEE REPORT

Madam President: The Senate Committee on Tax & Fiscal Policy, to which was referred Engrossed House Bill No. 1432, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill DO PASS.

(Reference is to EHB 1432 as printed March 6, 2015.)

HERSHMAN, Chairperson

Committee Vote: Yeas 12, Nays 0



SENATE MOTION

Madam President: I move that HB 1432, which is eligible for third reading, be returned to second reading for purposes of amendment.

YODER

 SENATE MOTION

Madam President: I move that Engrossed House Bill 1432 be amended to read as follows:

Page 4, line 10, delete "satisfy the requirements set forth in IC 7.1-7-4-6." and insert **"manufacture e-liquids."**

Page 4, line 28, delete "non-refillable" and insert **"nonrefillable"**.

Page 4, line 29, after "in" insert **"electronic cigarettes."**

Page 4, delete line 30.

Page 5, between lines 20 and 21, begin a new paragraph and insert:

"Sec. 20. "Quick response code" means a two (2) dimensional bar code that is used to provide easy access to information through a smartphone or other electronic mobile device."

Page 5, line 21, delete "20." and insert **"21."**

Page 5, line 28, delete "21." and insert **"22."**

Page 5, line 36, delete "22." and insert **"23."**

Page 6, line 6, delete "to cover the costs of administering" and insert **"as set forth in"**.

Page 6, delete lines 25 through 26, begin a new paragraph and insert:

"Sec. 3. (a) Not later than December 31, 2015, the commission shall adopt rules under IC 4-22-2, including emergency rules under IC 4-22-2-37.1, to implement this article.

(b) The commission shall adopt rules as described in subsection (a) to establish minimum eligibility requirements for testing e-liquids under this article."

Page 8, line 11, delete "if" and insert **"after"**.

Page 8, line 19, delete "commission." and insert **"commission for purposes of administering this article."**

Page 8, line 28, after "(3) The" insert **"annual"**.

Page 8, line 28, delete "per year".

Page 8, line 29, delete "facility." and insert **"facility for the five (5) years preceding the year of the application."**

Page 9, line 16, delete "commission." and insert **"commission for**



purposes of administering this article."

Page 9, line 36, delete "cap." and insert **"cap that has the child resistant effectiveness set forth in 16 CFR 1700.15(b)(1)."**

Page 10, delete lines 1 through 2, begin a new line block indented and insert:

"(5) The label or container must include a:

(A) batch number; and

(B) means for the commission to obtain the manufacturing date."

Page 10, line 3, delete "encryption".

Page 10, line 3, after "code" insert **", including a quick response code,"**.

Page 10, line 30, after "batch" insert **"of more than two (2) liters"**.

Page 11, line 4, delete "chapter." and insert **"article."**

Page 11, line 5, delete "anyone having a financial interest" and insert **"any person listed on the permit application"**.

Page 11, line 6, delete "in a manufacturer".

Page 11, line 14, after "check." insert **"The applicant is responsible for the cost of a state or national criminal history background check conducted under this article."**

Page 12, line 8, delete "2015;" and insert **"2015, that was not manufactured, mixed, bottled, packaged, stored, or sold in compliance with this article;"**.

Page 12, line 11, delete "IC 7.1-3-18.5-1;" and insert **"IC 7.1-3-18.5-1 that contains a separate box to check for identifying a retailer that sells e-liquids;"**.

Page 12, line 24, delete "suspended, or in" and insert **"suspended. In"**.

Page 12, line 26, delete "revoked" and insert **"suspended"**.

Page 12, line 27, delete "revocation" and insert **"suspension"**.

(Reference is to EHB 1432 as printed March 20, 2015.)

YODER

