



February 25, 2014

**ENGROSSED
SENATE BILL No. 357**

DIGEST OF SB 357 (Updated February 25, 2014 12:23 pm - DI 109)

Citations Affected: IC 15-15; IC 15-16; IC 34-30; IC 35-48.

Synopsis: Industrial hemp. Subject to federal approval, authorizes the state seed commissioner to license the cultivation and production of industrial hemp. Establishes requirements to obtain a license. Authorizes inspections by the state police and audits by the state seed commissioner. Provides that in addition to any other liability or penalty, the state seed commissioner may revoke or refuse to renew a license and may impose a civil penalty. Requires the state seed commissioner to apply for necessary permissions, waivers, or other form of legal status by the United States Drug Enforcement Agency or other appropriate federal agency that is necessary to implement the law. Makes a conforming amendment to the definition of "marijuana". Provides that a person that supplies, distributes, stores, manufactures,
(Continued next page)

Effective: Upon passage; July 1, 2014.

**Young R, Yoder, Steele, Stoops,
Tallian, Waterman, Boots**

(HOUSE SPONSORS — CLERE, LEHE, FRIEND, MOED)

January 14, 2014, read first time and referred to Committee on Agriculture and Natural Resources.

January 27, 2014, amended, reported favorably — Do Pass.

January 30, 2014, read second time, ordered engrossed.

January 31, 2014, engrossed.

February 3, 2014, read third time, passed. Yeas 48, nays 0.

HOUSE ACTION

February 11, 2014, read first time and referred to Committee on Agriculture and Rural Development.

February 25, 2014, amended, reported — Do Pass.

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Digest Continued

or refines a transportation fuel is not liable for bodily injury or any damage that results if a self-service purchaser introduces into a motor vehicle, motor vehicle engine, nonroad engine, nonroad vehicle, or nonroad equipment a transportation fuel that is: (1) not approved for the motor vehicle, a motor vehicle engine, a nonroad engine, a nonroad vehicle, or nonroad equipment; or (2) not recommended by the warranty applying to the motor vehicle, motor vehicle engine, nonroad engine, nonroad vehicle, or nonroad equipment. Provides that a retailer is not liable for bodily injury or any damage that results if a self-service purchaser introduces into a motor vehicle, motor vehicle engine, nonroad vehicle, nonroad engine, or nonroad equipment a transportation fuel not approved for the motor vehicle, motor vehicle engine, nonroad vehicle, nonroad engine, or nonroad equipment or not recommended by the warranty of the manufacturer of the motor vehicle, motor vehicle engine, nonroad engine, nonroad vehicle, or nonroad equipment, if a certain statement (or a substantially similar statement) is prominently displayed on the pump. Provides that transportation fuel is not considered a defective product if it does not violate a control or prohibition concerning a characteristic or component of the transportation fuel that is imposed by the administrator of the U.S. Environmental Protection Agency. Provides that: (1) a person is not liable for bodily injury or property damage that results if an underground storage tank, underground storage tank system, or associated dispensing equipment used to store or dispense a transportation fuel is not compatible with that transportation fuel; and (2) a provider of financial assurance may not deny payment for a claim on the basis that an underground storage tank, underground storage tank system, or associated dispensing equipment used to store or dispense a transportation fuel was not compatible with that transportation fuel; if the tank, system, or equipment has been determined to be compatible with the transportation fuel under certain terms. Provides that an underground storage tank, underground storage tank system, or associated dispensing equipment that has been listed by a nationally recognized testing laboratory as compatible with a transportation fuel is considered compatible with that transportation fuel.

ES 357—LS 6251/DI 77



February 25, 2014

Second Regular Session 118th General Assembly (2014)

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 2013 Regular Session and 2013 First Regular Technical Session of the General Assembly.

ENGROSSED SENATE BILL No. 357

A BILL FOR AN ACT to amend the Indiana Code concerning agricultural products and fuels.

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

1 SECTION 1. IC 15-15-13 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE
3 UPON PASSAGE]:

4 **Chapter 13. Industrial Hemp**
5 **Sec. 0.5. The state seed commissioner shall administer this**
6 **chapter.**

7 **Sec. 1. Nothing in this chapter authorizes any person to violate**
8 **any federal law or regulation.**

9 **Sec. 2. As used in this chapter, "agricultural hemp seed" means**
10 **Cannabis sativa seed that meets any labeling, quality, and other**
11 **standards set by the state seed commissioner and that is intended**
12 **for sale or is sold to, or purchased by, licensed growers for**
13 **planting.**

14 **Sec. 3. As used in this chapter, "crop" means any industrial**
15 **hemp grown under a single license.**

16 **Sec. 4. As used in this chapter, "grower" means:**

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- 1 (1) an individual, a partnership, a company, or a corporation
 2 that produces industrial hemp for commercial purposes; or
 3 (2) a person, as part of an industrial hemp research program
 4 conducted by a state educational institution (as defined by
 5 IC 21-7-13-32).

6 **Sec. 5.** As used in this chapter, "handler" means an individual,
 7 a partnership, a company, or a corporation that receives industrial
 8 hemp for scientific research, or for processing into commodities,
 9 products, or agricultural hemp seed.

10 **Sec. 6.** As used in this chapter, "industrial hemp" means:

- 11 (1) all nonseed parts and varieties of the *Cannabis sativa*
 12 plant, whether growing or not, that contain a crop wide
 13 average tetrahydrocannabinol (THC) concentration that does
 14 not exceed the lesser of:

15 (A) three-tenths of one percent (0.3%) on a dry weight
 16 basis; or

17 (B) the percent based on a dry weight basis determined by
 18 the federal Controlled Substances Act (21 U.S.C. 801 et
 19 seq.); or

- 20 (2) any *Cannabis sativa* seed that is:

21 (A) part of a growing crop;

22 (B) retained by a grower for future planting; or

23 (C) for processing into, or use as, agricultural hemp seed.

24 The term does not include industrial hemp commodities or
 25 products.

26 **Sec. 7. (a)** Subject to section 15 of this chapter, the production
 27 of, possession of, scientific study of, and commerce in industrial
 28 hemp is authorized in Indiana. Industrial hemp is an agricultural
 29 product that is subject to regulation by the state seed
 30 commissioner. The state seed commissioner shall adopt rules to
 31 oversee the licensing, production, and management of:

32 (1) industrial hemp; and

33 (2) agricultural hemp seed;

34 to ensure integrity of audits and security of field sites of each
 35 commodity.

36 (b) All growers and handlers must have an industrial hemp
 37 license issued by the state seed commissioner. Growers and
 38 handlers engaged in the production of agricultural hemp seed must
 39 also have an agricultural hemp seed production license.

40 (c) An application for an industrial hemp license or agricultural
 41 hemp seed production license must include the following:

- 42 (1) The name and address of the applicant.



- 1 (2) The name and address of the industrial hemp operation of
2 the applicant.
- 3 (3) The global positioning system coordinates and legal
4 description of the property used for the industrial hemp
5 operation.
- 6 (4) If the industrial hemp license or agricultural hemp seed
7 production license application is made by a grower, the
8 acreage size of the field where the industrial hemp will be
9 grown.
- 10 (5) A statement signed by the applicant, under penalty of
11 perjury, that the person applying for the industrial hemp
12 license or agricultural hemp seed production license has not
13 been convicted of a drug related felony or misdemeanor in the
14 previous ten (10) years.
- 15 (6) A written consent allowing the state police department to
16 conduct a state or national criminal history background
17 check.
- 18 (7) A written consent allowing the state police department, if
19 a license is issued to the applicant, to enter the premises on
20 which the industrial hemp is grown to conduct physical
21 inspections of industrial hemp planted and grown by the
22 applicant, and to ensure the plants meet the definition of
23 industrial hemp as set forth in section 6 of this chapter. Not
24 more than two (2) physical inspections may be conducted
25 under this subdivision per year, unless a valid search warrant
26 for an inspection has been issued by a court of competent
27 jurisdiction.
- 28 (8) A nonrefundable application fee, which must include the
29 amount necessary to conduct a state or national criminal
30 history background check, in an amount determined by the
31 state seed commissioner.
- 32 (9) Any other information required by the state seed
33 commissioner.
- 34 **Sec. 8. (a) Each license application received under this chapter**
35 **must be processed as follows:**
- 36 (1) Upon receipt of a license application, the state seed
37 commissioner shall forward a copy of the application to the
38 state police department. The state police department shall do
39 the following:
- 40 (A) Perform a state or national criminal history
41 background check of the applicant.
- 42 (B) Determine if the requirements under section 7(c)(5) of



- 1 this chapter concerning prior criminal convictions have
2 been met.
- 3 **(C) Return the application to the state seed commissioner**
4 **along with the state police department's determinations**
5 **and a copy of the state or national criminal history**
6 **background check.**
- 7 **(2) The state seed commissioner shall review the license**
8 **application returned from the state police department.**
- 9 **(b) If the state seed commissioner determines that all the**
10 **requirements under this chapter have been met and that a license**
11 **should be granted to the applicant, the state seed commissioner**
12 **shall approve the application for issuance of a license.**
- 13 **(c) An industrial hemp license or agricultural hemp seed**
14 **production license is valid for a one (1) year term unless revoked.**
15 **An industrial hemp license or agricultural hemp seed production**
16 **license may be renewed in accordance with rules adopted by the**
17 **state seed commissioner and is nontransferable.**
- 18 **Sec. 9. (a) An agricultural hemp seed production license issued**
19 **under this chapter authorizes a grower or handler to produce and**
20 **handle agricultural hemp seed for sale to licensed industrial hemp**
21 **growers and handlers. A seller of agricultural hemp seed shall**
22 **ensure that the seed complies with any standards set by the state**
23 **seed commissioner. The state seed commissioner shall make**
24 **available to growers information that identifies sellers of**
25 **agricultural hemp seed.**
- 26 **(b) Subject to rules adopted by the state seed commissioner, a**
27 **grower may retain seed from each industrial hemp crop to ensure**
28 **a sufficient supply of seed for that grower for the following year.**
29 **A grower does not need an agricultural hemp seed production**
30 **license in order to retain seed for future planting. Seed retained by**
31 **a grower may not be sold or transferred and is not required to**
32 **meet the state seed commissioner's agricultural hemp seed**
33 **standards.**
- 34 **(c) All growers and handlers must keep records in accordance**
35 **with rules adopted by the state seed commissioner. Upon at least**
36 **three (3) days notice, the state seed commissioner may audit the**
37 **required records during normal business hours. The state seed**
38 **commissioner may conduct an audit for the purpose of ensuring**
39 **compliance with:**
- 40 **(1) this chapter;**
41 **(2) rules adopted by the state seed commissioner; or**
42 **(3) industrial hemp license or agricultural hemp seed**



1 production license requirements, terms, and conditions.

2 (d) In addition to an audit conducted in accordance with
3 subsection (c), the state seed commissioner may inspect
4 independently, or in cooperation with the state police department,
5 a federal law enforcement agency, or a local law enforcement
6 agency, any industrial hemp crop during the crop's growth phase
7 and take a representative composite sample for field analysis. If a
8 crop contains an average tetrahydrocannabinol (THC)
9 concentration exceeding the lesser of:

10 (1) three-tenths of one percent (0.3%) on a dry weight basis;

11 or

12 (2) the percent based on a dry weight basis determined by the
13 federal Controlled Substance Act (21 U.S.C. 801 et seq.);

14 the state seed commissioner may detain, seize, or embargo the
15 crop.

16 Sec. 10. The amount of any fees charged growers and handlers
17 by the state seed commissioner under this chapter must be
18 sufficient to cover the cost of the administration of this chapter,
19 including the cost of conducting audits and testing.

20 Sec. 11. Only an industrial hemp licensee, the licensee's
21 designee, or the licensee's agents may be permitted to transport
22 industrial hemp off a production site. When transporting industrial
23 hemp off the production site, the industrial hemp licensee,
24 designee, or agent shall have in the licensee's, designee's, or agent's
25 possession the licensing documents from the state seed
26 commissioner evidencing that the industrial hemp is from certified
27 seed produced by a licensed grower.

28 Sec. 12. The state seed commissioner is responsible for the
29 following:

30 (1) Monitoring the industrial hemp grown by any license
31 holder.

32 (2) Conducting random testing of the industrial hemp for
33 compliance with tetrahydrocannabinol (THC) levels.

34 (3) Establishing necessary testing criteria and protocols.

35 (4) Establishing the minimum number of acres to be planted
36 under each license issued under this chapter.

37 Sec. 13. (a) In addition to any other liability or penalty provided
38 by law, the state seed commissioner may revoke or refuse to issue
39 or renew an industrial hemp license or an agricultural hemp seed
40 production license and may impose a civil penalty for a violation
41 of:

42 (1) a license requirement;



1 **(2) license terms or conditions; or**

2 **(3) a rule relating to growing or handling industrial hemp.**

3 **(b) The state seed commissioner may not impose a civil penalty**
4 **under this section that exceeds two thousand five hundred dollars**
5 **(\$2,500).**

6 **(c) The state seed commissioner may revoke or refuse to issue or**
7 **renew an industrial hemp license or an agricultural hemp seed**
8 **production license for a violation of any rule of the state seed**
9 **commissioner that pertains to agricultural operations or activities**
10 **other than industrial hemp growing or handling.**

11 **Sec. 14. The state seed commissioner shall adopt rules under**
12 **IC 4-22-2 to implement and administer this chapter.**

13 **Sec. 15. (a) Notwithstanding any other law, the state seed**
14 **commissioner may not grant any license until the state seed**
15 **commissioner has secured any necessary permissions, waivers, or**
16 **other form of legal status by the United States Drug Enforcement**
17 **Agency or other appropriate federal agency concerning industrial**
18 **hemp.**

19 **(b) The state seed commissioner shall apply for any necessary**
20 **permissions, waivers, or other forms of legal status by the United**
21 **States Drug Enforcement Agency or other appropriate federal**
22 **agency that is necessary to implement this chapter before January**
23 **1, 2015.**

24 **(c) The state seed commissioner may not implement a waiver**
25 **under this section until the state seed commissioner files an**
26 **affidavit with the governor attesting that the federal permission or**
27 **waiver applied for under this section is in effect. The state seed**
28 **commissioner shall file the affidavit under this subsection not later**
29 **than five (5) days after the state seed commissioner is notified that**
30 **the waiver is approved.**

31 **(d) If the state seed commissioner receives a waiver permission**
32 **under this section from all the appropriate federal agencies and the**
33 **governor receives the affidavit filed under subsection (c), the state**
34 **seed commissioner shall implement this chapter, subject to the**
35 **terms and conditions of the permission or waiver received, not**
36 **more than sixty (60) days after the governor receives the affidavit.**

37 **SECTION 2. IC 15-16-2-36, AS ADDED BY P.L.2-2008,**
38 **SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE**
39 **JULY 1, 2014]: Sec. 36. (a) Notwithstanding any other law, all excess**
40 **funds accumulated from the fees collected by:**

41 **(1) the state chemist, under this chapter, IC 15-15-2, IC 15-16-4,**
42 **and IC 15-19-7; and**



1 (2) the state seed commissioner under IC 15-15-1 **and**
 2 **IC 15-15-13;**
 3 shall be paid to the treasurer of Purdue University. The funds shall be
 4 administered by the board of trustees of Purdue University.

5 (b) On approval of the governor and the budget agency, the board
 6 of trustees may spend the excess funds for the construction, operation,
 7 rehabilitation, and repair of buildings, structures, or other facilities
 8 used for:

9 (1) carrying out the purposes of those chapters referred to in
 10 subsection (a) under which the fees are collected; or

11 (2) the agricultural programs authorized by law and in support of
 12 the purposes of the chapters referred to in subsection (a).

13 SECTION 3. IC 34-30-24.2 IS ADDED TO THE INDIANA CODE
 14 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
 15 JULY 1, 2014]:

16 **Chapter 24.2. Immunity Related to Domestic Fuels**

17 **Sec. 1. As used in this chapter, "associated dispensing**
 18 **equipment" means equipment that is:**

19 (1) intended for the storage and dispensing of any
 20 transportation fuel at a stationary facility that dispenses the
 21 transportation fuel into any fuel tank of any motor vehicle,
 22 motor vehicle engine, nonroad vehicle, nonroad engine, or
 23 nonroad equipment; and

24 (2) subject to regulation under 29 CFR 1910.106 and 29 CFR
 25 1926.152.

26 **Sec. 2. For purposes of this chapter, "compatible" has the**
 27 **meaning set forth in 40 CFR 280.12.**

28 **Sec. 3. As used in this chapter, "E15" means a transportation**
 29 **fuel consisting of gasoline and ethanol, with ethanol constituting**
 30 **not more than fifteen percent (15%) of the volume of the**
 31 **transportation fuel.**

32 **Sec. 4. As used in this chapter, "motor vehicle" has the meaning**
 33 **set forth in Section 216 of the federal Clean Air Act, 42 U.S.C.**
 34 **7550.**

35 **Sec. 5. As used in this chapter, "motor vehicle engine" means an**
 36 **engine in a motor vehicle.**

37 **Sec. 6. As used in this chapter, "nonroad engine" has the**
 38 **meaning set forth in Section 216 of the federal Clean Air Act, 42**
 39 **U.S.C. 7550.**

40 **Sec. 7. As used in this chapter, "nonroad equipment" means any**
 41 **recreational, construction, industrial, agricultural, logging,**
 42 **residential, commercial lawn and garden, or other equipment that**



- 1 is powered by a nonroad engine.
- 2 **Sec. 8.** As used in this chapter, "nonroad vehicle" has the
3 meaning set forth in Section 216 of the federal Clean Air Act, 42
4 U.S.C. 7550.
- 5 **Sec. 9.** As used in this chapter, "person" includes the following:
- 6 (1) An individual.
- 7 (2) A corporation.
- 8 (3) A company.
- 9 (4) An association.
- 10 (5) A firm.
- 11 (6) A partnership.
- 12 (7) A society.
- 13 (8) A joint stock company.
- 14 (9) A governmental entity, including:
- 15 (A) the state;
- 16 (B) a county; and
- 17 (C) a political subdivision (as defined in IC 36-1-2-13).
- 18 **Sec. 10.** As used in this chapter, "provider of financial
19 assurance" means an entity that provides financial assurance to an
20 owner or operator of an underground storage tank through one (1)
21 of the mechanisms listed in 40 CFR 280.95 through 40 CFR
22 280.103, including a guarantor, an insurer, a risk retention group,
23 a surety, the issuer of a letter of credit, the issuer of a
24 state-required mechanism, and a state.
- 25 **Sec. 11.** As used in this chapter, "qualified person" means a
26 person that sells, supplies, distributes, stores, manufactures, or
27 refines a transportation fuel.
- 28 **Sec. 12.** As used in this chapter, "retailer" means a qualified
29 person that operates the pump from which a transportation fuel is
30 dispensed.
- 31 **Sec. 13.** As used in this chapter, "transportation fuel" means
32 any fuel or fuel additive that is authorized, after January 1, 2010,
33 by the administrator of the U.S. Environmental Protection Agency
34 or under any federal law, for use in:
- 35 (1) a motor vehicle;
- 36 (2) a motor vehicle engine;
- 37 (3) a nonroad vehicle;
- 38 (4) a nonroad engine; or
- 39 (5) nonroad equipment.
- 40 The term includes E15.
- 41 **Sec. 14.** As used in this chapter, "underground storage tank"
42 has the meaning set forth in IC 13-11-2-241.



1 **Sec. 15. As used in this chapter, "underground storage tank**
 2 **system" means an underground storage tank and:**

- 3 **(1) connected underground piping;**
 4 **(2) underground ancillary equipment; and**
 5 **(3) a containment system, if any.**

6 **Sec. 16. (a) A qualified person other than a retailer is not liable**
 7 **for bodily injury or any damage that results if a self-service**
 8 **purchaser introduces into a motor vehicle, a motor vehicle engine,**
 9 **a nonroad vehicle, a nonroad engine, or nonroad equipment a**
 10 **transportation fuel that is:**

- 11 **(1) not approved for the motor vehicle, motor vehicle engine,**
 12 **nonroad vehicle, nonroad engine, or nonroad equipment**
 13 **under Section 211 of the federal Clean Air Act, 42 U.S.C.**
 14 **7545; or**
 15 **(2) not recommended by the warranty of the manufacturer of**
 16 **the motor vehicle, motor vehicle engine, nonroad engine,**
 17 **nonroad vehicle, or nonroad equipment.**

18 **(b) A retailer is not liable for bodily injury or any damage that**
 19 **results if:**

- 20 **(1) a self-service purchaser introduces into a motor vehicle, a**
 21 **motor vehicle engine, a nonroad vehicle, a nonroad engine, or**
 22 **nonroad equipment a transportation fuel:**

23 **(A) not approved for the motor vehicle, motor vehicle**
 24 **engine, nonroad vehicle, nonroad engine, or nonroad**
 25 **equipment under Section 211 of the federal Clean Air Act,**
 26 **42 U.S.C. 7545; or**

27 **(B) not recommended by the warranty of the manufacturer**
 28 **of the motor vehicle, motor vehicle engine, nonroad engine,**
 29 **nonroad vehicle, or nonroad equipment; and**

- 30 **(2) the following statement, or a substantially similar**
 31 **statement, is prominently displayed on the pump from which**
 32 **the self-service purchaser pumps the transportation fuel:**

33 **"THIS FUEL CONTAINS UP TO 15% ETHANOL.**

34 **Before fueling, regardless of the model or year of your vehicle,**
 35 **check your manufacturer's warranty regarding the**
 36 **compatibility of this fuel with your vehicle."**

37 **Sec. 17. A transportation fuel is not considered a defective**
 38 **product if it does not violate a control or prohibition concerning a**
 39 **characteristic or component of the transportation fuel that is**
 40 **imposed by the administrator of the United States Environmental**
 41 **Protection Agency under Section 211 of the federal Clean Air Act,**
 42 **42 U.S.C. 7545.**



1 **Sec. 18. (a) A person is not liable for bodily injury or property**
2 **damage that results if an underground storage tank, an**
3 **underground storage tank system, or associated dispensing**
4 **equipment that is used to store or dispense a transportation fuel is**
5 **not compatible with that transportation fuel if the tank, system, or**
6 **equipment has been determined to be compatible with the**
7 **transportation fuel under subsection (c) or (d).**

8 **(b) A provider of financial assurance may not deny payment for**
9 **a claim on the basis that an underground storage tank, an**
10 **underground storage tank system, or associated dispensing**
11 **equipment that was used to store or dispense a transportation fuel**
12 **was not compatible with that transportation fuel if the tank,**
13 **system, or equipment has been determined to be compatible with**
14 **the transportation fuel under subsection (c) or (d).**

15 **(c) If an applicable law or regulation requires that an**
16 **underground storage tank, an underground storage tank system,**
17 **or associated dispensing equipment used to store or dispense a**
18 **transportation fuel be listed by a nationally recognized testing**
19 **laboratory and the requirement addresses material compatibility**
20 **for the substance to be stored or dispensed from the tank, system,**
21 **or equipment, the manufacturer of the tank, system, or equipment**
22 **shall be provided the opportunity to satisfy the requirement by**
23 **self-certifying the tank, system, or equipment under the following**
24 **terms:**

25 **(1) The manufacturer must be required to provide empirical**
26 **information that:**

27 **(A) is substantially similar to the data used by a nationally**
28 **recognized testing laboratory; and**

29 **(B) would result in an approval of the tank, system, or**
30 **equipment if requested by the equipment owner,**
31 **regulatory body, insurance agency, or other materially**
32 **affected party.**

33 **(2) The manufacturer must sign a letter specifying:**

34 **(A) that the tank, system, or equipment is compatible with**
35 **the specific fuels or the range of biofuel blends; and**

36 **(B) that the compatibility of the tank, system, or equipment**
37 **is substantiated by the empirical information referred to in**
38 **subdivision (1).**

39 **(3) The letter must be sent:**

40 **(A) to the Petroleum Equipment Institute for publication**
41 **in the Petroleum Equipment Institute's "Biofuels**
42 **Compatibility Library"; or**



1 (B) to a similar clearing house for publication in a similar
2 publication.

3 (d) If an underground storage tank, an underground storage
4 tank system, or associated dispensing equipment used to store or
5 dispense a transportation fuel is not required by an applicable law
6 or regulation to be listed by a nationally recognized testing
7 laboratory, the manufacturer's approval of the tank, system, or
8 equipment is an acceptable method of demonstrating that the tank,
9 system, or equipment is compatible with the transportation fuel for
10 the purposes of subsections (a) and (b).

11 (e) Any underground storage tank, underground storage tank
12 system, or associated dispensing equipment that, as of July 1, 2014,
13 has been listed by a nationally recognized testing laboratory as
14 compatible with a transportation fuel is considered compatible
15 with that transportation fuel for purposes of this section.

16 SECTION 4. IC 35-48-1-19 IS AMENDED TO READ AS
17 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 19. (a) "Marijuana"
18 means any part of the plant genus Cannabis whether growing or not;
19 the seeds thereof; the resin extracted from any part of the plant,
20 including hashish and hash oil; any compound, manufacture, salt,
21 derivative, mixture, or preparation of the plant, its seeds or resin. †

- 22 (b) The term does not include:
- 23 (1) the mature stalks of the plant;
- 24 (2) fiber produced from the stalks;
- 25 (3) oil or cake made from the seeds of the plant;
- 26 (4) any other compound, manufacture, salt, derivative, mixture,
- 27 or preparation of the mature stalks (except the resin extracted
- 28 therefrom); or
- 29 (5) the sterilized seed of the plant which is incapable of
- 30 germination; or

31 (6) industrial hemp as defined by IC 15-15-13-6.
32 SECTION 5. An emergency is declared for this act.



COMMITTEE REPORT

Madam President: The Senate Committee on Agriculture and Natural Resources, to which was referred Senate Bill No. 357, 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:

Page 1, line 1, delete "IC 15-11-6.5" and insert "IC 15-15-13".

Page 1, line 4, delete "6.5." and insert "**13.**".

Page 1, between lines 4 and 5, begin a new paragraph and insert:

"Sec. 0.5. The state seed commissioner shall administer this chapter."

Page 1, line 9, delete "department" and insert "**state seed commissioner**".

Page 2, line 26, delete "department." and insert "**state seed commissioner.**".

Page 2, line 28, delete "department." and insert "**state seed commissioner.**".

Page 3, line 22, delete "department." and insert "**state seed commissioner.**".

Page 3, line 23, delete "department." and insert "**state seed commissioner.**".

Page 3, line 26, delete "department" and insert "**state seed commissioner**".

Page 3, line 35, delete "department" and insert "**state seed commissioner**".

Page 3, line 38, delete "department" and insert "**state seed commissioner**".

Page 3, line 40, delete "department" and insert "**state seed commissioner**".

Page 3, line 42, delete "department" and insert "**state seed commissioner**".

Page 4, line 6, delete "department" and insert "**state seed commissioner**".

Page 4, line 12, delete "department." and insert "**state seed commissioner.**".

Page 4, line 12, delete "The department" and insert "**The state seed commissioner**".

Page 4, line 14, delete "department," and insert "**state seed commissioner,**".

Page 4, line 20, delete "department's" and insert "**state seed commissioner's**".



Page 4, line 22, delete "department." and insert **"state seed commissioner."**

Page 4, line 23, delete "department" and insert **"state seed commissioner"**.

Page 4, line 24, delete "department" and insert **"state seed commissioner"**.

Page 4, line 27, delete "department;" and insert **"state seed commissioner;"**.

Page 4, line 31, delete "department" and insert **"state seed commissioner"**.

Page 4, line 39, delete "department" and insert **"state seed commissioner"**.

Page 4, line 41, delete "department" and insert **"state seed commissioner"**.

Page 5, line 7, delete "department" and insert **"state seed commissioner"**.

Page 5, line 10, delete "department" and insert **"state seed commissioner"**.

Page 5, line 25, delete "department" and insert **"state seed commissioner"**.

Page 5, line 31, delete "department" and insert **"state seed commissioner"**.

Page 5, line 33, delete "department" and insert **"state seed commissioner"**.

Page 5, line 35, delete "department" and insert **"state seed commissioner"**.

Page 5, line 38, delete "department" and insert **"state seed commissioner"**.

Page 5, line 40, delete "department" and insert **"state seed commissioner"**.

Page 5, line 41, delete "department" and insert **"state seed commissioner"**.

Page 6, line 3, delete "department" and insert **"state seed commissioner"**.

Page 6, line 7, delete "department" and insert **"state seed commissioner"**.

Page 6, line 8, delete "department" and insert **"state seed commissioner"**.

Page 6, line 10, delete "department" and insert **"state seed commissioner"**.

Page 6, line 12, delete "department" and insert **"state seed commissioner"**.



Page 6, line 13, delete "department" and insert "**state seed commissioner**".

Page 6, line 15, delete "department" and insert "**state seed commissioner**".

Page 6, line 34, delete "IC 15-11-6.5-6." and insert "**IC 15-15-13-6.**".

and when so amended that said bill do pass.

(Reference is to SB 357 as introduced.)

YODER, Chairperson

Committee Vote: Yeas 7, Nays 0.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Agriculture and Rural Development, to which was referred Senate Bill 357, 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:

Delete the title and insert the following:

A BILL FOR AN ACT to amend the Indiana Code concerning agricultural products and fuels.

Replace the effective dates in SECTIONS 1 through 2 with "[EFFECTIVE UPON PASSAGE]".

Page 1, line 14, delete "contiguous".

Page 1, line 15, delete "field of".

Page 1, line 16, delete "means a:" and insert "**means:**".

Page 2, line 1, delete "person, joint venture, or cooperative" and insert "**an individual, a partnership, a company, or a corporation**".

Page 2, line 3, delete "person," and insert "**a person,**".

Page 2, line 6, delete "a person, joint" and insert "**an individual, a partnership, a company, or a corporation**".

Page 2, line 7, delete "venture, or cooperative".

Page 2, line 18, delete "Substance" and insert "**Substances**".

Page 2, line 30, after "commissioner." insert "**The state seed commissioner shall adopt rules to oversee the licensing, production, and management of:**

(1) industrial hemp; and

(2) agricultural hemp seed;

to ensure integrity of audits and security of field sites of each



commodity."

Page 4, line 40, after "inspect" insert **"independently, or in cooperation with the state police department, a federal law enforcement agency, or a local law enforcement agency,"**.

Page 5, delete lines 30 through 35.

Page 6, between lines 35 and 36, begin a new paragraph and insert:
"SECTION 2. IC 15-16-2-36, AS ADDED BY P.L.2-2008, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 36. (a) Notwithstanding any other law, all excess funds accumulated from the fees collected by:

- (1) the state chemist, under this chapter, IC 15-15-2, IC 15-16-4, and IC 15-19-7; and
- (2) the state seed commissioner under IC 15-15-1 **and IC 15-15-13;**

shall be paid to the treasurer of Purdue University. The funds shall be administered by the board of trustees of Purdue University.

(b) On approval of the governor and the budget agency, the board of trustees may spend the excess funds for the construction, operation, rehabilitation, and repair of buildings, structures, or other facilities used for:

- (1) carrying out the purposes of those chapters referred to in subsection (a) under which the fees are collected; or
- (2) the agricultural programs authorized by law and in support of the purposes of the chapters referred to in subsection (a).

SECTION 3. IC 34-30-24.2 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]:

Chapter 24.2. Immunity Related to Domestic Fuels

Sec. 1. As used in this chapter, "associated dispensing equipment" means equipment that is:

- (1) **intended for the storage and dispensing of any transportation fuel at a stationary facility that dispenses the transportation fuel into any fuel tank of any motor vehicle, motor vehicle engine, nonroad vehicle, nonroad engine, or nonroad equipment; and**
- (2) **subject to regulation under 29 CFR 1910.106 and 29 CFR 1926.152.**

Sec. 2. For purposes of this chapter, "compatible" has the meaning set forth in 40 CFR 280.12.

Sec. 3. As used in this chapter, "E15" means a transportation fuel consisting of gasoline and ethanol, with ethanol constituting not more than fifteen percent (15%) of the volume of the



transportation fuel.

Sec. 4. As used in this chapter, "motor vehicle" has the meaning set forth in Section 216 of the federal Clean Air Act, 42 U.S.C. 7550.

Sec. 5. As used in this chapter, "motor vehicle engine" means an engine in a motor vehicle.

Sec. 6. As used in this chapter, "nonroad engine" has the meaning set forth in Section 216 of the federal Clean Air Act, 42 U.S.C. 7550.

Sec. 7. As used in this chapter, "nonroad equipment" means any recreational, construction, industrial, agricultural, logging, residential, commercial lawn and garden, or other equipment that is powered by a nonroad engine.

Sec. 8. As used in this chapter, "nonroad vehicle" has the meaning set forth in Section 216 of the federal Clean Air Act, 42 U.S.C. 7550.

Sec. 9. As used in this chapter, "person" includes the following:

- (1) An individual.
- (2) A corporation.
- (3) A company.
- (4) An association.
- (5) A firm.
- (6) A partnership.
- (7) A society.
- (8) A joint stock company.
- (9) A governmental entity, including:
 - (A) the state;
 - (B) a county; and
 - (C) a political subdivision (as defined in IC 36-1-2-13).

Sec. 10. As used in this chapter, "provider of financial assurance" means an entity that provides financial assurance to an owner or operator of an underground storage tank through one (1) of the mechanisms listed in 40 CFR 280.95 through 40 CFR 280.103, including a guarantor, an insurer, a risk retention group, a surety, the issuer of a letter of credit, the issuer of a state-required mechanism, and a state.

Sec. 11. As used in this chapter, "qualified person" means a person that sells, supplies, distributes, stores, manufactures, or refines a transportation fuel.

Sec. 12. As used in this chapter, "retailer" means a qualified person that operates the pump from which a transportation fuel is dispensed.



Sec. 13. As used in this chapter, "transportation fuel" means any fuel or fuel additive that is authorized, after January 1, 2010, by the administrator of the U.S. Environmental Protection Agency or under any federal law, for use in:

- (1) a motor vehicle;
- (2) a motor vehicle engine;
- (3) a nonroad vehicle;
- (4) a nonroad engine; or
- (5) nonroad equipment.

The term includes E15.

Sec. 14. As used in this chapter, "underground storage tank" has the meaning set forth in IC 13-11-2-241.

Sec. 15. As used in this chapter, "underground storage tank system" means an underground storage tank and:

- (1) connected underground piping;
- (2) underground ancillary equipment; and
- (3) a containment system, if any.

Sec. 16. (a) A qualified person other than a retailer is not liable for bodily injury or any damage that results if a self-service purchaser introduces into a motor vehicle, a motor vehicle engine, a nonroad vehicle, a nonroad engine, or nonroad equipment a transportation fuel that is:

- (1) not approved for the motor vehicle, motor vehicle engine, nonroad vehicle, nonroad engine, or nonroad equipment under Section 211 of the federal Clean Air Act, 42 U.S.C. 7545; or
- (2) not recommended by the warranty of the manufacturer of the motor vehicle, motor vehicle engine, nonroad engine, nonroad vehicle, or nonroad equipment.

(b) A retailer is not liable for bodily injury or any damage that results if:

- (1) a self-service purchaser introduces into a motor vehicle, a motor vehicle engine, a nonroad vehicle, a nonroad engine, or nonroad equipment a transportation fuel:
 - (A) not approved for the motor vehicle, motor vehicle engine, nonroad vehicle, nonroad engine, or nonroad equipment under Section 211 of the federal Clean Air Act, 42 U.S.C. 7545; or
 - (B) not recommended by the warranty of the manufacturer of the motor vehicle, motor vehicle engine, nonroad engine, nonroad vehicle, or nonroad equipment; and
- (2) the following statement, or a substantially similar



statement, is prominently displayed on the pump from which the self-service purchaser pumps the transportation fuel:

"THIS FUEL CONTAINS UP TO 15% ETHANOL.

Before fueling, regardless of the model or year of your vehicle, check your manufacturer's warranty regarding the compatibility of this fuel with your vehicle."

Sec. 17. A transportation fuel is not considered a defective product if it does not violate a control or prohibition concerning a characteristic or component of the transportation fuel that is imposed by the administrator of the United States Environmental Protection Agency under Section 211 of the federal Clean Air Act, 42 U.S.C. 7545.

Sec. 18. (a) A person is not liable for bodily injury or property damage that results if an underground storage tank, an underground storage tank system, or associated dispensing equipment that is used to store or dispense a transportation fuel is not compatible with that transportation fuel if the tank, system, or equipment has been determined to be compatible with the transportation fuel under subsection (c) or (d).

(b) A provider of financial assurance may not deny payment for a claim on the basis that an underground storage tank, an underground storage tank system, or associated dispensing equipment that was used to store or dispense a transportation fuel was not compatible with that transportation fuel if the tank, system, or equipment has been determined to be compatible with the transportation fuel under subsection (c) or (d).

(c) If an applicable law or regulation requires that an underground storage tank, an underground storage tank system, or associated dispensing equipment used to store or dispense a transportation fuel be listed by a nationally recognized testing laboratory and the requirement addresses material compatibility for the substance to be stored or dispensed from the tank, system, or equipment, the manufacturer of the tank, system, or equipment shall be provided the opportunity to satisfy the requirement by self-certifying the tank, system, or equipment under the following terms:

(1) The manufacturer must be required to provide empirical information that:

(A) is substantially similar to the data used by a nationally recognized testing laboratory; and

(B) would result in an approval of the tank, system, or equipment if requested by the equipment owner,



regulatory body, insurance agency, or other materially affected party.

- (2) The manufacturer must sign a letter specifying:
 - (A) that the tank, system, or equipment is compatible with the specific fuels or the range of biofuel blends; and
 - (B) that the compatibility of the tank, system, or equipment is substantiated by the empirical information referred to in subdivision (1).
- (3) The letter must be sent:
 - (A) to the Petroleum Equipment Institute for publication in the Petroleum Equipment Institute's "Biofuels Compatibility Library"; or
 - (B) to a similar clearing house for publication in a similar publication.

(d) If an underground storage tank, an underground storage tank system, or associated dispensing equipment used to store or dispense a transportation fuel is not required by an applicable law or regulation to be listed by a nationally recognized testing laboratory, the manufacturer's approval of the tank, system, or equipment is an acceptable method of demonstrating that the tank, system, or equipment is compatible with the transportation fuel for the purposes of subsections (a) and (b).

(e) Any underground storage tank, underground storage tank system, or associated dispensing equipment that, as of July 1, 2014, has been listed by a nationally recognized testing laboratory as compatible with a transportation fuel is considered compatible with that transportation fuel for purposes of this section."

Page 7, after line 9, begin a new paragraph and insert:
"SECTION 4. An emergency is declared for this act."
Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to SB 357 as printed January 28, 2014.)

LEHE, Chair

Committee Vote: yeas 8, nays 0.

