

HOUSE FILE _____
BY KONFRST

A BILL FOR

1 An Act relating to marijuana, including the manufacture,
2 delivery, and possession of marijuana, the licensure of
3 retail marijuana, and medical cannabis, providing fees,
4 including excise taxes, establishing funds, providing
5 penalties, and including effective date provisions.
6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

DRAFT

DIVISION I

MARIJUANA — CRIMINAL PENALTIES

1
2
3 Section 1. Section 124.401, subsection 1, unnumbered
4 paragraph 1, Code 2023, is amended to read as follows:

5 Except as authorized by this chapter or chapter 124E or
6 124F, it is unlawful for any person to manufacture, deliver, or
7 possess with the intent to manufacture or deliver, a controlled
8 substance, a counterfeit substance, a simulated controlled
9 substance, or an imitation controlled substance, or to act
10 with, enter into a common scheme or design with, or conspire
11 with one or more other persons to manufacture, deliver, or
12 possess with the intent to manufacture or deliver a controlled
13 substance, a counterfeit substance, a simulated controlled
14 substance, or an imitation controlled substance.

15 Sec. 2. Section 124.401, subsection 1, paragraph a,
16 subparagraph (6), Code 2023, is amended by striking the
17 subparagraph.

18 Sec. 3. Section 124.401, subsection 1, paragraph b,
19 subparagraph (6), Code 2023, is amended by striking the
20 subparagraph.

21 Sec. 4. Section 124.401, subsection 1, paragraph c,
22 subparagraph (5), Code 2023, is amended by striking the
23 subparagraph.

24 Sec. 5. Section 124.401, subsection 1, paragraph c,
25 subparagraph (9), Code 2023, is amended to read as follows:

26 (9) Any other controlled substance, counterfeit substance,
27 simulated controlled substance, or imitation controlled
28 substance classified in schedule I, II, or III, except as
29 provided in paragraph "d", or in chapter 124E or 124F.

30 Sec. 6. Section 124.401, subsection 1, paragraph d, Code
31 2023, is amended to read as follows:

32 d. Violation of this subsection, with respect to any other
33 controlled substances, counterfeit substances, simulated
34 controlled substances, or imitation controlled substances
35 classified in schedule IV or V is an aggravated misdemeanor.

1 However, violation of this subsection involving ~~fifty kilograms~~
2 ~~or less of marijuana or involving flunitrazepam~~ is a class "D"
3 felony.

4 Sec. 7. Section 124.401, subsection 5, paragraph b, Code
5 2023, is amended to read as follows:

6 ~~b. If the controlled substance is marijuana, the punishment~~
7 ~~shall be by imprisonment in the county jail for not more than~~
8 ~~six months or by a fine of not more than one thousand dollars,~~
9 ~~or by both such fine and imprisonment for a first offense. If~~
10 ~~the controlled substance is marijuana and the person has been~~
11 ~~previously convicted of a violation of this subsection in which~~
12 ~~the controlled substance was marijuana, the punishment shall be~~
13 ~~as provided in section 903.1, subsection 1, paragraph "b". If~~
14 ~~the controlled substance is marijuana and the person has been~~
15 ~~previously convicted two or more times of a violation of this~~
16 ~~subsection in which the controlled substance was marijuana,~~
17 ~~the person is guilty of an aggravated misdemeanor. This~~
18 ~~subsection does not apply to the possession of marijuana which~~
19 ~~is punishable pursuant to chapter 124F.~~

20 Sec. 8. Section 124.401G, unnumbered paragraph 1, Code
21 2023, is amended to read as follows:

22 Notwithstanding any provision of this chapter to the
23 contrary, a person shall not be guilty of an offense under
24 this chapter, including under section 124.401 ~~or 124.410,~~
25 for producing, possessing, using, harvesting, handling,
26 manufacturing, marketing, transporting, delivering, or
27 distributing the plant cannabis, if all of the following apply:

28 Sec. 9. Section 124.407, subsection 2, Code 2023, is amended
29 to read as follows:

30 2. ~~a.~~ Any person who violates this section and where the
31 controlled substance is ~~any one~~ a controlled substance other
32 than marijuana is guilty of a class "D" felony.

33 ~~b.~~ Any person who violates this section, and where the
34 controlled substance is marijuana only, is guilty of a serious
35 misdemeanor.

1 Sec. 10. Section 124.411, subsection 2, Code 2023, is
2 amended to read as follows:

3 2. For purposes of this section, an offense is considered
4 a second or subsequent offense, if, prior to the person's
5 having been convicted of the offense, the offender has ever
6 been convicted under this chapter or under any state or federal
7 statute relating to narcotic drugs or cocaine, ~~marijuana,~~
8 depressant, stimulant, or hallucinogenic drugs.

9 Sec. 11. Section 124.413, subsection 2, Code 2023, is
10 amended to read as follows:

11 2. This section shall not apply if:

12 ~~a. The offense is found to be an accommodation pursuant to~~
13 ~~section 124.410; or~~

14 ~~b. The the controlled substance is marijuana.~~

15 Sec. 12. NEW SECTION. 124F.1 Definitions.

16 As used in this subchapter:

17 1. "*Counterfeit substance*" means the same as defined in
18 section 124.101.

19 2. "*Imitation controlled substance*" means the same as
20 defined in section 124.101.

21 3. "*Marijuana*" means the same as defined in section 124.101,
22 and includes a counterfeit substance, imitation controlled
23 substance, or simulated controlled substance containing a
24 detectable amount of marijuana.

25 4. "*Simulated controlled substance*" means the same as
26 defined in section 124.101.

27 Sec. 13. NEW SECTION. 124F.2 Marijuana — penalties.

28 1. a. Except as otherwise provided in this subchapter and
29 chapter 124E, it is unlawful for any person to manufacture,
30 deliver, or possess with the intent to manufacture or deliver
31 marijuana, or to act with, enter into a common scheme or
32 design with, or conspire with one or more other persons to
33 manufacture, deliver, or possess with the intent to manufacture
34 or deliver marijuana. A violation of this subsection involving
35 the following amounts of marijuana shall be punishable as

1 follows:

2 (1) More than fifty kilograms shall be a class "C" felony.

3 (2) More than two kilograms but not more than fifty
4 kilograms shall be a class "D" felony.

5 (3) More than twelve ounces but not more than two kilograms
6 shall be an aggravated misdemeanor.

7 (4) More than four ounces but not more than twelve ounces
8 shall be punishable as a serious misdemeanor.

9 (5) Four ounces or less shall be punishable as a simple
10 misdemeanor, except as provided in section 124F.3.

11 *b.* In addition to any other penalties provided in this
12 subsection, a person who is eighteen years of age or older
13 who unlawfully manufactures with the intent to distribute,
14 distributes, or possesses with the intent to distribute
15 marijuana to another person who is eighteen years of age or
16 older in or on, or within one thousand feet of, the real
17 property comprising a public or private elementary or secondary
18 school, public park, public swimming pool, public recreation
19 center, or on a marked school bus, may be sentenced up to an
20 additional term of confinement of five years.

21 2. It is unlawful for any person knowingly or intentionally
22 to possess marijuana unless such substance was obtained
23 directly from, or pursuant to, a valid prescription or order of
24 a practitioner while acting in the course of the practitioner's
25 professional practice, or except as otherwise authorized by
26 this subsection. A violation of this subsection involving
27 the possession of the following amounts of marijuana shall be
28 punishable as follows:

29 *a.* More than six ounces but not more than twelve ounces is
30 a serious misdemeanor.

31 *b.* More than one-half ounce but not more than six ounces is
32 a simple misdemeanor.

33 *c.* One-half ounce or less is not a criminal offense but
34 shall be assessed as a civil penalty in the amount of one
35 hundred dollars, except if the person is under twenty-one years

1 of age, the person shall complete a drug awareness program and
2 ten hours of unpaid community service, and shall notify the
3 person's parents or legal guardian.

4 (1) The civil penalty shall be collected by the clerk of the
5 district court pursuant to section 602.8105, subsection 5.

6 (2) Any records relating to the civil penalty shall not
7 be displayed for public viewing on the Iowa court information
8 system.

9 (3) Any records relating to the civil penalty shall not
10 be kept in the criminal history data files maintained by the
11 department of public safety. Any records relating to the civil
12 penalty shall not be disseminated to other criminal or juvenile
13 justice agencies.

14 3. a. A retail marijuana store shall not sell retail
15 marijuana in excess of the following amounts in a single
16 transaction:

17 (1) Thirty grams of marijuana flower.

18 (2) Five hundred milligrams of tetrahydrocannabinol
19 contained in a product infused with marijuana.

20 b. A person shall not possess more than five ounces of
21 marijuana flower.

22 c. A person in possession of retail marijuana in excess of
23 the amounts specified in paragraph "a" equivalent to the amounts
24 specified in subsection 2, shall be subject to the penalties in
25 subsection 2.

26 d. A retail marijuana store in violation of this subsection
27 shall be subject to licensee discipline pursuant to section
28 124F.16.

29 e. For purposes of this subsection, "retail marijuana" and
30 "retail marijuana store" mean the same as defined in section
31 124F.4.

32 4. a. Upon the expiration of two years following a
33 conviction for a violation of subsection 2, paragraph "a" or
34 "b", a person may petition the court to expunge the conviction,
35 and if the person has had no other criminal convictions, other

1 than local traffic violations or simple misdemeanor violations
2 of chapter 321 during the two-year period, the conviction
3 shall be expunged as a matter of law. The court shall enter
4 an order that the record of the conviction be expunged by the
5 clerk of the district court. Notwithstanding section 692.2,
6 after receipt of notice from the clerk of the district court
7 that a record of conviction has been expunged pursuant to this
8 subsection, the record of conviction shall be removed from the
9 criminal history data files maintained by the department of
10 public safety.

11 *b.* On the effective date of this Act, each court shall
12 review its records to identify persons who have been convicted
13 of an offense based on conduct allowed under this Act. Each
14 such conviction shall be expunged as a matter of law as
15 provided in paragraph "a".

16 Sec. 14. NEW SECTION. **124F.3 Juvenile offenses.**

17 The juvenile court shall have exclusive original
18 jurisdiction in a proceeding concerning a minor who is alleged
19 to have committed a violation of this subchapter.

20 Sec. 15. NEW SECTION. **321.284B Marijuana in motor vehicles.**

21 1. A driver of a motor vehicle upon a public street or
22 highway shall not use marijuana in the passenger area of the
23 motor vehicle. "*Passenger area*" means the area designed to
24 seat the driver and passengers while the motor vehicle is in
25 operation and any area that is readily accessible to the driver
26 or a passenger while in their seating positions, including the
27 glove compartment.

28 2. A driver or passenger of or in a motor vehicle upon a
29 public street or highway shall not possess marijuana in the
30 passenger area of a motor vehicle except in a sealed, odor
31 proof, child resistant container.

32 3. For the purposes of this section, "*marijuana*" means the
33 same as defined in section 124.401.

34 4. A person who knowingly violates a provision of this
35 section is guilty of a simple misdemeanor.

1 Sec. 16. Section 321J.2, subsection 1, paragraph c, Code
2 2023, is amended to read as follows:

3 c. ~~While~~ Except as provided in section 321J.2C, any amount
4 of a controlled substance is present in the person, as measured
5 in the person's blood or urine.

6 Sec. 17. NEW SECTION. 321J.2C **Operating while under the**
7 **influence of marijuana.**

8 1. A person shall not operate a motor vehicle in this state
9 while having fifty nanograms of tetrahydrocannabinol in the
10 person, as measured in the person's blood.

11 2. A person who violates subsection 1 is guilty of a serious
12 misdemeanor, punishable as follows:

13 a. For a first offense, revocation of the person's driver's
14 license for a period of one hundred eighty days, except that if
15 the person refused to submit to chemical testing, the person's
16 driver's license shall be revoked for a period of one year.

17 b. For a second or subsequent offense, revocation of the
18 person's driver's license for a period of one year, except
19 that if the person refused to submit to chemical testing, the
20 person's driver's license shall be revoked for a period of two
21 years.

22 Sec. 18. Section 602.8105, Code 2022, is amended by adding
23 the following new subsection:

24 NEW SUBSECTION. 5. The clerk of the district court shall
25 collect the civil penalty assessed pursuant to section 124F.2,
26 subsection 2, paragraph "c", subparagraph (1).

27 Sec. 19. NEW SECTION. 901C.4 **Felony offenses related to**
28 **marijuana — expungement.**

29 1. In addition to the expungement provisions available
30 to a defendant convicted of a misdemeanor marijuana offense
31 under chapter 124, upon application of a defendant convicted
32 of a felony offense under chapter 124 in the county where the
33 conviction occurred, related to the possession or transfer of
34 marijuana, the court shall enter an order expunging the record
35 of such a criminal case.

1 2. A person shall be granted an expungement of a record
2 under this section one time in the person's lifetime. However,
3 the one application may request the expungement of records
4 relating to more than one nonviolent offense under this section
5 if the offenses arose from the same transaction or occurrence,
6 and the application contains the offenses to be expunged.

7 3. The expunged record under this section is a confidential
8 record exempt from public access under section 22.7 but shall
9 be made available by the clerk of the district court upon court
10 order.

11 4. Notwithstanding section 692.2, after receipt of
12 notice from the clerk of the district court that a record of
13 conviction has been expunged under subsection 1, the record
14 of conviction shall be removed from the criminal history data
15 files maintained by the department of public safety if such a
16 record was maintained in the criminal history data files.

17 5. The supreme court may prescribe rules governing the
18 procedures applicable to the expungement of a criminal case
19 under this section.

20 6. This section applies to a felony conviction that occurred
21 prior to January 1, 2024.

22 Sec. 20. REPEAL. Section 124.410, Code 2023, is repealed.

23 DIVISION II

24 RETAIL MARIJUANA

25 Sec. 21. NEW SECTION. 124F.4 Definitions.

26 For the purposes of this subchapter:

27 1. "*Division*" means the alcoholic beverages division of the
28 department of commerce.

29 2. "*Immature plant*" means a nonflowering marijuana plant
30 that is no taller than eight inches and no wider than eight
31 inches, is produced from a cutting, clipping, or seedling, and
32 is in a cultivating container.

33 3. "*License*" means a license or registration issued pursuant
34 to this subchapter.

35 4. "*Licensed premises*" means the premises specified in an

1 application for a license under this subchapter, which are
2 owned or in possession of the licensee and within which the
3 licensee is authorized to cultivate, manufacture, distribute,
4 sell, or test retail marijuana and retail marijuana products in
5 accordance with this subchapter.

6 5. "*Licensee*" means a person licensed or registered pursuant
7 to this subchapter.

8 6. "*Local jurisdiction*" means a county.

9 7. "*Local licensing authority*" means, for any local
10 jurisdiction that has chosen to adopt a local licensing
11 requirement in addition to the state licensing requirements
12 of this subchapter, an authority designated by a municipal
13 or county ordinance, or resolution, or the governing body of
14 a municipality or county, or the board of commissioners of a
15 county if no such authority is designated.

16 8. "*Location*" means a particular parcel of land that may be
17 identified by an address or other descriptive means.

18 9. "*Marijuana*" means the same as defined in section 124.101.

19 10. "*Marijuana accessories*" means any equipment, products,
20 or materials of any kind which are used, intended for use, or
21 designed for use in planting, cultivating, growing, harvesting,
22 composting, manufacturing, compounding, converting, producing,
23 processing, preparing, testing, analyzing, packaging,
24 repackaging, storing, vaporizing, or containing marijuana, or
25 for ingesting, inhaling, or otherwise introducing marijuana
26 into the human body.

27 11. "*Person*" means a natural person, partnership,
28 association, company, corporation, limited liability company,
29 or organization; except that "*person*" does not include any
30 governmental organization.

31 12. "*Retail marijuana*" means all parts of the plant of the
32 genus *Cannabis*, whether growing or not, the seeds thereof; the
33 resin extracted from any part of the plant; and every compound,
34 manufacture, salt, derivative, mixture, or preparation of the
35 plant, its seeds or resin, including marijuana concentrate.

1 *"Retail marijuana"* does not include industrial hemp, nor does
2 it include fiber produced from the stalks, oil or cake made
3 from the seeds of the plant, sterilized seeds of the plant
4 which are incapable of germination, or the weight of any other
5 ingredient combined with marijuana to prepare topical or oral
6 administrations, food, drink, or other product.

7 13. *"Retail marijuana cultivation facility"* means an entity
8 licensed to cultivate, prepare, package, and sell marijuana to
9 retail marijuana stores, to marijuana product manufacturing
10 facilities, and to other marijuana cultivation facilities, but
11 not to consumers.

12 14. *"Retail marijuana establishment"* means a retail
13 marijuana store, a retail marijuana cultivation facility, or a
14 retail marijuana products manufacturer.

15 15. *"Retail marijuana products"* means concentrated marijuana
16 products and marijuana products that are comprised of marijuana
17 and other ingredients and are intended for use or consumption,
18 such as but not limited to edible products, ointments, and
19 tinctures.

20 16. *"Retail marijuana products manufacturer"* means an entity
21 licensed to purchase marijuana; manufacture, prepare, and
22 package marijuana products; and sell marijuana and marijuana
23 products to other marijuana product manufacturing facilities
24 and to retail marijuana stores, but not to consumers.

25 17. *"Retail marijuana store"* means an entity licensed
26 to purchase marijuana from marijuana cultivation facilities
27 and sell marijuana and to purchase marijuana products from
28 retail marijuana product manufacturing facilities and to sell
29 marijuana and marijuana products to consumers.

30 18. *"Retail marijuana transporter"* means an entity or person
31 licensed to transport retail marijuana and retail marijuana
32 products from one retail marijuana establishment to another
33 retail marijuana establishment and to temporarily store the
34 transported retail marijuana and retail marijuana products at
35 its licensed premises, but is not authorized to sell retail

1 marijuana or retail marijuana products under any circumstances.

2 Sec. 22. NEW SECTION. 124F.5 **Applicability.**

3 1. On or after July 1, 2024, an applicant may apply for
4 licensure of a retail marijuana establishment pursuant to this
5 subchapter.

6 2. *a.* Pursuant to subsection 1, an applicant shall complete
7 forms as provided by the division and shall pay the application
8 fee and the licensing fee. The division shall forward, within
9 seven days of the date of the application, one-half of the
10 application fee to the local jurisdiction unless the local
11 jurisdiction has prohibited the operation of retail marijuana
12 establishments. If the license is denied, the division shall
13 refund the licensing fee to the applicant.

14 *b.* The division shall act upon an application made pursuant
15 to subsection 1 no sooner than forty-five days and no later
16 than ninety days after the date of the application. The
17 division shall process applications in the order in which
18 completed applications are received by the division.

19 3. *a.* Any local jurisdiction may enact ordinances or
20 regulations governing the time, place, manner, and number of
21 retail marijuana establishments, which may include a local
22 licensing requirement, or may prohibit the operation of retail
23 marijuana establishments by ordinance or by a referred or
24 initiated measure. If a county acts through an initiated
25 measure, the proponents shall submit a petition signed by not
26 less than fifteen percent of the registered electors in the
27 county.

28 *b.* If a county prohibits the operation of retail marijuana
29 establishments, the county shall, upon receipt of a petition
30 signed by fifteen percent of the registered voters in the
31 county, submit to the voters of the county the question of
32 whether the operation of retail marijuana establishments should
33 be allowed in the county at the next general election.

34 Sec. 23. NEW SECTION. 124F.6 **Retail marijuana licensure.**

35 1. The division shall develop and maintain a seed-to-sale

1 tracking system that tracks retail marijuana from either
2 seed or immature plant stage until the marijuana or retail
3 marijuana product is sold to a customer at a retail marijuana
4 establishment to ensure that no marijuana grown or processed
5 by a retail marijuana establishment is sold or otherwise
6 transferred except by a retail marijuana store.

7 2. The division shall adopt all rules necessary for the
8 implementation of this chapter.

9 3. Nothing in this subchapter shall be construed to be
10 a delegation to the division of the power to fix prices for
11 retail marijuana.

12 4. Nothing in this subchapter shall be construed to limit
13 a law enforcement agency's ability to investigate unlawful
14 activity in relation to a retail marijuana establishment. A
15 law enforcement agency shall have the authority to conduct a
16 criminal history record check of a licensee and an employee of
17 a licensee during an investigation of unlawful activity related
18 to retail marijuana and retail marijuana products.

19 5. The division shall create a statewide licensure class
20 system for retail marijuana cultivation facilities. The
21 classifications may be based upon square footage of the
22 facility; lights, lumens, or wattage; canopy lighting; the
23 number of cultivating plants; a combination of the foregoing;
24 or other reasonable metrics. The division shall create a fee
25 structure for the licensure class system.

26 **Sec. 24. NEW SECTION. 124F.7 State and local participation**
27 **in licensure.**

28 1. When the division receives an application for an
29 initial license or a renewal of an existing license for
30 any retail marijuana establishment, the division shall
31 provide, within seven days of receipt of an application,
32 a copy of the application to the local jurisdiction in
33 which the establishment is to be located unless the local
34 jurisdiction has prohibited the operation of retail marijuana
35 establishments. The local jurisdiction shall determine whether

1 the application complies with local restrictions relating
2 to time, place, manner, and the number of retail marijuana
3 establishments allowed. The local jurisdiction shall inform
4 the division whether the application complies with local
5 restrictions.

6 2. A local jurisdiction may impose a separate local
7 licensing requirement as a part of its restrictions relating
8 to time, place, manner, and the number of retail marijuana
9 establishments allowed. A local jurisdiction may decline
10 to impose any local licensing requirements, but a local
11 jurisdiction shall notify the division that it either approves
12 or denies each application received by the local jurisdiction.

13 3. If a local jurisdiction issues a local license for
14 a retail marijuana establishment, a local jurisdiction may
15 schedule a public hearing on the application. If the local
16 jurisdiction schedules a hearing, it shall post and publish
17 public notice of the hearing not less than ten days prior
18 to the hearing. The local jurisdiction shall give public
19 notice by posting a sign in a conspicuous place on the license
20 applicant's premises for which a local license application
21 has been made and by publication in a newspaper of general
22 circulation in the county in which the applicant's premises are
23 located.

24 4. If a local jurisdiction does not issue local licenses,
25 the local jurisdiction may give public notice of the state
26 license application by posting a sign in a conspicuous place
27 on the state license applicant's premises for which a state
28 license application has been made and by publication in a
29 newspaper of general circulation in the county in which the
30 applicant's premises are located.

31 5. Applications for a state license under this subchapter
32 must be made to the division on forms prepared and furnished
33 by the division and must set forth such information as the
34 division may require to enable the division to determine
35 whether a state license should be granted.

1 6. The division shall deny a state license if the premises
2 on which the applicant proposes to conduct its business does
3 not meet the requirements of this subchapter. The division
4 may refuse or deny a license renewal, reinstatement, or
5 initial license issuance for good cause. For purposes of this
6 subsection, "good cause" means any of the following:

7 a. The licensee or applicant has violated, does not meet,
8 or has failed to comply with any of the terms, conditions, or
9 provisions of this subchapter, any rules promulgated pursuant
10 to this subchapter, or any supplemental local law, rules, or
11 regulations.

12 b. The licensee or applicant has failed to comply with any
13 special terms or conditions of the license pursuant to an order
14 of the division or local licensing authority.

15 c. The licensed premises have been operated in a manner that
16 adversely affects the public health or safety of the immediate
17 neighborhood in which the retail marijuana establishment is
18 located.

19 d. The licensed premises are located within two thousand
20 feet of real property comprising a school, child care facility,
21 or public park.

22 7. If the division denies a state license pursuant to
23 subsection 6, the applicant shall be entitled to a hearing
24 pursuant to section 17A.12 and judicial review pursuant to
25 section 17A.19. The division shall provide written notice of
26 the grounds for denial of the state license to the applicant
27 and to the local jurisdiction at least fifteen days prior to
28 the hearing.

29 8. The division shall give primary preference to applicants
30 for licensure who are currently licensed as a medical
31 cannabidiol manufacturer or medical cannabidiol dispensary
32 pursuant to chapter 124E. The division shall also prioritize
33 applicants for licensure that are businesses that are
34 majority-owned by persons who are women, citizens or permanent
35 legal residents of Iowa, or disabled veterans.

1 9. The division shall issue licenses to businesses that
2 are majority-owned by persons who are racial minorities in a
3 proportion that meets or exceeds the percentage of persons in
4 this state who are racial minorities according to the most
5 recent federal decennial census.

6 Sec. 25. NEW SECTION. 124F.8 Establishment and owner
7 requirements.

8 1. An owner who is a natural person must have been either
9 of the following:

10 a. A resident of Iowa for at least one year prior to the
11 date of the application.

12 b. A United States citizen prior to the date of the
13 application.

14 2. A retail marijuana establishment may be composed of an
15 unlimited number of owners that have been residents of Iowa for
16 at least one year prior to the date of the application.

17 3. A retail marijuana establishment shall not interfere
18 with the creation of or participation in a labor organization,
19 as defined in section 216.2, by employees of the retail
20 marijuana establishment.

21 4. The division shall review the retail marijuana
22 establishment's operating documents to ensure compliance with
23 this section.

24 Sec. 26. NEW SECTION. 124F.9 Retail marijuana establishment
25 licensure.

26 1. Local jurisdictions may adopt and enforce regulations
27 for retail marijuana establishments that are at least as
28 restrictive as the provisions of this subchapter and any rule
29 promulgated pursuant to this subchapter.

30 2. A retail marijuana establishment shall not operate
31 until the retail marijuana establishment is licensed by the
32 division pursuant to this subchapter and approved by the
33 relevant local jurisdiction. If an application is denied by
34 the local licensing authority, the division shall revoke the
35 state license. In connection with a license, the applicant

1 shall provide a complete and accurate application as required
2 by the division.

3 3. A retail marijuana establishment shall notify the
4 division in writing of the name, address, and date of birth of
5 a new owner, officer, or manager before the new owner, officer,
6 or manager begins managing, owning, working, or otherwise
7 associating with the establishment. The owner, officer,
8 manager, or employee shall pass a fingerprint-based criminal
9 history record check as required by the division and shall
10 obtain the required identification prior to managing, owning,
11 working, or otherwise associating with the establishment.
12 The division shall not deny licensure to a retail marijuana
13 establishment on the basis that an owner, officer, manager,
14 or employee has been convicted of a crime other than a
15 violent crime, as defined in section 915.10, if the person has
16 completed any term of probation or parole imposed by the court.

17 4. Before granting a state license, the division may
18 consider, except when this subchapter specifically provides
19 otherwise, the requirements of this subchapter and any
20 rules promulgated pursuant to this subchapter, and all other
21 reasonable restrictions that are or may be placed upon a
22 licensee by the division or local licensing authority.

23 5. *a.* Each license issued under this subchapter is separate
24 and distinct. It is unlawful for a person to exercise any
25 of the privileges granted under a license other than the
26 license that the person holds or for a licensee to allow any
27 other person to exercise the privileges granted under the
28 licensee's license. A separate license shall be required for
29 each specific business or business entity and each geographical
30 location.

31 *b.* At all times, a licensee shall possess and maintain
32 possession of the premises for which the license is issued
33 through ownership, lease, rental, or other arrangement for
34 possession of the premises.

35 6. Each licensee shall manage the licensed premises

1 personally or employ a separate and distinct manager on
2 the premises and shall report the name of the manager to
3 the division and local licensing authority. The licensee
4 shall report any change in manager to the division and local
5 licensing authority within seven days after the change.

6 Sec. 27. NEW SECTION. 124F.10 License renewal.

7 1. Ninety days prior to the expiration date of an existing
8 license, the division shall notify a licensee of the expiration
9 date by first class mail at the licensee's address of record
10 with the division. A licensee may apply for the renewal of
11 an existing license to the division not less than thirty days
12 prior to the date of expiration of the existing license. Upon
13 receipt of an application for renewal of an existing license
14 and any applicable fees, the division shall submit, within
15 seven days of the application, a copy of the application to
16 the local jurisdiction to determine whether the application
17 complies with all local restrictions on renewal of licenses.
18 The division shall not accept an application for renewal of a
19 license after the date of expiration, except as provided in
20 subsection 3. The division may extend the expiration date of
21 the license and accept a late application for renewal of a
22 license if the applicant has filed a timely renewal application
23 with the local licensing authority. The division or the local
24 licensing authority, in its discretion, and subject to the
25 requirements of this subsection and subsection 3 and based upon
26 reasonable grounds, may waive the thirty-day time requirements
27 set forth in this subsection.

28 2. The division may request additional fingerprints from a
29 licensee when there is a demonstrated investigative need.

30 3. a. Notwithstanding the provisions of subsection 1,
31 a licensee whose license has been expired for not more than
32 ninety days may file a late renewal application upon the
33 payment of a nonrefundable late application fee of five hundred
34 dollars to the division. A licensee who files a late renewal
35 application and pays the requisite fees may continue to operate

1 until the division takes final action to approve or deny
2 the licensee's late renewal application unless the division
3 summarily suspends the license pursuant to chapter 17A, this
4 subchapter, and rules adopted pursuant to this subchapter.

5 *b.* The division may administratively continue a license
6 and accept a later application for renewal of a license at the
7 discretion of the division.

8 Sec. 28. NEW SECTION. 124F.11 **Classes of licenses.**

9 For the purpose of regulating the cultivation, manufacture,
10 distribution, sale, and testing of retail marijuana and retail
11 marijuana products, the division in its discretion, upon
12 receipt of an application in the prescribed form, may issue and
13 grant to the applicant a license or registration in any of the
14 following classes, subject to the provisions and restrictions
15 provided by this subchapter:

- 16 1. Retail marijuana store license.
- 17 2. Retail marijuana cultivation facility license.
- 18 3. Retail marijuana products manufacturing license.
- 19 4. Occupational licenses and registrations for owners,
20 managers, operators, employees, contractors, and other support
21 staff employed by, working in, or having access to restricted
22 areas of the licensed premises, as determined by the division.
23 The division may take any action with respect to a registration
24 pursuant to this subchapter as it may with respect to a license
25 pursuant to this subchapter, in accordance with the procedures
26 established pursuant to this subchapter.
- 27 5. Retail marijuana transporter license.

28 Sec. 29. NEW SECTION. 124F.12 **Retail marijuana store**
29 **license.**

30 1. *a.* A retail marijuana store license shall be issued
31 by the division only to a person selling retail marijuana or
32 retail marijuana products pursuant to the terms and conditions
33 of this subchapter.

34 *b.* A retail marijuana store shall not accept any retail
35 marijuana purchased from a retail marijuana cultivation

1 facility unless the retail marijuana store is provided with
2 evidence that any applicable excise tax due was paid.

3 2. Notwithstanding the provisions of this section, a
4 retail marijuana store licensee may also sell retail marijuana
5 products that are prepackaged and labeled as required by rules
6 of the division pursuant to section 124F.21.

7 3. a. A retail marijuana store shall not sell more than one
8 ounce of retail marijuana or its equivalent in retail marijuana
9 products, including retail marijuana concentrate, except for
10 nonedible, nonpsychoactive retail marijuana products, including
11 ointments, lotions, balms, and other nontransdermal topical
12 products to a person.

13 b. (1) Prior to initiating a sale, an employee of the
14 retail marijuana store making the sale shall verify that
15 the purchaser has a valid identification card showing the
16 purchaser is twenty-one years of age or older. If a person
17 under twenty-one years of age presents fraudulent proof of age,
18 any action relying on the fraudulent proof of age shall not be
19 grounds for the revocation or suspension of any license issued
20 under this subchapter.

21 (2) (a) If a retail marijuana store licensee or
22 employee has reasonable cause to believe that a person is
23 under twenty-one years of age and is exhibiting fraudulent
24 proof of age in an attempt to obtain any retail marijuana
25 or cannabis-infused product, the licensee or employee is
26 authorized to confiscate such fraudulent proof of age, if
27 possible, and shall, within seventy-two hours after the
28 confiscation, remit such fraudulent proof of age to a state
29 or local law enforcement agency. The failure to confiscate
30 such fraudulent proof of age or to remit such fraudulent proof
31 of age to a state or local law enforcement agency within
32 seventy-two hours after the confiscation shall not constitute a
33 criminal offense.

34 (b) If a retail marijuana store licensee or employee
35 believes that a person is under twenty-one years of age and

1 presents fraudulent proof of age in an attempt to obtain any
2 retail marijuana or retail cannabis-infused product, the
3 licensee or employee or any peace officer or police officer,
4 acting in good faith and upon probable cause based upon
5 reasonable grounds therefor, may detain and question such
6 person in a reasonable manner for the purpose of ascertaining
7 whether the person is guilty of any unlawful act regarding the
8 purchase of retail marijuana. The questioning of a person by a
9 licensee, employee, peace officer, or police officer does not
10 render the licensee, employee, peace officer, or police officer
11 civilly or criminally liable for slander, false arrest, false
12 imprisonment, malicious prosecution, or unlawful detention.

13 4. All retail marijuana and retail marijuana products
14 sold at a licensed retail marijuana store shall be packaged
15 and labeled as required by rules of the division pursuant to
16 section 124F.21.

17 5. *a.* A licensed retail marijuana store shall only
18 sell retail marijuana, retail marijuana products, marijuana
19 accessories, nonconsumable products such as apparel, and
20 marijuana-related products such as childproof packaging
21 containers, but shall be prohibited from selling or giving
22 away any consumable product, including but not limited to
23 cigarettes, alcohol, or an edible product that does not contain
24 marijuana, including but not limited to sodas, candies, or
25 baked goods.

26 *b.* A licensed retail marijuana store shall not sell any
27 retail marijuana or retail marijuana products that contain
28 nicotine or alcohol, if the sale of the alcohol would require a
29 license pursuant to chapter 123.

30 *c.* A licensed retail marijuana store shall not sell retail
31 marijuana or retail marijuana products over the internet nor
32 deliver retail marijuana or retail marijuana products to a
33 person who is not physically present in the retail marijuana
34 store's licensed premises.

35 6. Retail marijuana or retail marijuana products shall not

1 be consumed on the premises of a retail marijuana store.

2 7. Notwithstanding any other provision of state law, sales
3 of retail marijuana and retail marijuana products are not
4 exempt from state or local sales tax.

5 8. The division shall not issue more than one retail
6 marijuana store license per county, except that the division
7 may, upon receipt of a petition, issue one additional retail
8 marijuana store license per one hundred thousand population
9 in the county according to the most recent federal decennial
10 census.

11 9. A retail marijuana store may also be licensed as a
12 medical cannabis dispensary pursuant to chapter 124E. The
13 division shall, in consultation with the department of public
14 health, adopt rules for the implementation of this subsection.

15 Sec. 30. NEW SECTION. 124F.13 Retail marijuana cultivation
16 facility license.

17 1. A retail marijuana cultivation facility license shall
18 be issued by the division only to a person who cultivates
19 retail marijuana for sale and distribution to licensed retail
20 marijuana stores, retail marijuana products manufacturing
21 licensees, or other retail marijuana cultivation facilities.

22 2. A retail marijuana cultivation facility shall remit any
23 applicable excise tax due.

24 3. A retail marijuana cultivation facility shall track
25 the marijuana it cultivates from seed or immature plant to
26 wholesale purchase of the retail marijuana. Prior to delivery
27 of any retail marijuana that is sold, the retail marijuana
28 cultivation facility shall provide evidence that the facility
29 paid any applicable excise tax on the retail marijuana due.

30 4. A retail marijuana cultivation facility may provide,
31 except as required by section 124F.21, a sample of its products
32 to the state hygienic laboratory for testing and research
33 purposes. A retail marijuana cultivation facility shall
34 maintain a record of the sample provided to the state hygienic
35 laboratory and the testing results.

1 5. Retail marijuana or retail marijuana products shall not
2 be consumed on the premises of a retail marijuana cultivation
3 facility.

4 Sec. 31. NEW SECTION. 124F.14 Retail marijuana products
5 manufacturing license.

6 1. a. A retail marijuana products manufacturing license
7 shall be issued by the division to a person who manufactures
8 retail marijuana products pursuant to the terms and conditions
9 of this subchapter.

10 b. A retail marijuana products manufacturer may cultivate
11 its own retail marijuana if the manufacturer obtains a retail
12 marijuana cultivation facility license, or it may purchase
13 retail marijuana from a licensed retail marijuana cultivation
14 facility. A retail marijuana products manufacturer shall track
15 all of its retail marijuana from the point the retail marijuana
16 is either transferred from its retail marijuana cultivation
17 facility or from the point when the retail marijuana is
18 delivered to the retail marijuana products manufacturer from a
19 licensed retail marijuana cultivation facility to the point of
20 transfer to a licensed retail marijuana store.

21 c. A retail marijuana products manufacturer shall not
22 accept any retail marijuana purchased from a retail marijuana
23 cultivation facility unless the retail marijuana products
24 manufacturer is provided with evidence that any applicable
25 excise tax due was paid.

26 2. All retail marijuana products shall be prepared on
27 a licensed premises used exclusively for the manufacture
28 and preparation of retail marijuana or retail marijuana
29 products and using equipment that is used exclusively for the
30 manufacture and preparation of retail marijuana products;
31 except that, if permitted by the local jurisdiction, a
32 retail marijuana products manufacturing licensee may share
33 the same premises as a medical cannabidiol-infused products
34 manufacturing licensee so long as a virtual or physical
35 separation of inventory is maintained pursuant to rules

1 promulgated by the division.

2 3. All licensed premises on which retail marijuana products
3 are manufactured shall meet the sanitary standards for retail
4 marijuana product preparation promulgated pursuant to section
5 124F.21.

6 4. Retail marijuana or retail marijuana products shall not
7 be consumed on the premises of a retail marijuana products
8 manufacturing facility.

9 5. A retail marijuana products manufacturer may provide,
10 except as required by section 124F.21, a sample of its products
11 to the state hygienic laboratory for testing and research
12 purposes. A retail marijuana products manufacturer shall
13 maintain a record of what was provided to the state hygienic
14 laboratory and the results of the testing.

15 6. A licensed retail marijuana products manufacturer shall
16 package and label each product manufactured as required by
17 rules of the division pursuant to section 124F.21.

18 7. All retail marijuana products that require refrigeration
19 to prevent spoilage must be stored and transported in a
20 refrigerated environment.

21 Sec. 32. NEW SECTION. 124F.15 Retail marijuana use —
22 protections.

23 1. No person shall be subject to arrest, prosecution, or
24 penalty in any manner, or be denied any right or privilege,
25 including but not limited to disciplinary action by a business,
26 occupational, or professional licensing board, solely for
27 conduct permitted under this subchapter.

28 2. *a.* Except as provided in this section, neither the state
29 nor any of its political subdivisions shall impose any penalty
30 or deny any benefit or entitlement for conduct permitted
31 under this subchapter or for the presence of cannabinoids or
32 cannabinoid metabolites in the urine, blood, saliva, breath,
33 hair, or other tissue or fluid of a person who is twenty-one
34 years of age or older.

35 *b.* Except as provided in this section and section 321J.2C,

1 neither the state nor any of its political subdivisions
2 shall deny a driver's license, a professional license,
3 housing assistance, social services, or other benefits based
4 on marijuana use or for the presence of cannabinoids or
5 cannabinoid metabolites in the urine, blood, saliva, breath,
6 hair, or other tissue or fluid of a person who is twenty-one
7 years of age or older.

8 3. No person shall be denied custody of or visitation with a
9 minor for acting in accordance with this subchapter, unless the
10 person's behavior creates an unreasonable danger to the minor
11 that can be clearly articulated and substantiated.

12 4. Except as provided in this section, neither the state
13 nor any of its political subdivisions shall deny employment
14 or a contract to a person for engaging in conduct permitted
15 under this subchapter, for a prior conviction for a nonviolent
16 marijuana offense that does not involve distribution to minors,
17 or for testing positive for the presence of cannabinoids or
18 cannabinoid metabolites in the urine, blood, saliva, breath,
19 hair, or other tissue or fluid of the individual's body.

20 5. For the purposes of medical care, including organ and
21 tissue transplants, the use of marijuana does not constitute
22 the use of an illicit substance or otherwise disqualify a
23 person from needed medical care and may only be considered with
24 respect to evidence-based clinical criteria.

25 6. Notwithstanding any other provision of law to the
26 contrary, unless there is a specific finding that the
27 individual's use, cultivation, or possession of marijuana could
28 create a danger to the individual or another person, it shall
29 not be a violation of conditions of parole, probation, or
30 pretrial release to do any of the following:

31 a. Engage in conduct allowed by this subchapter.

32 b. Test positive for marijuana, delta-9
33 tetrahydrocannabinol, or any other cannabinoid or metabolite of
34 marijuana, except as provided in section 321J.2C.

35 7. a. This section does not prevent a governmental employer

1 from disciplining an employee or contractor for ingesting
2 marijuana in the workplace or for working while under the
3 influence of marijuana.

4 *b.* The protections provided by this section do not apply to
5 the extent that they conflict with a governmental employer's
6 obligations under federal law or regulations or to the extent
7 that they would disqualify the entity from a monetary or
8 licensing-related benefit under federal law or regulations.

9 *c.* This section does not authorize any person to engage in,
10 and does not prevent the imposition of any civil, criminal,
11 discipline, or other penalties, including discipline or
12 termination by a governmental employer, any task while under
13 the influence of marijuana, when doing so would constitute
14 negligence or professional malpractice.

15 **Sec. 33. NEW SECTION. 124F.16 Discipline.**

16 In addition to any other sanctions prescribed by this
17 subchapter or rules adopted pursuant to this subchapter, the
18 division has the power, on its own motion or upon complaint,
19 after investigation and opportunity for a public hearing at
20 which a licensee must be afforded an opportunity to be heard,
21 to fine a licensee or to suspend or revoke a license issued by
22 the division for a violation by the licensee or by any of the
23 agents or employees of the licensee of the provisions of this
24 subchapter, or any of the rules promulgated pursuant to this
25 subchapter, or of any of the terms, conditions, or provisions
26 of the license issued by the division. The division has the
27 power to administer oaths and issue subpoenas to require the
28 presence of persons and the production of papers, books, and
29 records necessary to the determination of a hearing that the
30 division is authorized to conduct. The division shall conduct
31 a contested case pursuant to chapter 17A prior to imposing
32 discipline, except in the case of an emergency adjudication.

33 **Sec. 34. NEW SECTION. 124F.17 Disposition of seized**
34 **materials.**

35 1. This section shall apply in addition to any criminal,

1 civil, or administrative penalties and in addition to any
2 other penalties prescribed by this subchapter or any rules
3 promulgated pursuant to this subchapter.

4 2. A state or local agency shall not be required to
5 cultivate or care for any retail marijuana or retail marijuana
6 product belonging to or seized from a licensee. A state or
7 local agency shall not be authorized to sell marijuana or
8 retail marijuana.

9 3. If the division issues a final order imposing a
10 disciplinary action against a licensee pursuant to section
11 124F.16, then, in addition to any other remedies, the
12 division's final order may specify that some or all of the
13 licensee's marijuana or marijuana product is not retail
14 marijuana or a retail marijuana product and is an illegal
15 controlled substance. The final order may further specify that
16 the licensee shall lose any interest in any of the marijuana or
17 marijuana product even if the marijuana or marijuana product
18 previously qualified as retail marijuana or a retail marijuana
19 product.

20 4. On or before January 1, 2024, the division shall adopt
21 rules governing the implementation of this section.

22 Sec. 35. NEW SECTION. 124F.18 **Inspection procedures.**

23 1. A licensee shall keep a complete set of all records
24 necessary to show fully the business transactions of the
25 licensee, all of which shall be accessible at all times during
26 business hours for inspection and examination by the division
27 or its authorized representatives. The division may require
28 a licensee to furnish such information as necessary for the
29 proper administration of this subchapter and may require an
30 audit to be made of the books of account and records on such
31 occasions as necessary by an auditor selected by the division
32 who shall have access to all books and records of the licensee.
33 All associated expenses shall be paid by the licensee.

34 2. Any licensed premises, including any places of storage
35 where retail marijuana or retail marijuana products are stored,

1 cultivated, sold, dispensed, or tested shall be subject to
2 inspection by the state or local jurisdictions and their
3 investigators, during all business hours and during other times
4 when employees are present, for the purpose of inspection
5 or investigation. Access shall be required during business
6 hours for examination of any inventory or books and records
7 required to be kept by the licensees. If any part of the
8 licensed premises consists of a locked area, upon demand to
9 the licensee, such area shall be made available for inspection
10 without delay, and, upon request by authorized representatives
11 of the state or local jurisdiction, the licensee shall open the
12 area for inspection.

13 3. A licensee shall retain all books and records necessary
14 to show fully the business transactions of the licensee for
15 a period of the current tax year and the three immediately
16 preceding tax years.

17 Sec. 36. NEW SECTION. 124F.19 **Marijuana excise tax.**

18 1. An excise tax is imposed on consumers at the rate of ten
19 percent of the sales price of each sale of retail marijuana and
20 retail marijuana products.

21 2. The tax imposed by this section shall be paid by the
22 consumer to the retail marijuana establishment. Each retail
23 marijuana establishment shall collect from the consumer the
24 full amount of the tax payable on each taxable sale.

25 3. On the fifteenth day of each month, each retail marijuana
26 establishment that sells retail marijuana to a consumer shall
27 pay the excise taxes due on the retail marijuana that the
28 retail marijuana establishment sold in the previous calendar
29 month to the division.

30 Sec. 37. NEW SECTION. 124F.20 **Occupational licensing —**
31 **protections.**

32 1. A person holding a professional or occupational license
33 shall not be subject to professional discipline for providing
34 advice or services related to retail marijuana establishments
35 or applications to operate retail marijuana establishments on

1 the basis that marijuana is illegal under federal law.

2 2. An applicant for a professional or occupational license
3 shall not be denied a license based on previous employment
4 related to retail marijuana establishments operating in
5 accordance with state law.

6 Sec. 38. NEW SECTION. 124F.21 Rulemaking.

7 1. The division shall, within one year of the effective
8 date of this Act, adopt rules for the implementation of
9 this subchapter. The rules shall not prohibit the operation
10 of retail marijuana establishments or require such a high
11 investment of risk, money, time, or other resource or asset
12 that the operation of a retail marijuana establishment is not
13 worthy of being carried out in practice by a reasonably prudent
14 businessperson. Such rules shall include all of the following:

15 a. Procedures for the issuance, renewal, suspension, and
16 revocation of a registration to operate a retail marijuana
17 establishment, subject to chapter 17A.

18 b. A schedule of reasonable application, registration,
19 and renewal fees, provided application fees shall not exceed
20 five thousand dollars, with this upper limit adjusted annually
21 for inflation, unless the division determines a greater fee
22 is necessary to carry out its responsibilities under this
23 subchapter. Fees shall be collected by the division and used
24 to administer this subchapter.

25 c. Qualifications for registration that are directly and
26 demonstrably related to the operation of a retail marijuana
27 establishment and that may not disqualify applicants solely for
28 marijuana offenses prior to the effective date of this Act.

29 d. Security requirements.

30 e. Requirements for the transportation and storage of retail
31 marijuana and retail marijuana products by retail marijuana
32 establishments.

33 f. Requirements for the delivery of retail marijuana and
34 retail marijuana products to consumers, including a prohibition
35 on business names, logos, and other identifying language or

1 images on delivery vehicles and a prohibition on delivering
2 retail marijuana and retail marijuana products to any address
3 located on land owned by the federal government or any address
4 on land or in a building leased by the federal government.

5 *g.* Employment and training requirements, including
6 requiring that each retail marijuana establishment create
7 an identification badge for each employee or agent. These
8 requirements shall not disqualify applicants solely for
9 marijuana offenses prior to the effective date of this Act.

10 *h.* Requirements designed to prevent the sale or diversion of
11 retail marijuana and retail marijuana products to persons under
12 the age of twenty-one.

13 *i.* Requirements for retail marijuana and retail
14 marijuana products sold or distributed by a retail marijuana
15 establishment, including prohibiting any misleading labeling
16 and requiring retail marijuana product labels to include all
17 of the following:

18 (1) The length of time it typically takes for the product
19 to take effect.

20 (2) A disclosure of ingredients and possible allergens.

21 (3) A nutritional fact panel.

22 (4) Requiring opaque, child resistant packaging, which must
23 be designed or constructed to be significantly difficult for
24 children under five years of age to open and not difficult for
25 adults to use properly as defined by 16 C.F.R. §1700.20.

26 (5) Requiring that edible retail marijuana products be
27 clearly identifiable, when practicable, with a standard symbol
28 indicating the retail marijuana product contains marijuana.

29 *j.* Health and safety regulations and standards for the
30 manufacture of retail marijuana products and both the indoor
31 and outdoor cultivation of retail marijuana by retail marijuana
32 establishments.

33 *k.* Restrictions on advertising, marketing, and signage
34 including but not limited to a prohibition on mass-market
35 campaigns that have a high likelihood of reaching minors.

1 *l.* Rules to create at least six tiers of retail marijuana
2 cultivation facilities, based on the size of the facility or
3 the number of plants cultivated, and whether the cultivation
4 occurs outdoors, indoors, or in a greenhouse. Security
5 regulations and licensing fees must vary based on the size of
6 the cultivation facility.

7 *m.* Restrictions or prohibitions on additives in retail
8 marijuana and retail marijuana-infused products, including but
9 not limited to those that are toxic or designed to make the
10 product more addictive.

11 *n.* Prohibitions on products that are designed to make the
12 product more appealing to children, including prohibiting the
13 use of any images designed or likely to appeal to minors,
14 including cartoons, toys, animals, or children, and any other
15 images, characters, or phrases that are popularly used to
16 advertise to children.

17 *o.* Restrictions on the use of pesticides that are injurious
18 to human health.

19 *p.* Rules governing visits to retail marijuana cultivation
20 facilities and retail marijuana product manufacturing
21 facilities, including requiring the retail marijuana
22 establishment to log visitors.

23 *q.* A definition of the amount of delta-9
24 tetrahydrocannabinol that constitutes a single serving
25 in a retail marijuana product.

26 *r.* Standards for the safe manufacture of marijuana extracts
27 and concentrates.

28 *s.* Requirements that educational materials be disseminated
29 to consumers who purchase retail marijuana-infused products.

30 *t.* Requirements for random sample testing to ensure quality
31 control, including by ensuring that retail marijuana and
32 retail marijuana-infused products are accurately labeled for
33 potency. Unless the division determines that remediation or
34 treatment is sufficient to ensure product safety, the testing
35 analysis must include testing for residual solvents, poisons,

1 or toxins; harmful chemicals; dangerous molds or mildew; filth;
2 and harmful microbials such as E. coli or salmonella and
3 pesticides.

4 *u.* Standards for the operation of marijuana testing
5 facilities, including requirements for equipment and
6 qualifications for personnel.

7 *v.* Civil penalties for the failure to comply with rules
8 adopted pursuant to this subchapter. Civil penalties shall
9 be collected by the division and used to administer this
10 subchapter.

11 *w.* Procedures for collecting taxes levied on retail
12 marijuana establishments.

13 *x.* Requirements for on-site consumption establishments,
14 including for security, ventilation, odor control, and
15 consumption by patrons. These rules may include a prohibition
16 on smoking indoors.

17 *y.* Requirements for the verification of licensure in
18 transactions between licensees.

19 2. After consultation with researchers knowledgeable
20 about the risks and benefits of marijuana and providing an
21 opportunity for public comment, the division shall develop a
22 scientifically accurate safety information label or handout
23 or both, which shall be available to each adult-use marijuana
24 consumer. The label or handout shall include all of the
25 following:

26 *a.* Advice about the potential risks of marijuana, including
27 all of the following:

28 (1) The risks of driving under the influence of marijuana,
29 and the fact that doing so is illegal.

30 (2) Any adverse effects unique to younger adults, including
31 related to the developing mind.

32 (3) Potential adverse events and other risks.

33 (4) The risks of using marijuana during pregnancy and
34 breastfeeding.

35 *b.* The need to safeguard all retail marijuana and retail

1 marijuana products from children and pets.

2 3. The division shall review and update the safety
3 information materials at least once every two years to
4 ensure they remain accurate. The review period shall include
5 soliciting input from researchers knowledgeable about the
6 risks and benefits of marijuana and an opportunity for public
7 comment.

8 4. In order to ensure that individual privacy is protected,
9 the division shall not require a consumer to provide a
10 retail marijuana store with personal information other than
11 government-issued identification to determine the consumer's
12 age, and a retail marijuana store shall not be required to
13 acquire and record personal information about consumers.

14 Sec. 39. NEW SECTION. 124F.22 Marijuana use by minors —
15 prohibited.

16 Nothing in this subchapter allows the transfer of marijuana,
17 with or without remuneration, to a person under the age of
18 twenty-one years, or the use of marijuana by a person under the
19 age of twenty-one years.

20 Sec. 40. NEW SECTION. 124F.23 Private property and tenant
21 rights.

22 1. Except as provided in this section, the provisions of
23 this subchapter do not require any person, corporation, or any
24 other entity that occupies, owns, or controls a property to
25 allow the consumption, cultivation, display, sale, or transfer
26 of marijuana on or in that property.

27 2. a. Except as provided in this section, a landlord
28 or property manager shall not refuse to rent to a tenant
29 or otherwise discriminate against a tenant based on a past
30 conviction for a marijuana offense that would have been legal
31 under this chapter.

32 b. Except as provided in this section, in the case of
33 the rental of a residential dwelling, a landlord or property
34 manager shall not prohibit the possession of retail marijuana
35 or medical cannabis, as defined in section 124E.2, or the

1 consumption of retail marijuana or medical cannabis, as defined
2 in section 124E.2, by nonsmoking means.

3 c. The limitations in this subsection do not apply in any
4 of the following circumstances:

5 (1) The tenant is a roomer who is not leasing the entire
6 residential dwelling.

7 (2) The residence is incidental to detention or the
8 provision of medical, geriatric, educational, counseling,
9 religious, or similar services.

10 (3) The residence is a transitional housing or sober living
11 facility.

12 (4) Failing to prohibit marijuana possession or consumption
13 would violate federal law or regulations or cause a landlord
14 or property manager to lose a monetary or licensing-related
15 benefit under federal law or regulations.

16 d. After a warning, a landlord or property manager may take
17 action against a tenant if the tenant's use of marijuana or
18 medical cannabis, as defined in section 124E.2, creates an
19 odor that interferes with a person's peaceful enjoyment of the
20 person's home or property.

21 Sec. 41. NEW SECTION. 124F.24 **Apportionment of revenue.**

22 Revenues generated by the marijuana excise tax shall be
23 deposited as follows:

24 1. Thirty-five percent in the community reinvestment fund
25 created pursuant to section 124F.25.

26 2. Thirty-two and one-half percent in the mental health
27 services and substance use disorder prevention fund created
28 pursuant to section 124F.26.

29 3. Thirty-two and one-half percent in the local public
30 safety fund created pursuant to section 124F.27.

31 Sec. 42. NEW SECTION. 124F.25 **Community reinvestment fund.**

32 1. A community reinvestment fund is created under
33 the control of the division. Moneys in the fund shall be
34 appropriated by the general assembly as provided in subsection
35 2.

1 2. Moneys in the community reinvestment fund shall
2 be appropriated exclusively for the purpose of funding
3 scholarships for Iowa students for two years of postsecondary
4 education at Iowa schools.

5 3. Notwithstanding section 12C.7, subsection 2, interest
6 or earnings on moneys deposited in the community reinvestment
7 fund shall be credited to the community reinvestment fund.
8 Notwithstanding section 8.33, moneys credited to the community
9 reinvestment fund shall not revert at the close of a fiscal
10 year.

11 **Sec. 43. NEW SECTION. 124F.26 Mental health services and**
12 **substance use disorder prevention fund.**

13 1. A mental health services and substance use disorder
14 prevention fund is created under the control of the division.
15 Moneys in the fund shall be appropriated by the general
16 assembly as provided in subsection 2.

17 2. Moneys in the mental health services and substance use
18 disorder prevention fund shall be appropriated exclusively for
19 the purposes of providing mental health services and preventing
20 substance use disorders.

21 3. Notwithstanding section 12C.7, subsection 2, interest or
22 earnings on moneys deposited in the mental health services and
23 substance use disorder prevention fund shall be credited to the
24 mental health services and substance use disorder prevention
25 fund. Notwithstanding section 8.33, moneys credited to the
26 mental health services and substance use disorder prevention
27 fund shall not revert at the close of a fiscal year.

28 **Sec. 44. NEW SECTION. 124F.27 Local public safety fund.**

29 1. A local public safety fund is created under the control
30 of the division. Moneys in the fund shall be appropriated by
31 the general assembly as provided in subsection 2.

32 2. Moneys in the local public safety fund shall be
33 appropriated exclusively for the purposes of supporting local
34 law enforcement personnel, fire department personnel, and
35 emergency medical personnel in municipalities.

1 3. Notwithstanding section 12C.7, subsection 2, interest
2 or earnings on moneys deposited in the local public safety
3 fund shall be credited to the local public safety fund.
4 Notwithstanding section 8.33, moneys credited to the local
5 public safety fund shall not revert at the close of a fiscal
6 year.

7 Sec. 45. NEW SECTION. 332.1 **Definitions.**

8 1. "*Department*" means the department of revenue.

9 2. "*Director*" means the director of the department of
10 revenue.

11 3. "*Retail marijuana*" means the same as defined in section
12 124F.4.

13 4. "*Retail marijuana store*" means the same as defined in
14 section 124F.4.

15 5. "*Retail sale*" means the same as defined in section 423.1.

16 6. "*Surcharge*" means a retail marijuana surcharge imposed
17 pursuant to this chapter.

18 Sec. 46. NEW SECTION. 332.2 **Retail marijuana surcharge.**

19 1. A surcharge may be imposed, in accordance with the
20 provisions of this section, by ordinance of the board of
21 supervisors of a county that has not prohibited the sale of
22 retail marijuana. The surcharge shall be imposed at a rate of
23 one percent upon the retail sales price of retail marijuana.

24 2. The surcharge shall be in addition to the state sales tax
25 imposed pursuant to chapter 423, subchapter II, and the local
26 sales and services tax imposed pursuant to chapter 423B.

27 3. *a.* Within ten days of the passage of an ordinance
28 imposing a surcharge, the county auditor shall give written
29 notice to the director by sending a copy of the ordinance to
30 the director.

31 *b.* A surcharge shall be imposed either January 1 or July 1
32 following the notification of the director but not sooner than
33 ninety days following the passage of the ordinance imposing the
34 surcharge and not sooner than sixty days following notice to
35 sellers, as defined in section 423.1.

1 *c.* A surcharge shall be repealed only on June 30 or December
2 31 but not sooner than ninety days following repeal of the
3 ordinance. At least forty days before the repeal of the
4 surcharge, the board of supervisors shall provide notice of the
5 action by certified mail to the director of revenue.

6 4. Upon the remittance of the revenues from the state
7 surcharge revenue fund to each county that has imposed a retail
8 marijuana surcharge under section 332.4, the revenues shall be
9 deposited into the general fund of the county.

10 Sec. 47. NEW SECTION. **332.3 Administration of surcharge.**

11 1. The director shall administer the surcharge imposed
12 pursuant to this chapter as nearly as possible in conjunction
13 with the administration of state sales tax laws. The director
14 shall provide appropriate forms, or provide space on the
15 regular state tax forms, for reporting surcharge liability.

16 2. *a.* Section 422.25, subsection 4, sections 422.30,
17 422.67, and 422.68, section 422.69, subsection 1, sections
18 422.70, 422.71, 422.72, 422.74, and 422.75, section 423.14,
19 subsection 1, and sections 423.23, 423.24, 423.25, 423.31,
20 423.33, 423.35, 423.37 through 423.42, and 423.47, consistent
21 with the provisions of this chapter, apply with respect to
22 the surcharge authorized under this chapter, in the same
23 manner and with the same effect as retail sales taxes within
24 the meaning of those statutes. The director may require all
25 persons who are engaged in the business of deriving any sales
26 price subject to a surcharge under this chapter to register
27 with the department. All surcharges collected under this
28 chapter are deemed to be held in trust for the state of Iowa and
29 the counties imposing the surcharges. County officials shall
30 confer with the director of revenue for assistance in drafting
31 the ordinance imposing the surcharge. A certified copy of the
32 ordinance shall be filed with the director as soon as possible
33 after passage.

34 *b.* Frequency of deposits and quarterly reports of the
35 surcharge with the department of revenue are governed by the

1 provisions in section 423.31. Local surcharge collections
2 shall not be included in computation of the total tax to
3 determine frequency of filing under section 423.31.

4 3. a. The director, in consultation with county officials,
5 shall collect and account for the surcharge. The director
6 shall certify each quarter the amount of the surcharge receipts
7 and any interest and penalties to be credited to the county
8 account in the state surcharge revenue fund established in
9 section 386.3C. County authorities shall not require any
10 permit not required by the director of revenue.

11 b. All surcharge revenues and interest and penalties
12 received or refunded one hundred eighty days or more after
13 the date on which the county repeals the surcharge shall be
14 deposited in or withdrawn from the general fund of the state.

15 4. Each county that has imposed a retail marijuana surcharge
16 under this chapter shall assist the department in identifying
17 new establishments required to impose the surcharge in the
18 county. This process shall be ongoing until the surcharge is
19 repealed.

20 Sec. 48. NEW SECTION. 332.4 State surcharge revenue fund
21 — county accounts.

22 1. A state surcharge revenue fund is established in the
23 state treasury under the control of the department consisting
24 of the surcharge revenues collected within each county and
25 deposited in the fund pursuant to section 332.3. Revenues
26 deposited in the fund are appropriated to the department for
27 the purposes of this section.

28 2. A county account is created within the fund for each
29 county imposing a retail marijuana surcharge under this
30 chapter.

31 3. The department shall deposit the revenues described in
32 subsection 1 that were collected in a quarter beginning on or
33 after the imposition of the surcharge into the appropriate
34 county account in the fund.

35 4. All revenues in each county account within the fund

1 shall be remitted quarterly by the department to the county
2 that imposed the retail marijuana surcharge for deposit in the
3 general fund of the county.

4 5. The department shall adopt rules pursuant to chapter 17A
5 necessary to administer the department's responsibilities under
6 this chapter.

7 Sec. 49. NEW SECTION. **453B.19 Retail marijuana.**

8 This chapter shall not apply to retail marijuana or retail
9 marijuana products produced or sold pursuant to chapter 124F.

10 DIVISION III
11 MEDICAL CANNABIS

12 Sec. 50. Section 124E.1, Code 2023, is amended to read as
13 follows:

14 **124E.1 Short title.**

15 This chapter shall be known and may be cited as the "*Medical*
16 ~~*Cannabidiol*~~ *Cannabis Act*".

17 Sec. 51. Section 124E.2, subsection 2, Code 2023, is amended
18 by adding the following new paragraph:

19 NEW PARAGRAPH. 1. Any other medical condition for which
20 the patient's health care practitioner determines the use of
21 medical cannabis could be medically beneficial.

22 Sec. 52. Section 124E.2, subsection 7, Code 2023, is amended
23 to read as follows:

24 7. "*Health care practitioner*" means an individual licensed
25 under chapter 148 to practice medicine and surgery or
26 osteopathic medicine and surgery, a physician assistant
27 licensed under chapter 148C, an advanced registered nurse
28 practitioner licensed under chapter 152, or an advanced
29 practice registered nurse under chapter 152E, who is a
30 patient's primary care provider, or a podiatrist licensed
31 pursuant to chapter 149, or a pharmacist licensed pursuant
32 to chapter 155A who has completed medical cannabis training
33 requirements imposed by the board of pharmacy.

34 Sec. 53. Section 124E.3, subsection 1, paragraph a, Code
35 2023, is amended to read as follows:

1 a. (1) Determine, in the health care practitioner's medical
2 judgment, whether the patient whom the health care practitioner
3 has examined and treated suffers from a debilitating medical
4 condition that qualifies for the use of medical ~~cannabidiol~~
5 cannabis under this chapter, and if so determined, provide the
6 patient with a written certification of that diagnosis.

7 (2) If a health care practitioner determines that the
8 patient whom the health care practitioner has examined and
9 treated suffers from a debilitating medical condition pursuant
10 to section 124E.2, subsection 2, paragraph "1", that qualifies
11 for the use of medical cannabis under this chapter, the health
12 care practitioner's written certification shall be based on
13 reasonable medical evidence, and shall be made in good faith,
14 in the best interest of the patient, without fraudulent intent,
15 and with the same reasonable medical judgment and prudence
16 exercised according to generally accepted medical practice.

17 Sec. 54. Section 124E.4, subsection 1, paragraph e, Code
18 2023, is amended to read as follows:

19 e. Submits a medical ~~cannabidiol~~ cannabis registration
20 card fee of ~~one hundred~~ ten dollars to the department. If
21 the patient ~~attests to receiving social security disability~~
22 ~~benefits, supplemental security insurance payments, or being~~
23 ~~enrolled in the medical assistance program, the fee shall be~~
24 ~~twenty-five dollars~~ submits documentation that the patient is a
25 veteran as defined in section 35.1, the department shall waive
26 the fee.

27 Sec. 55. Section 124E.4, subsection 3, paragraph c, Code
28 2023, is amended to read as follows:

29 c. Submits a medical ~~cannabidiol~~ cannabis registration card
30 fee of ~~twenty-five~~ ten dollars to the department.

31 Sec. 56. Section 124E.5, subsection 1, paragraphs a and b,
32 Code 2023, are amended to read as follows:

33 a. A medical ~~cannabidiol~~ cannabis board is created
34 consisting of ~~eight~~ ten practitioners representing the fields
35 of neurology, pain management, gastroenterology, oncology,

1 psychiatry, pediatrics, family medicine, physician assistance,
2 advanced practice registered nursing, and pharmacy, and one
3 representative from law enforcement.

4 *b.* The practitioners shall be licensed in this state and
5 nationally board-certified in their area of specialty and
6 knowledgeable about the use of medical ~~eannabidiol~~ cannabis.

7 Sec. 57. Section 124E.6, subsection 1, Code 2023, is amended
8 to read as follows:

9 1. *a.* The department shall ~~issue a request for proposals~~
10 ~~to select and license by December 1, 2017, up to two medical~~
11 ~~eannabidiol~~ cannabis manufacturers to manufacture and to
12 possess, cultivate, harvest, transport, package, process,
13 or supply medical ~~eannabidiol~~ cannabis within this state
14 consistent with the provisions of this chapter. The department
15 shall license new medical ~~eannabidiol~~ cannabis manufacturers
16 or relicense the existing medical ~~eannabidiol~~ cannabis
17 manufacturers by December 1 of each year.

18 *b.* Information submitted during the application process
19 shall be confidential until a medical ~~eannabidiol~~ cannabis
20 manufacturer is licensed by the department unless otherwise
21 protected from disclosure under state or federal law.

22 Sec. 58. Section 124E.6, subsection 3, Code 2023, is amended
23 by adding the following new paragraph:

24 NEW PARAGRAPH. *g.* The demand for medical cannabis in the
25 state based on an evidence-based analysis performed by the
26 department.

27 Sec. 59. Section 124E.7, subsection 12, paragraph c, Code
28 2023, is amended to read as follows:

29 *c.* A medical ~~eannabidiol~~ cannabis manufacturer ~~shall not~~
30 may manufacture edible medical ~~eannabidiol~~ cannabis products.
31 However, an edible medical cannabis product shall not appear
32 in a form or be sold in packaging that would be likely to
33 appeal to children. The department shall adopt rules for the
34 implementation of this paragraph.

35 Sec. 60. Section 124E.8, subsection 1, Code 2023, is amended

1 to read as follows:

2 1. *a.* ~~The department shall issue a request for proposals~~
3 ~~to select and license by April 1, 2018, up to five medical~~
4 ~~cannabidiol dispensaries to dispense medical cannabidiol within~~
5 ~~this state consistent with the provisions of this chapter.~~

6 The department shall license new medical ~~cannabidiol~~ cannabis
7 dispensaries or relicense the existing medical ~~cannabidiol~~
8 cannabis dispensaries by December 1 of each year.

9 *b.* Information submitted during the application process
10 shall be confidential until a medical ~~cannabidiol~~ cannabis
11 dispensary is licensed by the department unless otherwise
12 protected from disclosure under state or federal law.

13 Sec. 61. Section 124E.8, subsection 3, Code 2023, is amended
14 by adding the following new paragraph:

15 NEW PARAGRAPH. *f.* The demand for medical cannabis in the
16 state based on an evidence-based analysis performed by the
17 department.

18 Sec. 62. Section 124E.9, subsection 14, Code 2023, is
19 amended to read as follows:

20 14. A medical ~~cannabidiol~~ cannabis dispensary shall not
21 dispense more than a combined total of ~~four and one-half~~
22 seventeen grams of total tetrahydrocannabinol to a patient and
23 the patient's primary caregiver in a ninety-day period, except
24 as provided in subsection 15.

25 Sec. 63. Section 124E.9, subsection 15, unnumbered
26 paragraph 1, Code 2023, is amended to read as follows:

27 A medical ~~cannabidiol~~ cannabis dispensary may dispense
28 more than a combined total of ~~four and one-half~~ seventeen
29 grams of total tetrahydrocannabinol to a patient and the
30 patient's primary caregiver in a ninety-day period if any of
31 the following apply:

32 Sec. 64. Section 124E.9, subsection 15, paragraph b, Code
33 2023, is amended to read as follows:

34 *b.* The health care practitioner who certified the patient
35 to receive a medical ~~cannabidiol~~ cannabis registration

1 card certifies that the patient has participated in the
2 medical ~~cannabidiol~~ cannabis program and that the health
3 care practitioner has determined that ~~four and one-half~~
4 seventeen grams of total tetrahydrocannabinol in a ninety-day
5 period is insufficient to treat the patient's debilitating
6 medical condition. A certification issued pursuant to this
7 paragraph shall include a total tetrahydrocannabinol cap deemed
8 appropriate by the patient's health care practitioner.

9 Sec. 65. Section 124E.9, Code 2023, is amended by adding the
10 following new subsection:

11 NEW SUBSECTION. 16. A medical cannabis dispensary shall
12 share information regarding the dispensation of medical
13 cannabis to a patient with the health care practitioner
14 who certified the patient to receive a medical cannabis
15 registration card upon request of the health care practitioner.

16 Sec. 66. Section 124E.11, subsection 2, paragraph h, Code
17 2023, is amended to read as follows:

18 *h.* Establish and implement a real-time, statewide medical
19 ~~cannabidiol~~ cannabis registry management sale tracking system
20 that is available to medical ~~cannabidiol~~ cannabis dispensaries
21 on a twenty-four-hour-a-day, seven-day-a-week basis for the
22 purpose of verifying that a person is lawfully in possession
23 of a medical ~~cannabidiol~~ cannabis registration card issued
24 pursuant to this chapter and for tracking the date of the sale
25 and quantity of medical ~~cannabidiol~~ cannabis purchased by a
26 patient or a primary caregiver. The department may share
27 information regarding medical cannabis purchased by a patient
28 or a primary caregiver with the health care practitioner who
29 certified the patient or primary caregiver to purchase medical
30 cannabis.

31 Sec. 67. NEW SECTION. 124E.27 **Health care practitioners —**
32 **telemedicine.**

33 1. A health care practitioner who uses telemedicine
34 shall establish a valid practitioner-patient relationship
35 with the person who receives telemedicine services. A

1 practitioner-patient relationship begins when all of the
2 following conditions are met:

3 *a.* A person with a health-related matter seeks assistance
4 from the health care practitioner.

5 *b.* The health care practitioner agrees to undertake
6 diagnosis and treatment of the person.

7 *c.* The person agrees to be treated by the health care
8 practitioner, regardless of whether there has been an in-person
9 encounter between the health care practitioner and the person.

10 2. A valid practitioner-patient relationship may be
11 established by any of the following:

12 *a.* An in-person medical interview and physical examination.

13 *b.* Through consultation with another health care
14 practitioner when the health care practitioner agrees to
15 participate in or supervise the patient's care.

16 *c.* A telemedicine encounter, but only if the standard of
17 care does not require an in-person encounter, and in accordance
18 with evidence-based standards of practice and telemedicine
19 practice guidelines that address the clinical and technological
20 aspects of telemedicine.

21 Sec. 68. NEW SECTION. 155A.49 **Medical cannabis —**
22 **recommendation.**

23 The board shall adopt rules establishing the requirements a
24 pharmacist must meet prior to recommending the use of medical
25 cannabis by a patient pursuant to chapter 124E.

26 Sec. 69. **MEDICAL CANNABIDIOL — FEDERAL EXEMPTION TASK**
27 **FORCE.** The department of health and human services shall
28 convene a task force of legal experts to assist the department
29 in executing the department's responsibilities under 2020 Iowa
30 Acts, chapter 1116, section 31.

31 **DIVISION IV**

32 **MEDICAL CANNABIS — INCOME TAXES**

33 Sec. 70. Section 422.7, Code 2023, is amended by adding the
34 following new subsection:

35 NEW SUBSECTION. 44. Subtract, to the extent included, the

1 amount of business expense for a medical cannabis manufacturer
2 or medical cannabis dispensary licensed pursuant to chapter
3 124E without regard to section 280E of the Internal Revenue
4 Code.

5 Sec. 71. Section 422.35, Code 2023, is amended by adding the
6 following new subsection:

7 NEW SUBSECTION. 15. Subtract, to the extent included, the
8 amount of business expense for a medical cannabis manufacturer
9 or medical cannabis dispensary licensed pursuant to chapter
10 124E without regard to section 280E of the Internal Revenue
11 Code.

12 DIVISION V

13 MEDICAL CANNABIS — SALES AND USE TAX

14 Sec. 72. Section 423.3, Code 2023, is amended by adding the
15 following new subsection:

16 NEW SUBSECTION. 110. The sales price of the sale of a
17 medical cannabidiol product by a medical cannabis manufacturer
18 or a medical cannabis dispensary pursuant to chapter 124E.

19 DIVISION VI

20 MEDICAL CANNABIDIOL PROGRAM NAME CHANGE TO MEDICAL CANNABIS —

21 CONFORMING CODE CHANGES

22 Sec. 73. Section 124.401, subsection 5, paragraph c, Code
23 2023, is amended to read as follows:

24 c. A person may knowingly or intentionally recommend,
25 possess, use, dispense, deliver, transport, or administer
26 ~~eannabidiol~~ medical cannabis if the recommendation, possession,
27 use, dispensing, delivery, transporting, or administering is in
28 accordance with the provisions of chapter 124E. For purposes
29 of this paragraph, "~~eannabidiol~~" "medical cannabis" means the
30 same as defined in section 124E.2.

31 Sec. 74. Section 124E.2, subsections 8, 9, 10, and 11, Code
32 2023, are amended to read as follows:

33 8. "Laboratory" means the state hygienic laboratory at
34 the university of Iowa in Iowa City or any other independent
35 medical ~~eannabidiol~~ cannabis testing facility accredited

1 to standard ISO/IEC 17025 by an international organization
2 for standards-approved accrediting body, with a controlled
3 substance registration certificate from the United States drug
4 enforcement administration and a certificate of registration
5 from the board of pharmacy. For the purposes of this chapter,
6 an independent laboratory is a laboratory operated by an entity
7 that has no equity ownership in a medical ~~cannabidiol~~ cannabis
8 manufacturer.

9 9. "*Marijuana*" means any derivative of marijuana including
10 but not limited to medical ~~cannabidiol~~ cannabis.

11 10. "~~Medical cannabidiol~~" "Medical cannabis" means any
12 pharmaceutical grade cannabinoid found in the plant *Cannabis*
13 *sativa* L. or *Cannabis indica* or any other preparation thereof
14 that is delivered in a form recommended by the medical
15 ~~cannabidiol~~ cannabis board, approved by the board of medicine,
16 and adopted by the department pursuant to rule.

17 11. "*Primary caregiver*" means a person who is a resident of
18 this state or a bordering state as defined in section 331.910,
19 including but not limited to a parent or legal guardian, at
20 least eighteen years of age, who has been designated by a
21 patient's health care practitioner as a necessary caretaker
22 taking responsibility for managing the well-being of the
23 patient with respect to the use of medical ~~cannabidiol~~ cannabis
24 pursuant to the provisions of this chapter.

25 Sec. 75. Section 124E.3, subsection 1, unnumbered paragraph
26 1, Code 2023, is amended to read as follows:

27 Prior to a patient's submission of an application for a
28 medical ~~cannabidiol~~ cannabis registration card pursuant to
29 section 124E.4, a health care practitioner shall do all of the
30 following:

31 Sec. 76. Section 124E.3, subsection 1, paragraph b, Code
32 2023, is amended to read as follows:

33 *b.* Provide explanatory information as provided by the
34 department to the patient about the therapeutic use of medical
35 ~~cannabidiol~~ cannabis and the possible risks, benefits, and side

1 effects of the proposed treatment.

2 Sec. 77. Section 124E.4, subsection 1, unnumbered paragraph
3 1, Code 2023, is amended to read as follows:

4 Subject to subsection 6, the department may issue a medical
5 ~~cannabidiol~~ cannabis registration card to a patient who:

6 Sec. 78. Section 124E.4, subsection 2, unnumbered paragraph
7 1, Code 2023, is amended to read as follows:

8 A medical ~~cannabidiol~~ cannabis registration card issued to
9 a patient by the department pursuant to subsection 1 shall
10 contain, at a minimum, all of the following:

11 Sec. 79. Section 124E.4, subsection 2, paragraph b, Code
12 2023, is amended to read as follows:

13 *b.* The date of issuance and expiration date of the medical
14 ~~cannabidiol~~ cannabis registration card.

15 Sec. 80. Section 124E.4, subsection 3, unnumbered paragraph
16 1, Code 2023, is amended to read as follows:

17 For a patient in a primary caregiver's care, subject to
18 subsection 6, the department may issue a medical ~~cannabidiol~~
19 cannabis registration card to the primary caregiver who:

20 Sec. 81. Section 124E.4, subsection 4, unnumbered paragraph
21 1, Code 2023, is amended to read as follows:

22 A medical ~~cannabidiol~~ cannabis registration card issued by
23 the department to a primary caregiver pursuant to subsection 3
24 shall contain, at a minimum, all of the following:

25 Sec. 82. Section 124E.4, subsection 4, paragraph c, Code
26 2023, is amended to read as follows:

27 *c.* The medical ~~cannabidiol~~ cannabis registration card
28 number of each patient in the primary caregiver's care. If
29 the patient in the primary caregiver's care is under the age
30 of eighteen, the full name of the patient's parent or legal
31 guardian.

32 Sec. 83. Section 124E.4, subsections 5 and 6, Code 2023, are
33 amended to read as follows:

34 5. *Expiration date of card.* A medical ~~cannabidiol~~ cannabis
35 registration card issued pursuant to this section shall expire

1 one year after the date of issuance and may be renewed.

2 6. *Federally approved clinical trials.* The department shall
3 not approve the issuance of a medical ~~cannabidiol~~ cannabis
4 registration card pursuant to this section for a patient who
5 is enrolled in a federally approved clinical trial for the
6 treatment of a debilitating medical condition with medical
7 ~~cannabidiol~~ cannabis.

8 Sec. 84. Section 124E.5, subsections 2, 3, 4, 5, and 6, Code
9 2023, are amended to read as follows:

10 2. The medical ~~cannabidiol~~ cannabis board shall convene at
11 least twice per year.

12 3. The duties of the medical ~~cannabidiol~~ cannabis board
13 shall include but not be limited to the following:

14 a. Accepting and reviewing petitions to add medical
15 conditions, medical treatments, or debilitating diseases to the
16 list of debilitating medical conditions for which the medical
17 use of ~~cannabidiol~~ cannabis would be medically beneficial under
18 this chapter.

19 b. Making recommendations relating to the removal or
20 addition of debilitating medical conditions to the list
21 of allowable debilitating medical conditions for which the
22 medical use of ~~cannabidiol~~ cannabis under this chapter would
23 be medically beneficial.

24 c. Working with the department regarding the requirements
25 for the licensure of medical ~~cannabidiol~~ cannabis manufacturers
26 and medical cannabidiol dispensaries, including licensure
27 procedures.

28 d. Advising the department regarding the location of medical
29 ~~cannabidiol~~ cannabis manufacturers and medical ~~cannabidiol~~
30 cannabis dispensaries throughout the state.

31 e. Making recommendations relating to the form and quantity
32 of allowable medical uses of ~~cannabidiol~~ cannabis.

33 4. Recommendations made by the medical ~~cannabidiol~~ cannabis
34 board pursuant to subsection 3, paragraphs "b" and "e", shall
35 be made to the board of medicine for consideration, and if

1 approved, shall be adopted by the board of medicine by rule.

2 5. On or before January 1 of each year, beginning January
3 1, 2018, the medical ~~cannabidiol~~ cannabis board shall submit a
4 report detailing the activities of the board.

5 6. The general assembly shall have the sole authority
6 to revise the definition of medical ~~cannabidiol~~ cannabis for
7 purposes of this chapter.

8 Sec. 85. Section 124E.6, subsections 2, 3, 4, and 5, Code
9 2023, are amended to read as follows:

10 2. As a condition for licensure, a medical ~~cannabidiol~~
11 cannabis manufacturer must agree to begin supplying medical
12 ~~cannabidiol~~ cannabis to medical ~~cannabidiol~~ cannabis
13 dispensaries in this state no later than December 1, 2018.

14 3. The department shall consider the following factors in
15 determining whether to select and license a medical ~~cannabidiol~~
16 cannabis manufacturer:

17 a. The technical expertise of the medical ~~cannabidiol~~
18 cannabis manufacturer regarding medical ~~cannabidiol~~ cannabis.

19 b. The qualifications of the medical ~~cannabidiol~~ cannabis
20 manufacturer's employees.

21 c. The long-term financial stability of the medical
22 ~~cannabidiol~~ cannabis manufacturer.

23 d. The ability to provide appropriate security measures on
24 the premises of the medical ~~cannabidiol~~ cannabis manufacturer.

25 e. Whether the medical ~~cannabidiol~~ cannabis manufacturer
26 has demonstrated an ability to meet certain medical ~~cannabidiol~~
27 cannabis production needs for medical use regarding the range
28 of recommended dosages for each debilitating medical condition,
29 the range of chemical compositions of any plant of the genus
30 cannabis that will likely be medically beneficial for each
31 of the debilitating medical conditions, and the form of the
32 medical ~~cannabidiol~~ cannabis in the manner determined by the
33 department pursuant to rule.

34 f. The medical ~~cannabidiol~~ cannabis manufacturer's
35 projection of and ongoing assessment of fees on patients with

1 debilitating medical conditions.

2 4. A medical ~~cannabidiol~~ cannabis manufacturer shall
3 contract with a laboratory to perform spot-check testing of
4 the medical ~~cannabidiol~~ cannabis produced by the medical
5 ~~cannabidiol~~ cannabis manufacturer as provided in section
6 124E.7. The department shall require that the laboratory
7 report testing results to the medical ~~cannabidiol~~ cannabis
8 manufacturer and the department as determined by the department
9 by rule. If a medical ~~cannabidiol~~ cannabis manufacturer
10 contracts with a laboratory other than the state hygienic
11 laboratory at the university of Iowa in Iowa City, the
12 department shall approve the laboratory to perform testing
13 pursuant to this chapter.

14 5. Each entity submitting an application for licensure
15 as a medical ~~cannabidiol~~ cannabis manufacturer shall pay a
16 nonrefundable application fee of seven thousand five hundred
17 dollars to the department.

18 Sec. 86. Section 124E.7, subsections 1, 2, 3, 4, 5, 6, 7, 8,
19 9, 10, and 11, Code 2023, are amended to read as follows:

20 1. A medical ~~cannabidiol~~ cannabis manufacturer shall
21 contract with a laboratory to perform spot-check testing of
22 the medical ~~cannabidiol~~ cannabis produced by the medical
23 ~~cannabidiol~~ cannabis manufacturer as to content, contamination,
24 and consistency. The cost of all laboratory testing shall be
25 paid by the medical ~~cannabidiol~~ cannabis manufacturer.

26 2. The operating documents of a medical ~~cannabidiol~~
27 cannabis manufacturer shall include all of the following:

28 a. Procedures for the oversight of the medical ~~cannabidiol~~
29 cannabis manufacturer and procedures to ensure accurate
30 recordkeeping.

31 b. Procedures for the implementation of appropriate security
32 measures to deter and prevent the theft of medical ~~cannabidiol~~
33 cannabis and unauthorized entrance into areas containing
34 medical ~~cannabidiol~~ cannabis.

35 3. A medical ~~cannabidiol~~ cannabis manufacturer shall

1 implement security requirements, including requirements for
2 protection of each location by a fully operational security
3 alarm system, facility access controls, perimeter intrusion
4 detection systems, and a personnel identification system.

5 4. A medical ~~cannabidiol~~ cannabis manufacturer shall
6 not share office space with, refer patients to, or have any
7 financial relationship with a health care practitioner.

8 5. A medical ~~cannabidiol~~ cannabis manufacturer shall not
9 permit any person to consume medical ~~cannabidiol~~ cannabis on
10 the property of the medical ~~cannabidiol~~ cannabis manufacturer.

11 6. A medical ~~cannabidiol~~ cannabis manufacturer is subject
12 to reasonable inspection by the department.

13 7. A medical ~~cannabidiol~~ cannabis manufacturer shall not
14 employ a person who is under eighteen years of age or who has
15 been convicted of a disqualifying felony offense. An employee
16 of a medical ~~cannabidiol~~ cannabis manufacturer shall be subject
17 to a background investigation conducted by the division of
18 criminal investigation of the department of public safety and a
19 national criminal history background check pursuant to section
20 124E.19.

21 8. A medical ~~cannabidiol~~ cannabis manufacturer owner shall
22 not have been convicted of a disqualifying felony offense and
23 shall be subject to a background investigation conducted by
24 the division of criminal investigation of the department of
25 public safety and a national criminal history background check
26 pursuant to section 124E.19.

27 9. A medical ~~cannabidiol~~ cannabis manufacturer shall not
28 operate at the same physical location as a medical ~~cannabidiol~~
29 cannabis dispensary.

30 10. A medical ~~cannabidiol~~ cannabis manufacturer shall not
31 operate in any location, whether for manufacturing, possessing,
32 cultivating, harvesting, transporting, packaging, processing,
33 or supplying, within one thousand feet of a public or private
34 school existing before the date of the medical ~~cannabidiol~~
35 cannabis manufacturer's licensure by the department.

1 11. A medical ~~cannabidiol~~ cannabis manufacturer shall
2 comply with reasonable restrictions set by the department
3 relating to signage, marketing, display, and advertising of
4 medical ~~cannabidiol~~ cannabis.

5 Sec. 87. Section 124E.7, subsection 12, paragraphs a and b,
6 Code 2023, are amended to read as follows:

7 a. A medical ~~cannabidiol~~ cannabis manufacturer shall provide
8 a reliable and ongoing supply of medical ~~cannabidiol~~ cannabis
9 to medical ~~cannabidiol~~ cannabis dispensaries pursuant to this
10 chapter.

11 b. All manufacturing, cultivating, harvesting, packaging,
12 and processing of medical ~~cannabidiol~~ cannabis shall take place
13 in an enclosed, locked facility at a physical address provided
14 to the department during the licensure process.

15 Sec. 88. Section 124E.8, subsections 2, 3, and 4, Code 2023,
16 are amended to read as follows:

17 2. As a condition for licensure, a medical ~~cannabidiol~~
18 cannabis dispensary must agree to begin supplying medical
19 ~~cannabidiol~~ cannabis to patients by December 1, 2018.

20 3. The department shall consider the following factors in
21 determining whether to select and license a medical ~~cannabidiol~~
22 cannabis dispensary:

23 a. The technical expertise of the medical ~~cannabidiol~~
24 cannabis dispensary regarding medical ~~cannabidiol~~ cannabis.

25 b. The qualifications of the medical ~~cannabidiol~~ cannabis
26 dispensary's employees.

27 c. The long-term financial stability of the medical
28 ~~cannabidiol~~ cannabis dispensary.

29 d. The ability to provide appropriate security measures on
30 the premises of the medical ~~cannabidiol~~ cannabis dispensary.

31 e. The medical ~~cannabidiol~~ cannabis dispensary's projection
32 and ongoing assessment of fees for the purchase of medical
33 ~~cannabidiol~~ cannabis on patients with debilitating medical
34 conditions.

35 4. Each entity submitting an application for licensure

1 as a medical ~~cannabidiol~~ cannabis dispensary shall pay a
2 nonrefundable application fee of five thousand dollars to the
3 department.

4 Sec. 89. Section 124E.9, subsections 1, 2, 3, 4, 5, 6, 7,
5 8, 9, 10, 11, 12, and 13, Code 2023, are amended to read as
6 follows:

7 1. *a.* The medical ~~cannabidiol~~ cannabis dispensaries shall
8 be located based on geographical need throughout the state to
9 improve patient access.

10 *b.* A medical ~~cannabidiol~~ cannabis dispensary may dispense
11 medical ~~cannabidiol~~ cannabis pursuant to the provisions of this
12 chapter but shall not dispense any medical ~~cannabidiol~~ cannabis
13 in a form or quantity other than the form or quantity allowed
14 by the department pursuant to rule.

15 2. The operating documents of a medical ~~cannabidiol~~
16 cannabis dispensary shall include all of the following:

17 *a.* Procedures for the oversight of the medical ~~cannabidiol~~
18 cannabis dispensary and procedures to ensure accurate
19 recordkeeping.

20 *b.* Procedures for the implementation of appropriate security
21 measures to deter and prevent the theft of medical ~~cannabidiol~~
22 cannabis and unauthorized entrance into areas containing
23 medical ~~cannabidiol~~ cannabis.

24 3. A medical ~~cannabidiol~~ cannabis dispensary shall
25 implement security requirements, including requirements for
26 protection by a fully operational security alarm system,
27 facility access controls, perimeter intrusion detection
28 systems, and a personnel identification system.

29 4. A medical ~~cannabidiol~~ cannabis dispensary shall not
30 share office space with, refer patients to, or have any
31 financial relationship with a health care practitioner.

32 5. A medical ~~cannabidiol~~ cannabis dispensary shall not
33 permit any person to consume medical ~~cannabidiol~~ cannabis on
34 the property of the medical ~~cannabidiol~~ cannabis dispensary.

35 6. A medical ~~cannabidiol~~ cannabis dispensary is subject to

1 reasonable inspection by the department.

2 7. A medical ~~cannabidiol~~ cannabis dispensary shall not
3 employ a person who is under eighteen years of age or who has
4 been convicted of a disqualifying felony offense. An employee
5 of a medical ~~cannabidiol~~ cannabis dispensary shall be subject
6 to a background investigation conducted by the division of
7 criminal investigation of the department of public safety and a
8 national criminal history background check pursuant to section
9 124E.19.

10 8. A medical ~~cannabidiol~~ cannabis dispensary owner shall
11 not have been convicted of a disqualifying felony offense and
12 shall be subject to a background investigation conducted by
13 the division of criminal investigation of the department of
14 public safety and a national criminal history background check
15 pursuant to section 124E.19.

16 9. A medical ~~cannabidiol~~ cannabis dispensary shall not
17 operate at the same physical location as a medical ~~cannabidiol~~
18 cannabis manufacturer.

19 10. A medical ~~cannabidiol~~ cannabis dispensary shall not
20 operate in any location within one thousand feet of a public
21 or private school existing before the date of the medical
22 ~~cannabidiol~~ cannabis dispensary's licensure by the department.

23 11. A medical ~~cannabidiol~~ cannabis dispensary shall comply
24 with reasonable restrictions set by the department relating
25 to signage, marketing, display, and advertising of medical
26 ~~cannabidiol~~ cannabis.

27 12. Prior to dispensing of any medical ~~cannabidiol~~
28 cannabis, a medical ~~cannabidiol~~ cannabis dispensary shall do
29 all of the following:

30 a. Verify that the medical ~~cannabidiol~~ cannabis dispensary
31 has received a valid medical ~~cannabidiol~~ cannabis registration
32 card from a patient or a patient's primary caregiver, if
33 applicable.

34 b. Assign a tracking number to any medical ~~cannabidiol~~
35 cannabis dispensed from the medical ~~cannabidiol~~ cannabis

1 dispensary.

2 *c.* Properly package medical ~~eannabidiol~~ cannabis in
3 compliance with federal law regarding child resistant packaging
4 and exemptions for packaging for elderly patients, and
5 label medical ~~eannabidiol~~ cannabis with a list of all active
6 ingredients and individually identifying information.

7 13. A medical ~~eannabidiol~~ cannabis dispensary shall employ
8 a pharmacist or pharmacy technician licensed or registered
9 pursuant to chapter 155A for the purpose of making dosing
10 recommendations.

11 Sec. 90. Section 124E.9, subsection 15, paragraph a, Code
12 2023, is amended to read as follows:

13 *a.* The health care practitioner who certified the patient
14 to receive a medical ~~eannabidiol~~ cannabis registration card
15 certifies that patient's debilitating medical condition is a
16 terminal illness with a life expectancy of less than one year.
17 A certification issued pursuant to this paragraph shall include
18 a total tetrahydrocannabinol cap deemed appropriate by the
19 patient's health care practitioner.

20 Sec. 91. Section 124E.10, Code 2023, is amended to read as
21 follows:

22 **124E.10 Fees.**

23 All fees collected by the department under this chapter
24 shall be retained by the department for operation of the
25 medical ~~eannabidiol~~ cannabis registration card program and
26 the medical ~~eannabidiol~~ cannabis manufacturer and medical
27 ~~eannabidiol~~ cannabis dispensary licensing programs. The moneys
28 retained by the department shall be considered repayment
29 receipts as defined in section 8.2 and shall be used for any of
30 the department's duties under this chapter, including but not
31 limited to the addition of full-time equivalent positions for
32 program services and investigations. Notwithstanding section
33 8.33, moneys retained by the department pursuant to this
34 section shall not revert to the general fund of the state but
35 shall remain available for expenditure only for the purposes

1 specified in this section.

2 Sec. 92. Section 124E.11, subsection 1, paragraph a, Code
3 2023, is amended to read as follows:

4 a. The department shall maintain a confidential file of the
5 names of each patient to or for whom the department issues a
6 medical ~~cannabidiol~~ cannabis registration card and the name of
7 each primary caregiver to whom the department issues a medical
8 ~~cannabidiol~~ cannabis registration card under section 124E.4.

9 Sec. 93. Section 124E.11, subsection 1, paragraph b,
10 subparagraph (1), subparagraph divisions (b), (c), and (d),
11 Code 2023, are amended to read as follows:

12 (b) To authorized employees of law enforcement agencies
13 of a state or political subdivision thereof, but only for the
14 purpose of verifying that a person is lawfully in possession
15 of a medical ~~cannabidiol~~ cannabis registration card issued
16 pursuant to this chapter.

17 (c) To authorized employees of a medical ~~cannabidiol~~
18 cannabis dispensary, but only for the purposes of verifying
19 that a person is lawfully in possession of a medical
20 ~~cannabidiol~~ cannabis registration card issued pursuant
21 to this chapter and that a person has not purchased total
22 tetrahydrocannabinol in excess of the amount authorized by this
23 chapter.

24 (d) To any other authorized persons recognized by the
25 department by rule, but only for the purpose of verifying that
26 a person is lawfully in possession of a medical ~~cannabidiol~~
27 cannabis registration card issued pursuant to this chapter.

28 Sec. 94. Section 124E.11, subsection 2, paragraphs a, b, c,
29 d, e, f, g, and i, Code 2023, are amended to read as follows:

30 a. Govern the manner in which the department shall consider
31 applications for new and renewal medical ~~cannabidiol~~ cannabis
32 registration cards.

33 b. Ensure that the medical ~~cannabidiol~~ cannabis registration
34 card program operates on a self-sustaining basis.

35 c. Establish the form and quantity of medical ~~cannabidiol~~

1 cannabis allowed to be dispensed to a patient or primary
2 caregiver pursuant to this chapter as appropriate to serve the
3 medical needs of patients with debilitating medical conditions,
4 subject to recommendation by the medical ~~cannabidiol~~ cannabis
5 board and approval by the board of medicine.

6 *d.* Establish requirements for the licensure of medical
7 ~~cannabidiol~~ cannabis manufacturers and medical ~~cannabidiol~~
8 cannabis dispensaries and set forth procedures for medical
9 ~~cannabidiol~~ cannabis manufacturers and medical ~~cannabidiol~~
10 cannabis dispensaries to obtain licenses.

11 *e.* Develop a dispensing system for medical ~~cannabidiol~~
12 cannabis within this state that provides for all of the
13 following:

14 (1) Medical ~~cannabidiol~~ cannabis dispensaries within this
15 state housed on secured grounds and operated by licensed
16 medical ~~cannabidiol~~ cannabis dispensaries.

17 (2) The dispensing of medical ~~cannabidiol~~ cannabis to
18 patients and their primary caregivers to occur at locations
19 designated by the department.

20 *f.* Establish and collect annual fees from medical
21 ~~cannabidiol~~ cannabis manufacturers and medical ~~cannabidiol~~
22 cannabis dispensaries to cover the costs associated with
23 regulating and inspecting medical ~~cannabidiol~~ cannabis
24 manufacturers and medical ~~cannabidiol~~ cannabis dispensaries.

25 *g.* Specify and implement procedures that address public
26 safety including security procedures and product quality
27 including measures to ensure contaminant-free cultivation of
28 medical ~~cannabidiol~~ cannabis, safety, and labeling.

29 *i.* Establish and implement a medical ~~cannabidiol~~ cannabis
30 inventory and delivery tracking system to track medical
31 ~~cannabidiol~~ cannabis from production by a medical ~~cannabidiol~~
32 cannabis manufacturer through dispensing at a medical
33 ~~cannabidiol~~ cannabis dispensary.

34 Sec. 95. Section 124E.12, Code 2023, is amended to read as
35 follows:

1 **124E.12 Use of medical ~~eannabidiol~~ cannabis — affirmative**
2 **defenses.**

3 1. A health care practitioner, including any authorized
4 agent or employee thereof, shall not be subject to
5 prosecution for the unlawful certification, possession, or
6 administration of marijuana under the laws of this state for
7 activities arising directly out of or directly related to the
8 certification or use of medical ~~eannabidiol~~ cannabis in the
9 treatment of a patient diagnosed with a debilitating medical
10 condition as authorized by this chapter.

11 2. A medical ~~eannabidiol~~ cannabis manufacturer, including
12 any authorized agent or employee thereof, shall not be subject
13 to prosecution for manufacturing, possessing, cultivating,
14 harvesting, transporting, packaging, processing, or supplying
15 medical ~~eannabidiol~~ cannabis pursuant to this chapter.

16 3. A medical ~~eannabidiol~~ cannabis dispensary, including
17 any authorized agent or employee thereof, shall not be subject
18 to prosecution for dispensing medical ~~eannabidiol~~ cannabis
19 pursuant to this chapter.

20 4. *a.* In a prosecution for the unlawful possession of
21 marijuana under the laws of this state for the possession
22 of medical ~~eannabidiol~~ cannabis, including but not limited
23 to chapters 124 and 453B, it is an affirmative and complete
24 defense to the prosecution that the patient has been diagnosed
25 with a debilitating medical condition, used or possessed
26 medical ~~eannabidiol~~ cannabis pursuant to a certification by a
27 health care practitioner as authorized under this chapter, and,
28 for a patient eighteen years of age or older, is in possession
29 of a valid medical ~~eannabidiol~~ cannabis registration card
30 issued pursuant to this chapter.

31 *b.* In a prosecution for the unlawful possession of marijuana
32 under the laws of this state for the possession of medical
33 ~~eannabidiol~~ cannabis, including but not limited to chapters
34 124 and 453B, it is an affirmative and complete defense to
35 the prosecution that the person possessed medical ~~eannabidiol~~

1 cannabis because the person is a primary caregiver of a patient
2 who has been diagnosed with a debilitating medical condition
3 and is in possession of a valid medical ~~cannabidiol~~ cannabis
4 registration card issued pursuant to this chapter, and where
5 the primary caregiver's possession of the medical ~~cannabidiol~~
6 cannabis is on behalf of the patient and for the patient's use
7 only as authorized under this chapter.

8 c. If a patient or primary caregiver is charged with
9 the unlawful possession of marijuana under the laws of this
10 state for the possession of medical ~~cannabidiol~~ cannabis,
11 including but not limited to chapters 124 and 453B, and is not
12 in possession of the person's medical ~~cannabidiol~~ cannabis
13 registration card, any charge or charges filed against the
14 person for the possession of medical ~~cannabidiol~~ cannabis
15 shall be dismissed by the court if the person produces to the
16 court prior to or at the person's trial a medical ~~cannabidiol~~
17 cannabis registration card issued to that person and valid at
18 the time the person was charged.

19 5. An agency of this state or a political subdivision
20 thereof, including any law enforcement agency, shall not remove
21 or initiate proceedings to remove a patient under the age
22 of eighteen from the home of a parent based solely upon the
23 parent's or patient's possession or use of medical ~~cannabidiol~~
24 cannabis as authorized under this chapter.

25 6. The department and any health care practitioner,
26 including any authorized agent or employee thereof, are not
27 subject to any civil or disciplinary penalties by the board
28 of medicine or any business, occupational, or professional
29 licensing board or entity, solely for activities conducted
30 relating to a patient's possession or use of medical
31 ~~cannabidiol~~ cannabis as authorized under this chapter. Nothing
32 in this section affects a professional licensing board from
33 taking action in response to violations of any other section
34 of law.

35 7. Notwithstanding any law to the contrary, the department,

1 the governor, or any employee of any state agency shall not
2 be held civilly or criminally liable for any injury, loss
3 of property, personal injury, or death caused by any act or
4 omission while acting within the scope of office or employment
5 as authorized under this chapter.

6 8. An attorney shall not be subject to disciplinary action
7 by the Iowa supreme court or attorney disciplinary board for
8 providing legal assistance to a patient, primary caregiver, or
9 others based upon a patient's or primary caregiver's possession
10 or use of medical ~~cannabidiol~~ cannabis as authorized under this
11 chapter.

12 9. Possession of a medical ~~cannabidiol~~ cannabis
13 registration card or an application for a medical ~~cannabidiol~~
14 cannabis registration card by a person entitled to possess or
15 apply for a medical ~~cannabidiol~~ cannabis registration card
16 shall not constitute probable cause or reasonable suspicion,
17 and shall not be used to support a search of the person or
18 property of the person possessing or applying for the medical
19 ~~cannabidiol~~ cannabis registration card, or otherwise subject
20 the person or property of the person to inspection by any
21 governmental agency.

22 Sec. 96. Section 124E.13, Code 2023, is amended to read as
23 follows:

24 **124E.13 Medical ~~cannabidiol~~ cannabis source.**

25 Medical ~~cannabidiol~~ cannabis provided exclusively pursuant
26 to a written certification of a health care practitioner, if
27 not legally available in this state or from any other bordering
28 state, shall be obtained from an out-of-state source.

29 Sec. 97. Section 124E.14, Code 2023, is amended to read as
30 follows:

31 **124E.14 Out-of-state medical ~~cannabidiol~~ cannabis**
32 **dispensaries.**

33 The department of public health shall utilize a request for
34 proposals process to select and license by December 1, 2017, up
35 to two out-of-state medical ~~cannabidiol~~ cannabis dispensaries

1 from a bordering state to sell and dispense medical ~~cannabidiol~~
2 cannabis to a patient or primary caregiver in possession of a
3 valid medical ~~cannabidiol~~ cannabis registration card issued
4 under this chapter.

5 Sec. 98. Section 124E.15, Code 2023, is amended to read as
6 follows:

7 **124E.15 Iowa patients and primary caregivers registering in**
8 **the state of Minnesota.**

9 A patient or a primary caregiver with a valid medical
10 ~~cannabidiol~~ cannabis registration card issued pursuant to this
11 chapter may register in the state of Minnesota as a visiting
12 qualified patient or primary caregiver and may register with
13 one or more medical cannabis manufacturers registered under the
14 laws of Minnesota.

15 Sec. 99. Section 124E.16, Code 2023, is amended to read as
16 follows:

17 **124E.16 Penalties.**

18 1. A person who knowingly or intentionally possesses or uses
19 medical ~~cannabidiol~~ cannabis in violation of the requirements
20 of this chapter is subject to the penalties provided under
21 chapters 124 and 453B.

22 2. A medical ~~cannabidiol~~ cannabis manufacturer or a medical
23 ~~cannabidiol~~ cannabis dispensary shall be assessed a civil
24 penalty of up to one thousand dollars per violation for any
25 violation of this chapter in addition to any other applicable
26 penalties.

27 Sec. 100. Section 124E.17, Code 2023, is amended to read as
28 follows:

29 **124E.17 Use of medical ~~cannabidiol~~ cannabis — smoking**
30 **prohibited.**

31 A patient shall not consume medical ~~cannabidiol~~ cannabis
32 possessed or used as authorized under this chapter by smoking
33 medical ~~cannabidiol~~ cannabis.

34 Sec. 101. Section 124E.18, Code 2023, is amended to read as
35 follows:

1 **124E.18 Reciprocity.**

2 A valid medical ~~cannabidiol~~ cannabis registration card,
3 or its equivalent, issued under the laws of another state
4 that allows an out-of-state patient to possess or use medical
5 ~~cannabidiol~~ cannabis in the jurisdiction of issuance shall
6 have the same force and effect as a valid medical ~~cannabidiol~~
7 cannabis registration card issued pursuant to this chapter,
8 except that an out-of-state patient in this state shall not
9 obtain medical ~~cannabidiol~~ cannabis from a medical ~~cannabidiol~~
10 cannabis dispensary in this state.

11 Sec. 102. Section 124E.19, subsections 1, 2, and 4, Code
12 2023, are amended to read as follows:

13 1. The division of criminal investigation of the
14 department of public safety shall conduct thorough background
15 investigations for the purposes of licensing medical
16 ~~cannabidiol~~ cannabis manufacturers and medical ~~cannabidiol~~
17 cannabis dispensaries under this chapter. The results of any
18 background investigation conducted pursuant to this section
19 shall be presented to the department.

20 a. An applicant for a medical ~~cannabidiol~~ cannabis
21 manufacturer license or a medical ~~cannabidiol~~ cannabis
22 dispensary license and their owners, investors, and employees
23 shall submit all required information on a form prescribed by
24 the department of public safety.

25 b. The department shall charge an applicant for a medical
26 ~~cannabidiol~~ cannabis manufacturer license or a medical
27 ~~cannabidiol~~ cannabis dispensary license a fee determined by
28 the department of public safety and adopted by the department
29 by rule to defray the costs associated with background
30 investigations conducted pursuant to the requirements of this
31 section. The fee shall be in addition to any other fees
32 charged by the department. The fee may be retained by the
33 department of public safety and shall be considered repayment
34 receipts as defined in section 8.2.

35 2. The department shall require an applicant for a

1 medical ~~cannabidiol~~ cannabis manufacturer license or a
2 medical ~~cannabidiol~~ cannabis dispensary license, their owners
3 and investors, and applicants for employment at a medical
4 ~~cannabidiol~~ cannabis manufacturer or medical ~~cannabidiol~~
5 cannabis dispensary to submit fingerprints and other required
6 identifying information to the department on a form prescribed
7 by the department of public safety. The department shall
8 submit the fingerprint cards and other identifying information
9 to the division of criminal investigation of the department
10 of public safety for submission to the federal bureau of
11 investigation for the purpose of conducting a national criminal
12 history record check. The department may require employees and
13 contractors involved in carrying out a background investigation
14 to submit fingerprints and other identifying information for
15 the same purpose.

16 4. An applicant for a medical ~~cannabidiol~~ cannabis
17 manufacturer license or a medical ~~cannabidiol~~ cannabis
18 dispensary license shall submit information and fees required
19 by this section at the time of application.

20 Sec. 103. Section 124E.20, Code 2023, is amended to read as
21 follows:

22 **124E.20 Observational effectiveness study.**

23 The department may conduct an observational effectiveness
24 study in cooperation with patients and health care
25 practitioners and pursuant to rules of the department in order
26 to study the effectiveness of medical ~~cannabidiol~~ cannabis in
27 the treatment of debilitating medical conditions.

28 Sec. 104. Section 204.17, subsection 4, Code 2023, is
29 amended to read as follows:

30 4. Nothing in this chapter shall be construed or applied
31 to authorize a person to manufacture, recommend, possess, use,
32 dispense, deliver, transport, or administer medical ~~cannabidiol~~
33 cannabis pursuant to chapter 124E.

34 Sec. 105. Section 730.5, subsection 11, paragraph f, Code
35 2023, is amended to read as follows:

1 f. Testing or taking action against an employee or
2 prospective employee with a confirmed positive test result due
3 to the employee's or prospective employee's use of medical
4 ~~cannabidiol~~ cannabis as authorized under chapter 124E.

5 DIVISION VII

6 EFFECTIVE DATE

7 Sec. 106. EFFECTIVE DATE. This Act, being deemed of
8 immediate importance, takes effect upon enactment, except that
9 the alcoholic beverages division of the department of commerce
10 shall not issue a license to operate a retail marijuana
11 establishment prior to January 1, 2024.

12 DIVISION VIII

13 CODE EDITOR DIRECTIVE

14 Sec. 107. CODE EDITOR DIRECTIVE — SUBCHAPTER DESIGNATIONS.

15 1. The Code editor is directed to create two new subchapters
16 in chapter 124F as follows:

17 a. Subchapter I shall be entitled "CRIMINAL PENALTIES" and
18 include sections 124F.1 through 124F.3.

19 b. Subchapter II shall be entitled "RETAIL MARIJUANA" and
20 include sections 124F.4 through 124F.27.

21 2. The Code editor may modify subchapter titles if necessary
22 and is directed to correct internal references in the Code as
23 necessary due to enactment of this section.

24 EXPLANATION

25 The inclusion of this explanation does not constitute agreement with
26 the explanation's substance by the members of the general assembly.

27 This bill relates to marijuana, including retail marijuana
28 and medical cannabis.

29 DIVISION I — MARIJUANA — CRIMINAL PENALTIES. The
30 bill modifies criminal penalties relating to marijuana by
31 eliminating and modifying certain criminal provisions in
32 Code chapter 124 (uniform controlled substances Act), and
33 transferring certain criminal provisions from Code chapter 124
34 to new Code chapter 124F.

35 MANUFACTURE, DELIVERY, OR POSSESSION WITH INTENT TO DELIVER

1 MARIJUANA. The bill provides that an unauthorized person
2 commits a class "C" felony punishable by confinement for
3 no more than 10 years and a fine of at least \$1,370 but not
4 more than \$13,660 if the person violates new Code section
5 124F.2(1)(a) and the controlled substance involves more than
6 50 kilograms of marijuana. Currently, such a person commits
7 a class "B" felony punishable by confinement of no more than
8 50 years if the controlled substance involves more than 1,000
9 kilograms of a mixture or substance containing a detectable
10 amount of marijuana, or a class "B" felony punishable by
11 confinement of no more than 25 years if the controlled
12 substance involves more than 100 kilograms of marijuana but not
13 more than 1,000 kilograms.

14 The bill provides that an unauthorized person commits a
15 class "D" felony if the person violates new Code section
16 124F.2(1)(a) and the controlled substance involves more than
17 2 kilograms of marijuana but not more than 50 kilograms. A
18 class "D" felony is punishable by confinement for no more than
19 five years and a fine of at least \$1,025 but not more than
20 \$10,245. Currently, such a person commits a class "C" felony
21 if the controlled substance involves more than 50 kilograms of
22 marijuana but not more than 100 kilograms.

23 The bill provides that an unauthorized person commits an
24 aggravated misdemeanor if the person violates new Code section
25 124F.2(1)(a) and the controlled substance involves more than
26 12 ounces of marijuana but not more than 2 kilograms. An
27 aggravated misdemeanor is punishable by confinement for no more
28 than two years and a fine of at least \$855 but not more than
29 \$8,540. Currently, such a person commits a class "D" felony
30 if the controlled substance involves 50 kilograms or less of
31 marijuana.

32 The bill provides that an unauthorized person commits a
33 serious misdemeanor if the person violates new Code section
34 124F.2(1)(a) and the controlled substance involves more than
35 4 ounces of marijuana but not more than 12 ounces. A serious

1 misdemeanor is punishable by confinement for no more than one
2 year and a fine of at least \$430 but not more than \$2,560.
3 Currently, such a person commits a class "D" felony.

4 The bill provides that an unauthorized person commits a
5 simple misdemeanor if the person violates new Code section
6 124F.2(1)(a) and the controlled substance involves 4 ounces or
7 less of marijuana except as otherwise provided in the bill. A
8 simple misdemeanor is punishable by confinement for no more
9 than 30 days and a fine of at least \$105 but not more than \$855.
10 Currently, such a person commits a class "D" felony. A person
11 who is 18 years of age or older who unlawfully manufactures
12 with the intent to distribute, distributes, or possesses with
13 the intent to distribute marijuana to another person who is
14 18 years of age or older in or on, or within 1,000 feet of,
15 the real property comprising a public or private elementary or
16 secondary school, public park, public swimming pool, public
17 recreation center, or on a marked school bus, may be sentenced
18 up to an additional term of confinement of five years.

19 POSSESSION OF MARIJUANA. The bill provides that if a person
20 unlawfully possesses more than 6 ounces of marijuana but not
21 more than 12 ounces, the person commits a serious misdemeanor.

22 The bill provides that if a person unlawfully possesses more
23 than one-half ounce of marijuana but not more than 6 ounces,
24 the person commits a simple misdemeanor.

25 The bill provides that if a person 21 years of age or older
26 possesses one-half ounce or less of marijuana, the person does
27 not commit a criminal offense but shall be assessed a civil
28 penalty in the amount of \$100. If the person is under 21 years
29 of age, the person must complete 10 hours of unpaid community
30 service and a substance abuse program, and inform the person's
31 parents or legal guardians. The bill provides that any records
32 relating to the civil penalty shall not be displayed for public
33 viewing on the Iowa court information system and such records
34 shall not be kept in the criminal history files maintained by
35 the department of public safety.

1 RETAIL MARIJUANA — POSSESSION LIMITS. The bill establishes
2 possession limits for retail marijuana, defined in the bill.
3 The bill prohibits a person 21 years of age or older from
4 possessing more than 5 ounces of marijuana flower, or 500
5 milligrams of tetrahydrocannabinol contained in a product
6 infused with marijuana. A person in possession of retail
7 marijuana in excess of amounts equivalent to the amounts
8 specified in the bill for the possession of marijuana is
9 subject to prosecution for a simple or serious misdemeanor or
10 a civil penalty. A retail marijuana store that sells retail
11 marijuana in excess of the amounts allowed in the bill is
12 subject to a fine or other discipline imposed by the division.

13 Currently, if a person unlawfully possesses marijuana, the
14 person shall be punished by imprisonment in the county jail for
15 not more than six months or by a fine of not more than \$1,000,
16 or by both for a first offense. If the person has previously
17 been convicted of marijuana possession, the person commits a
18 serious misdemeanor under current law, and if the person has
19 been convicted of marijuana possession two or more times, the
20 person commits an aggravated misdemeanor.

21 JUVENILE MARIJUANA OFFENSES. The bill specifies that the
22 juvenile court shall have exclusive original jurisdiction in a
23 proceeding concerning a minor who is alleged to have committed
24 a violation of the bill.

25 GATHERINGS WHERE CONTROLLED SUBSTANCES UNLAWFULLY USED.
26 The bill strikes a provision making it a serious misdemeanor
27 for a person to sponsor, promote, or aid in the sponsoring
28 or promoting of a meeting or gathering with the knowledge or
29 intent that marijuana be distributed, used, or possessed at the
30 meeting or gathering in violation of Code chapter 124.

31 ACCOMMODATION OFFENSE. The bill strikes a provision
32 allowing a prosecution for unlawful delivery or possession with
33 intent to deliver marijuana, if the prosecution proves that
34 the defendant delivered or possessed with intent to deliver
35 one-half ounce or less of marijuana which was not offered for

1 sale, the defendant is guilty of an accommodation offense
2 and rather than being sentenced for a class "D" felony under
3 Code section 124.401(1)(d), the person is sentenced for a
4 misdemeanor in violation of Code section 124.401(5). The bill
5 makes conforming changes to Code sections 124.401G (Iowa hemp
6 Act) and 124.413 (mandatory minimum sentences — controlled
7 substances).

8 SECOND OR SUBSEQUENT OFFENSES. Currently, a person
9 convicted of a second or subsequent offense under Code chapter
10 124 may be punished by imprisonment for a period not to exceed
11 three times the term otherwise authorized, or fined not more
12 than three times the amount otherwise authorized. The bill
13 strikes the provision that allows for the use of a previous
14 marijuana conviction in determining if a person has been
15 convicted of a second or subsequent offense under Code chapter
16 124.

17 MARIJUANA IN MOTOR VEHICLES. The bill prohibits a driver
18 of a motor vehicle upon a public street or highway from using
19 marijuana in the passenger area of the motor vehicle. The bill
20 also prohibits a driver or passenger of or in a motor vehicle
21 upon a public street or highway from possessing marijuana in
22 the passenger area of a motor vehicle except in a sealed, odor
23 proof, child resistant container. The bill defines "passenger
24 area" as the area designed to seat the driver and passengers
25 while the motor vehicle is in operation and any area that is
26 readily accessible to the driver or a passenger while in their
27 seating positions, including the glove compartment. A person
28 who knowingly violates this provision of the bill is guilty of
29 a simple misdemeanor. A simple misdemeanor is punishable by
30 confinement for no more than 30 days and a fine of at least \$105
31 but not more than \$855.

32 The bill prohibits a person from operating a motor
33 vehicle with 50 or more nanograms of tetrahydrocannabinol
34 in the person, as measured in the person's blood. A person
35 who operates a motor vehicle with 50 or more nanograms of

1 tetrahydrocannabinol in the person shall have that person's
2 driver's license suspended for 180 days for a first offense and
3 one year for each subsequent offense. A person who refuses
4 to submit to chemical testing for tetrahydrocannabinol shall
5 have the person's driver's license suspended for one year for a
6 first offense, and two years for each subsequent offense.

7 EXPUNGEMENT. The bill provides that upon application by a
8 defendant convicted of a felony offense under Code chapter 124
9 (controlled substances) related to the possession or transfer
10 of marijuana prior to January 1, 2023, the court shall enter an
11 order expunging the record of such a criminal case. A person
12 may only seek an expungement once, but an application may
13 request the expungement of multiple nonviolent offenses if the
14 offenses arose from the same transaction or occurrence. Under
15 current law, misdemeanor marijuana offenses may be expunged
16 pursuant to Code section 901C.3 (misdemeanor expungement). The
17 bill requires each court, on the effective date of the bill, to
18 review its records to identify persons convicted of marijuana
19 offenses that would have been legal under the bill and to
20 automatically expunge each such conviction.

21 DIVISION II — RETAIL MARIJUANA. Division II of the
22 bill relates to the regulation of retail marijuana in Iowa.
23 The bill grants the alcoholic beverages division of the
24 department of commerce (division) the authority to regulate the
25 cultivation, production, transportation, testing, and sale of
26 retail marijuana and retail marijuana products, including by
27 issuing appropriate licenses and promulgating rules.

28 The bill requires the division to transfer half of any
29 application fee collected to the local jurisdiction in which
30 the retail marijuana establishment will be located. The
31 bill allows local jurisdictions to impose limitations on the
32 operation of retail marijuana establishments, including by
33 prohibiting their operation.

34 The bill directs the division to develop and maintain a
35 seed-to-sale tracking system to track retail marijuana from the

1 seed or immature plant stage until it is sold to a consumer at a
2 retail marijuana establishment.

3 The bill requires the division to prioritize applicants
4 for state licenses who currently hold a license pursuant to
5 Code chapter 124E (medical cannabidiol) or that are businesses
6 majority-owned by women, citizens or permanent legal residents
7 of Iowa, or disabled veterans. The bill requires the division
8 to issue licenses to businesses that are majority-owned by
9 persons who are racial minorities in a proportion that meets or
10 exceeds the percentage of persons in this state who are racial
11 minorities according to the most recent federal decennial
12 census.

13 The bill prohibits the owner of a retail marijuana
14 establishment from interfering with activities of employees
15 relating to labor organizations.

16 LOCAL LICENSES. The bill requires the division to transmit
17 any application for a retail marijuana establishment it
18 receives to the local jurisdiction where the establishment
19 will be located within seven days of receipt unless the
20 local jurisdiction has prohibited the operation of retail
21 marijuana establishments. The local jurisdiction must then
22 inform the division whether the application complies with
23 any local restrictions on the operation of retail marijuana
24 establishments it may have imposed. The bill requires a person
25 to receive approval from both the division and the local
26 jurisdiction before operating a retail marijuana establishment.
27 A person whose application for a license is denied is entitled
28 to a hearing and judicial review pursuant to Code chapter 17A.

29 RETAIL MARIJUANA LICENSES. Ninety days prior to the
30 expiration date of an existing license, the division shall
31 notify the licensee of the expiration date by first class
32 mail at the licensee's address of record with the division.
33 A licensee may apply for the renewal of an existing license
34 to the division not less than 30 days prior to the date of
35 expiration.

1 RETAIL MARIJUANA STORES. The bill allows a retail marijuana
2 store to purchase retail marijuana from a retail marijuana
3 cultivation facility. A retail marijuana store may also
4 sell prepackaged and labeled retail marijuana products. A
5 retail marijuana store must track all of its retail marijuana
6 and retail marijuana products from the point that they are
7 transferred to the retail marijuana store to the point of
8 sale. The bill prohibits a retail marijuana store from selling
9 more than one ounce of retail marijuana or its equivalent
10 to a person in a single transaction, excluding nonedible,
11 nonpsychoactive retail marijuana products.

12 Prior to initiating a sale, the bill requires a retail
13 marijuana store employee to verify that purchaser has a valid
14 identification card showing that the person is 21 years of age
15 or older. If a purchaser presents a retail marijuana store
16 employee with fraudulent proof of age, any action taken in
17 reliance on that proof of age shall not be grounds for the
18 revocation or suspension of a license.

19 The bill allows a retail marijuana store to provide to the
20 state hygienic laboratory a sample of its products for testing
21 and research purposes. The retail marijuana store shall
22 maintain a record of what was provided to the laboratory and
23 the results of the testing.

24 The bill prohibits a retail marijuana store from selling
25 any products other than retail marijuana, retail marijuana
26 products, marijuana accessories, nonconsumable products such as
27 apparel, and marijuana products such as childproof packaging
28 containers.

29 The bill prohibits the division from issuing more than one
30 retail marijuana store license per county, except that the
31 division may, upon receipt of a petition, issue one additional
32 retail marijuana store license per 100,000 population in the
33 county. The bill allows a location licensed as a retail
34 marijuana store to also be licensed as a medical cannabis
35 dispensary, pursuant to rules adopted by the division in

1 consultation with the Iowa department of public health.

2 RETAIL MARIJUANA CULTIVATION. The bill allows the division
3 to issue retail marijuana cultivation facility licenses
4 to persons who cultivate retail marijuana for sale and
5 distribution to retail marijuana stores, manufacturers, or
6 other cultivation facilities. The bill requires a retail
7 marijuana cultivation facility to remit any applicable tax due.
8 The bill also requires a retail marijuana cultivation facility
9 to track the marijuana it cultivates from seed or immature
10 plant to wholesale purchase.

11 RETAIL MARIJUANA PRODUCTS MANUFACTURING LICENSES. The
12 bill allows the division to issue retail marijuana products
13 manufacturing licenses to persons who manufacture retail
14 marijuana products. The bill requires a retail marijuana
15 products manufacturer to track all of its retail marijuana from
16 the point it is either transferred from its retail marijuana
17 cultivation facility or the point when it is delivered to the
18 retail marijuana products manufacturer from a retail marijuana
19 cultivation facility to the point of transfer to a retail
20 marijuana store.

21 The bill requires retail marijuana products to be
22 manufactured and prepared in a facility that only manufactures
23 retail marijuana products, except that premises may be shared
24 with a medical cannabis-infused products manufacturer so long
25 as a virtual or physical separation of inventory is maintained.

26 RETAIL MARIJUANA USE — PROTECTIONS. The bill prohibits
27 the state and its political subdivisions from taking certain
28 actions against a person on the basis that the person has
29 engaged in conduct allowed by the bill. The state and its
30 political subdivisions shall not prosecute a person, deny a
31 person a professional license, deny a person a benefit or
32 entitlement, deny a person custody or visitation of a child,
33 deny a person employment or a contract, or deny a person
34 medical care on the basis that the person has engaged in
35 conduct allowed by the bill. The bill also prohibits the

1 state or a political subdivision from denying employment
2 or a contract to a person on the basis of a person's prior
3 conviction of a nonviolent marijuana offense that does not
4 involve distribution to a minor. The bill excludes engaging
5 in conduct allowed by the bill from being classified as a
6 violation of a condition of parole, probation, or pretrial
7 release unless there is a specific finding that the conduct
8 could create a danger to the individual or another person.
9 The bill does not prohibit a governmental employer from
10 disciplining an employee or contractor for ingesting marijuana
11 at work or working while under the influence of marijuana, nor
12 does it prohibit a licensing board from imposing a penalty on a
13 person for engaging in conduct that would constitute negligence
14 or professional malpractice. The protections of the bill do
15 not apply to the extent that they conflict with a governmental
16 employer's obligations under federal law or would disqualify
17 a governmental employer from a monetary or licensing-related
18 benefit under federal law.

19 FEES. The bill allows the division to collect and charge
20 fees. The bill sets the application fee for a person applying
21 for a new retail marijuana establishment license at \$5,000,
22 which shall be divided evenly between the division and the
23 local jurisdiction where the license is proposed to be issued.
24 The bill permits a local jurisdiction to impose operating fees
25 on retail marijuana establishments to which it has granted a
26 license.

27 LICENSE DISCIPLINE. The bill permits the division, on its
28 own motion or complaint, and after investigation, notice,
29 a public hearing, and opportunity to be heard, to suspend
30 or revoke a license if the licensee or any of its agents or
31 employees violate a provision of the bill or a rule promulgated
32 by the division. The division may administer oaths and issue
33 subpoenas to require the presence of persons and the production
34 of documents. The division may impose discipline pursuant to
35 rules and Code chapter 17A.

1 INSPECTION. The bill requires a licensee to keep a complete
2 set of all records necessary to show fully the business
3 transactions of the licensee, all of which shall be open at all
4 times during business hours for the inspection and examination
5 by the division or its duly authorized representatives.

6 The bill requires the licensed premises of a retail
7 marijuana establishment, including any places of storage
8 where retail marijuana or retail marijuana products are
9 stored, cultivated, sold, dispensed, or tested to be subject
10 to inspection by the state or local jurisdictions and their
11 investigators, during all business hours and other times
12 of apparent activity, for the purpose of inspection or
13 investigation.

14 STATE MARIJUANA EXCISE TAX. The bill imposes an excise tax
15 on consumers at the rate of 10 percent of the sale price on
16 each sale of retail marijuana. The tax shall be paid by the
17 consumer to the retail marijuana establishment at the time
18 of sale, and each retail marijuana establishment shall remit
19 the tax collected to the division on the 15th day of each
20 month. Revenues generated by the excise tax shall be deposited
21 in the community reinvestment fund, mental health services
22 and substance use disorder prevention fund, and local public
23 safety fund created in the bill. Moneys in the community
24 reinvestment fund, mental health services and substance use
25 disorder prevention fund, and local public safety fund shall be
26 appropriated by the general assembly for purposes enumerated
27 in the bill.

28 OCCUPATIONAL LICENSING PROTECTIONS. The bill prohibits a
29 professional or occupational licensing board from imposing
30 discipline on a licensee for providing services related to
31 retail marijuana establishments. The bill also prohibits a
32 professional or occupational licensing board from denying a
33 license to a person based on a person's past employment with a
34 retail marijuana establishment.

35 RULEMAKING. The bill requires the alcoholic beverages

1 division of the department of commerce to adopt rules within
2 one year of the effective date of the bill to adopt rules for
3 the implementation of the bill. The rules shall not prohibit
4 the operation of retail marijuana establishments or make
5 the operation of retail marijuana establishments so costly
6 as to be impractical. Required rules include but are not
7 limited to rules relating to applications, fees, licensure,
8 security requirements, labeling requirements, health and
9 safety requirements, restrictions on advertising, cultivation,
10 testing, and penalties. The division shall also develop and
11 regularly update safety materials to be distributed upon the
12 sale of retail marijuana.

13 ACTS PROHIBITED. The bill does not allow the transfer of
14 marijuana to a person under 21 years of age or the possession
15 of marijuana by a person under 21 years of age.

16 PROPERTY RIGHTS. The bill does not require the owner of
17 a property to allow the consumption, cultivation, display,
18 sale, or transfer of marijuana at that property. However, in
19 the case of a residential dwelling, a landlord or property
20 manager shall not prohibit the possession of retail marijuana
21 or medical cannabis or the consumption of retail marijuana
22 or medical cannabis by means other than smoking except under
23 certain circumstances. The bill allows a landlord to take
24 action against a tenant after a warning if the tenant's use of
25 marijuana creates an odor that interferes with the peaceful
26 enjoyment of property by other tenants. The bill prohibits
27 a landlord from discriminating against a tenant or applicant
28 on the basis of a past conviction of a marijuana offense that
29 would have been legal under the bill.

30 LAW ENFORCEMENT. The bill prohibits law enforcement
31 agencies from expending resources on the investigation of or
32 arrest for activity related to marijuana that is in violation
33 of federal law if the officer performing the investigation
34 or arrest has reason to believe that the activity complies
35 with the requirements of the bill. The bill also prohibits

1 an agency or political subdivision of the state from taking
2 an adverse action against a person on the sole basis that the
3 person has violated a federal law related to marijuana.

4 SURCHARGE. The bill allows a county that has not prohibited
5 the sale of retail marijuana to impose a 1 percent surcharge
6 on the retail sales price of retail marijuana. The surcharge
7 shall be administered by the department of revenue and funds
8 collected by the department of revenue shall be remitted to
9 the county on a quarterly basis. The bill includes additional
10 provisions regarding the implementation and operation of retail
11 marijuana surcharges.

12 DIVISION III — MEDICAL CANNABIS. The bill changes the name
13 of the medical cannabidiol Act to the medical cannabis Act.

14 The bill allows a health care practitioner to certify a
15 patient for the use of medical cannabis to a patient for
16 any medical condition for which a patient's health care
17 practitioner determines the use of medical cannabis could be
18 medically beneficial. The bill requires that any certification
19 made by a health care practitioner for a patient for a
20 debilitating medical condition not explicitly included on
21 the list of debilitating medical conditions shall be made by
22 a health care practitioner pursuant to reasonable medical
23 evidence, in good faith, in the best interest of the patient,
24 without fraudulent intent, and with the same reasonable medical
25 judgment and prudence exercised according to generally accepted
26 medical practice.

27 The bill adds pharmacists to the list of health care
28 practitioners able to certify a patient to receive a medical
29 cannabis registration card. The bill requires a pharmacist to
30 complete a training program designated by the board of pharmacy
31 prior to certifying a patient to receive a medical cannabis
32 registration card.

33 The bill lowers the fee to receive a medical cannabis
34 registration card from \$25 to \$10 and requires the department
35 of public health to waive the fee for veterans. The bill

1 expands the membership of the medical cannabis board from 8
2 to 10 members and adds one member licensed as a physician
3 assistant and one member licensed as an advanced practice
4 registered nurse.

5 The bill allows a medical cannabis manufacturer to
6 manufacture edible medical cannabis products. The bill
7 prohibits such products from being designed or packaged in
8 such a way as would be likely to appeal to children. The bill
9 removes the cap on the number of medical cannabis manufacturers
10 and dispensaries that may be licensed in this state. The bill
11 requires the department to consider demand for medical cannabis
12 when licensing a medical cannabis manufacturer or dispensary.

13 The bill raises the cap on total tetrahydrocannabinol that
14 a patient may receive in a 90-day period from 4.5 grams to 17
15 grams.

16 The bill requires a medical cannabis dispensary to share
17 information regarding the dispensation of medical cannabis to
18 a patient with the health care practitioner who certified the
19 patient to receive a medical cannabis registration card. The
20 bill allows the department to share information regarding the
21 purchase of medical cannabis by a patient or primary caregiver
22 with the health care practitioner who certified the patient or
23 primary caregiver to receive a medical cannabis registration
24 card.

25 The bill creates standards that a health care practitioner
26 must meet in order to provide telemedicine services to
27 a patient and defines the start of a provider-patient
28 relationship as when a person seeks medical assistance, a
29 health care provider agrees to provide treatment, and the
30 person agrees to receive treatment. The bill allows a valid
31 provider-patient relationship to be formed through an in-person
32 encounter, through consultation with another health care
33 provider, or through telemedicine, but only if the standard of
34 care does not require an in-person encounter.

35 The bill requires the department of health and human

1 services to convene a task force of legal experts to assist
2 the department in ensuring that educational and long-term care
3 facilities that receive federal funding and that allow the use
4 and administration of medical cannabidiol on the grounds of the
5 facilities do not lose eligibility for federal funding.

6 DIVISION IV — MEDICAL CANNABIS — INCOME TAXES. The bill
7 allows individuals and corporations to subtract from net
8 income, to the extent included, business expenses for a medical
9 cannabis manufacturer or medical cannabis dispensary.

10 DIVISION V — MEDICAL CANNABIS — SALES AND USE TAX. The
11 bill exempts sales of medical cannabis products by a medical
12 cannabis manufacturer or a medical cannabis dispensary pursuant
13 to Code chapter 124E from sales tax.

14 DIVISION VI — MEDICAL CANNABIDIOL PROGRAM NAME CHANGE TO
15 MEDICAL CANNABIS — CONFORMING CODE CHANGES. This division
16 changes references from “medical cannabidiol” to “medical
17 cannabis” throughout the Code.

18 DIVISION VII — EFFECTIVE DATE. The bill takes effect upon
19 enactment, except that the alcoholic beverages division of the
20 department of commerce shall not issue a license to operate a
21 retail marijuana establishment prior to January 1, 2023.

22 DIVISION VIII — CODE EDITOR DIRECTIVE. The bill directs
23 the Code editor to create two subchapters in new Code chapter
24 124F. The first subchapter shall be designated “criminal
25 penalties” and the second subchapter shall be designated
26 “retail marijuana”.