

House File 781

H-1273

1 Amend House File 781 as follows:

2 1. By striking everything after the enacting clause and
3 inserting:

4 <DIVISION I

5 IOWA HEMP ACT

6 Section 1. NEW SECTION. 204.1 Short title.

7 This chapter shall be known as the "*Iowa Hemp Act*".

8 Sec. 2. NEW SECTION. 204.2 Definitions.

9 As used in this chapter, unless the context otherwise
10 requires:

11 1. "*Controlled substance*" means the same as defined in
12 section 124.101.

13 2. "*Conviction*" means a conviction for an indictable
14 offense, in this state or another state, and includes a guilty
15 plea, deferred judgment from the time of entry of the deferred
16 judgment until the time the defendant is discharged by the
17 court without entry of judgment, or other finding of guilt by a
18 court of competent jurisdiction.

19 3. "*Crop site*" or "*site*" means a single contiguous parcel
20 of agricultural land suitable for the planting, growing, or
21 harvesting of hemp, if the parcel does not exceed forty acres.

22 4. "*Department*" means the department of agriculture and land
23 stewardship.

24 5. "*Federal hemp law*" means that part of Tit. X of the
25 Agriculture Improvement Act of 2018, Pub. L. No. 115-334, that
26 authorizes hemp production according to a state plan approved
27 by the United States department of agriculture, as provided in
28 §10113 of that Act, amending the Agricultural Marketing Act
29 of 1946, 7 U.S.C. §1621 et seq., including by adding §§297A
30 through 297E.

31 6. a. "*Hemp*" means the plant *cannabis sativa* L. and
32 any part of that plant, including the seeds thereof, and
33 all derivatives, extracts, cannabinoids, isomers, acids,
34 salts, and salts of isomers, whether growing or not, with a
35 delta-9 tetrahydrocannabinol concentration of not more than

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1 three-tenths of one percent on a dry weight basis.

2 *b.* "*Hemp*" also means a plant of the genus *cannabis* other
3 than *cannabis sativa* L., with a delta-9 tetrahydrocannabinol
4 concentration of not more than three-tenths of one percent
5 on a dry weight basis, but only to the extent allowed by the
6 department in accordance with applicable federal law, including
7 the federal hemp law.

8 7. "*Hemp license*" or "*license*" means a hemp license issued
9 pursuant to section 204.4.

10 8. *a.* "*Hemp product*" means an item derived from or made
11 by processing hemp or parts of hemp, including but not limited
12 to any item manufactured from hemp, including but not limited
13 to cloth, cordage, fiber, food, fuel, paint, paper, particle
14 board, plastic, hemp seed, seed meal, or seed oil.

15 *b.* "*Hemp product*" does not include any of the following:

16 (1) An item or part of an item with a maximum delta-9
17 tetrahydrocannabinol concentration that exceeds three-tenths of
18 one percent on a dry weight basis.

19 (2) Hemp seed that is capable of germination.

20 9. "*Licensee*" means a person who obtains a hemp license from
21 the department under this chapter.

22 10. "*Local law enforcement agency*" means an office of county
23 sheriff or a municipal police department.

24 11. "*Negligent violation program*" or "*program*" means the
25 program that may be established by the department to allow
26 a licensee to correct certain violations of this chapter as
27 provided in section 204.14.

28 12. "*Produce*" means to provide for the planting, raising,
29 cultivating, managing, harvesting, and storing a crop.

30 **Sec. 3. NEW SECTION. 204.3 State plan — implementing**
31 **rules.**

32 1. The department shall prepare a state plan to be submitted
33 to the United States secretary of agriculture under the federal
34 hemp law.

35 2. Upon approval of the state plan, the department shall

1 assume primary regulatory authority over the production of hemp
2 in this state as provided in this chapter. However, nothing in
3 this chapter affects the powers and duties of the department of
4 public safety or local law enforcement agencies from enforcing
5 any law within its purview or jurisdiction. The department of
6 public safety shall be the chief criminal enforcement agency
7 under this chapter.

8 3. The department may prepare any number of amended state
9 plans or any number of amendments to an existing state plan to
10 be submitted for approval by the United States secretary of
11 agriculture.

12 4. The department may provide for the receipt, filing,
13 processing, and return of documents described in this chapter
14 in an electronic format, including but not limited to the
15 transmission of documents by the internet. The department
16 shall provide for the authentication of official forms in an
17 electronic format that may include electronic signatures as
18 provided in chapter 554D. An official form in an electronic
19 format shall have the same validity and is discoverable and
20 admissible in evidence if given under penalty of perjury in the
21 same manner as an original printed form. The department shall
22 provide for the issuance of certificates of crop inspection in
23 an electronic format as provided in section 204.8.

24 5. *a.* The department shall prepare the state plan, any
25 amended state plan, or amendment to an approved state plan, by
26 adopting rules pursuant to chapter 17A.

27 *b.* The department may adopt the rules on an emergency basis
28 as provided in section 17A.4, subsection 3, and section 17A.5,
29 subsection 2, and the rules shall be effective immediately upon
30 filing unless a later date is specified in the rules.

31 **Sec. 4. NEW SECTION. 204.4 Hemp license — requirements.**

32 1. The department shall establish and administer a process
33 to receive, evaluate, and approve or disapprove applications
34 for a hemp license.

35 2. The department shall prepare and publish one or more hemp

1 license application forms in cooperation with the department of
2 public safety. A completed application form submitted to the
3 department shall contain all of the following:

4 *a.* The applicant's full name and residence address.

5 *b.* A legal description and map of each crop site where the
6 applicant proposes to produce the hemp including its global
7 positioning system location.

8 *c.* The number of crop acres to be used for hemp production.

9 *d.* The name of the hemp variety.

10 *e.* The results of a national criminal history record check
11 of an applicant as may be required by the department. The
12 department shall inform an applicant if a national criminal
13 history record check will be conducted. If a national criminal
14 history record check is conducted, the applicant shall
15 provide the applicant's fingerprints to the department. The
16 department shall provide the fingerprints to the department
17 of public safety for submission through the state criminal
18 history repository to the federal bureau of investigation. The
19 applicant shall pay the actual cost of conducting any national
20 criminal history record check to the department of agriculture
21 and land stewardship. The department shall pay the actual cost
22 of conducting the national criminal history record check to
23 the department of public safety from moneys deposited in the
24 hemp fund pursuant to section 204.6. The department of public
25 safety shall treat such payments as repayment receipts as
26 defined in section 8.2. The results of the national criminal
27 history check shall not be considered a public record under
28 chapter 22.

29 *f.* Any other information required in order to administer and
30 enforce the provisions of this chapter.

31 3. As a condition for issuance of a hemp license, the
32 licensee consents to the department, the department of public
33 safety, or a local law enforcement agency entering upon a crop
34 site as provide in section 204.9.

35 4. The department may do all of the following:

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1 *a.* Require that all or some licenses expire on the same
2 date.

3 *b.* Provide a different application form and requirements
4 relating to the submission, evaluation, and approval or
5 disapproval of an application for a renewed hemp license
6 consistent with federal law.

7 5. An applicant shall not be issued a hemp license unless
8 the applicant agrees to comply with all terms and conditions
9 relating to the regulation of a licensee as provided in this
10 chapter.

11 6. A person may hold any number of licenses at the same
12 time. However, the person shall not hold a legal or equitable
13 interest in a licensed crop site, if the total number of acres
14 of all licensed crop sites in which the person holds all such
15 interests equals more than forty acres.

16 7. An initial hemp license expires one year from the date
17 of issuance and may be issued on a renewal basis annually. The
18 department may require that a licensee apply for an amended or
19 new initial license if information contained in the existing
20 application is no longer accurate or is incomplete.

21 8. The department and the department of public safety shall
22 cooperate to develop procedures for the sharing of information
23 regarding applicants, including information required to be
24 completed on application forms. Upon request, the department
25 or the department of public safety shall provide information
26 regarding an applicant to a department of agriculture or law
27 enforcement agency in another state.

28 9. Information received on an application form shall be
29 maintained by the department for not less than three years.

30 10. The department shall disapprove the application of a
31 person for good cause, which shall include, but is not limited
32 to, any of the following:

33 *a.* A conviction for committing a criminal offense involving
34 a controlled substance as described in section 204.7.

35 *b.* A third violation of a provision of this chapter in

1 a five-year period. The department shall disapprove any
2 application of a person for a five-year period following the
3 date of the person's last violation in the same manner as
4 provided in section 204.15.

5 c. The revocation of a hemp license under section 204.11,
6 or the revocation of a license, permit, registration, or other
7 authorization to produce hemp in any other state.

8 11. A hemp license shall be suspended or revoked as provided
9 in section 204.11.

10 Sec. 5. NEW SECTION. **204.5 Hemp fees.**

11 1. The department shall impose, assess, and collect the
12 following hemp fees:

13 a. A license fee which shall be paid by a person being
14 issued a hemp license as provided in section 204.4.

15 b. An inspection fee which shall be paid by a licensee for
16 the inspection of the licensee's crop site, including obtaining
17 samples of plants to conduct a test, as provided in section
18 204.8.

19 2. a. For each hemp license, the license fee shall be
20 imposed on an interim basis until June 30, 2022. The amount of
21 the license fee shall not be more than the following:

22 (1) Five hundred dollars plus five dollars per acre, for
23 each crop site that is five acres or less.

24 (2) Seven hundred and fifty dollars, plus five dollars per
25 acre, for each crop site that is more than five acres but not
26 more than ten acres.

27 (3) One thousand dollars plus five dollars per acre, for
28 each crop site that is more than ten acres.

29 b. For conducting an inspection and official test as
30 provided in section 204.8, the department shall charge an
31 inspection fee on an interim basis until June 30, 2022, as
32 follows:

33 (1) In the case of an annual inspection and official test, a
34 base fee of not more than one thousand dollars. The department
35 may charge a supplemental fee in an amount determined by the

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1 department for conducting an inspection and official test of
2 any additional variety of hemp produced on the same licensed
3 crop site.

4 (2) In the case of any other inspection and official test,
5 conducted at the request of the licensee, the department shall
6 charge a base fee or supplemental fee in the same manner as
7 provided in subparagraph (1).

8 c. This subsection is repealed on July 1, 2022.

9 3. a. The department shall adopt rules to establish hemp
10 fees for the issuance of a hemp license pursuant to section
11 204.4.

12 b. The department shall adopt rules to establish hemp fees
13 for conducting inspections and obtaining samples of plants
14 to conduct tests, including but not limited to an annual
15 inspection and official test, pursuant to section 204.8.

16 c. The department shall calculate the rates, or a range of
17 rates, of the hemp fees to be effective for each successive
18 twelve-month period. The total amount of hemp fees collected
19 by the department pursuant to this subsection shall not be
20 more than the department's estimate of the total amount of
21 revenues necessary to administer and enforce the provisions
22 of this chapter based on the expected revenue collected from
23 the hemp fees and the costs to be incurred by the department
24 in administering and enforcing the provisions of this chapter
25 during that period. The department may adjust the rates within
26 the range throughout the period as the department determines
27 necessary to comply with this paragraph.

28 d. The department may establish different rates for any
29 category of hemp fees based on criteria determined relevant by
30 the department, which may include the number of acres of the
31 licensee's crop site and the type of hemp license issued.

32 e. (1) The rules shall first take effect immediately after
33 the repeal of subsection 2.

34 (2) This paragraph "e" is repealed immediately after the
35 rules described in subparagraph (1) take effect.

1 4. The license fee and any annual inspection fee shall
2 be collected by the department at the time the hemp license
3 application is submitted.

4 5. Any hemp fee collected by the department under this
5 section shall be deposited in the hemp fund established
6 pursuant to section 204.6.

7 6. The department may refund all or any part of a hemp fee
8 collected under this section to an applicant.

9 **Sec. 6. NEW SECTION. 204.6 Hemp fund.**

10 1. A hemp fund is established in the state treasury under
11 the management and control of the department.

12 2. The hemp fund shall include moneys collected by the
13 department from hemp fees imposed and assessed under section
14 204.5 and moneys appropriated by the general assembly for
15 deposit in the hemp fund. The hemp fund may include other
16 moneys available to and obtained or accepted by the department,
17 including moneys from public or private sources.

18 3. Moneys in the hemp fund are appropriated to the
19 department and shall be used exclusively to carry out the
20 responsibilities conferred upon the department under this
21 chapter as determined and directed by the department, and
22 shall not require further special authorization by the general
23 assembly.

24 4. *a.* Notwithstanding section 12C.7, interest or earnings
25 on moneys in the hemp fund shall be credited to the hemp fund.

26 *b.* Notwithstanding section 8.33, moneys credited to the
27 hemp fund that remain unexpended or unobligated at the end of a
28 fiscal year shall not revert to any other fund.

29 **Sec. 7. NEW SECTION. 204.7 Regulations — exemption for**
30 **certain criminal offenses.**

31 1. The Iowa crop improvement association recognized in
32 chapter 177 shall adopt procedures to certify hemp seed capable
33 of germination. Hemp seed certified under this subsection
34 shall be presumed to comply with the requirements for hemp
35 produced under this chapter.

1 2. A person who materially falsifies any information
2 contained in an application under section 204.4 shall be
3 ineligible to produce hemp under this chapter.

4 3. a. A licensee convicted of an offense punishable
5 as a felony, for producing, possessing, using, harvesting,
6 handling, manufacturing, marketing, transporting, delivering,
7 or distributing a controlled substance before, on, or after
8 the implementation date of this chapter shall be ineligible to
9 produce hemp under this chapter for a ten-year period following
10 the date of conviction.

11 b. A licensee convicted in another state of an offense,
12 punishable in that state as a felony, substantially
13 corresponding to an offense described in paragraph "a", before,
14 on, or after the implementation date of this chapter, shall be
15 ineligible to produce hemp under this chapter for a ten-year
16 period following the date of conviction. The department shall
17 recognize the statute of another state which defines such
18 offense substantially equivalent to an offense described in
19 paragraph "a" as a corresponding statute.

20 4. The department shall adopt rules regulating the
21 production of hemp, including but not limited to inspection
22 and testing requirements under section 204.8 or 204.9, and the
23 issuance of a certificate of crop inspection under section
24 204.8. The department shall adopt rules as necessary to
25 administer the negligent violation program. The department may
26 adopt other rules as necessary or desirable to administer and
27 enforce the provisions of this chapter relating to hemp or hemp
28 products.

29 5. A licensee is not subject to a criminal offense
30 under chapter 124 or 453B for producing, possessing, using,
31 harvesting, handling, manufacturing, marketing, transporting,
32 delivering, or distributing hemp, if all of the following
33 apply:

34 a. The hemp is hemp seed delivered to the licensee for
35 planting at the licensee's crop site, or the hemp is or was

1 produced at the licensee's crop site.

2 *b.* The department, the department of public safety, or
3 a local law enforcement agency is allowed to access the
4 licensee's crop site as part of an inspection as provided in
5 sections 204.8 and 204.9, including by obtaining a sample of
6 plants to conduct a test pursuant to section 204.8.

7 *c.* The department has issued a certificate of crop
8 inspection to the licensee covering the harvested hemp as
9 provided in section 204.8.

10 6. A person other than a licensee is not subject to a
11 criminal offense under chapter 124 or 453B for producing,
12 possessing, using, harvesting, handling, manufacturing,
13 marketing, transporting, delivering, or distributing hemp,
14 while on the licensee's crop site, if all of the following
15 applies:

16 *a.* The hemp is produced at the licensee's crop site.

17 *b.* The person is authorized to be on the licensee's crop
18 site by the licensee.

19 7. A person other than a licensee is not subject to a
20 criminal offense under chapter 124 or 453B for possessing,
21 handling, using, manufacturing, marketing, transporting,
22 delivering, or distributing hemp produced in this state, if all
23 of the following applies:

24 *a.* The hemp is hemp seed delivered to the licensee for
25 planting at the licensee's crop site, or the hemp was produced
26 at a licensee's crop site.

27 *b.* If the hemp has been harvested, the person holds a
28 certificate of crop inspection covering the harvested hemp as
29 provided in section 204.8.

30 *c.* The person is acting in compliance with the federal hemp
31 law and other applicable federal law.

32 8. A person is not subject to a criminal offense under
33 chapter 124 or 453B for possessing, using, harvesting,
34 handling, manufacturing, marketing, transporting, delivering,
35 or distributing hemp produced in another state in compliance

1 with the federal hemp law and other applicable federal law.

2 9. *a.* A person may engage in the retail sale of a hemp
3 product if the hemp was produced in this state or another state
4 in compliance with the federal hemp law or other applicable
5 federal law. A person may engage in the retail sale of a hemp
6 product if the hemp was produced in another jurisdiction in
7 compliance with applicable federal law and the laws of the
8 other jurisdiction, if such law is substantially the same as
9 applicable federal law.

10 *b.* To the extent consistent with applicable federal law,
11 a derivative of hemp, including hemp-derived cannabidiol, may
12 be added to cosmetics, personal care products, and products
13 intended for human or animal consumption. The addition of such
14 a derivative shall not be considered an adulteration of the
15 product, unless otherwise provided in applicable federal law.

16 *c.* A person may transport a hemp product within and through
17 this state and may export a hemp product to any foreign nation,
18 in accordance with applicable federal law and the law of the
19 foreign nation.

20 *d.* A hemp product complying with this subsection is not a
21 controlled substance under chapter 124 or 453B.

22 **Sec. 8. NEW SECTION. 204.8 Inspections and tests —**
23 **certificate of crop inspection.**

24 1. *a.* The department shall conduct an annual inspection
25 of a licensee's crop site to determine if the crop produced
26 at the site qualifies as hemp under this section. The annual
27 inspection shall include obtaining a sample of plants that
28 are part of the crop and providing for an official test of
29 that sample. The inspection shall be conducted as provided in
30 section 204.9.

31 *b.* A licensee shall deliver a notice to the department
32 stating the expected harvest date for the crop produced at the
33 licensee's crop site. The department must receive the notice
34 at least thirty days prior to the expected harvest date. The
35 department shall conduct the annual inspection of the site

1 within thirty days prior to the actual harvest date.

2 c. The department shall provide the department of public
3 safety any official test results that indicate a sample exceeds
4 the maximum concentration of delta-9 tetrahydrocannabinol in
5 excess of two percent on a dry weight basis.

6 d. A licensee shall not harvest any portion of a crop
7 produced at the licensee's crop site unless the department has
8 issued the licensee a certificate of crop inspection. The
9 department shall issue a verified copy of the certificate to
10 any other person upon request of the licensee. The certificate
11 shall be published by the department as an official form. To
12 the extent allowed by the federal hemp law, the certificate
13 shall be proof that the harvested crop described on the form
14 qualifies as hemp pursuant to the results of an official test.

15 2. The department may conduct official tests for additional
16 varieties of hemp located on the same licensed crop site. The
17 department may conduct additional inspections and tests upon
18 the request of a licensee.

19 3. The official test shall be a composite test of the plants
20 obtained by the department from a licensee's crop site during
21 the annual inspection and shall be conducted by a laboratory
22 designated by the department. The sample must have a maximum
23 concentration of delta-9 tetrahydrocannabinol that does not
24 exceed three-tenths of one percent on a dry weight basis.

25 4. The department of public safety or a local law
26 enforcement agency may conduct an inspection of a licensee's
27 crop site in order to determine that the licensee is complying
28 with the criminal provisions of this chapter as well as
29 chapters 124 and 453B. The department of public safety or a
30 local law enforcement agency may conduct a test of the plants
31 obtained by that department or local law enforcement agency
32 from the licensee's crop site during the inspection according
33 to procedures adopted by the department of public safety.

34 **Sec. 9. NEW SECTION. 204.9 Right of access.**

35 1. a. The department, including an authorized inspector,

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1 employee, or agent of the department, may enter onto a crop
2 site during reasonable hours to determine whether a licensee is
3 acting in compliance with the requirements under this chapter.
4 The department may also enter into any structure if all of the
5 following apply:

6 (1) The structure is not a dwelling.

7 (2) The structure is located on or in close proximity to the
8 licensee's crop site, and the use of such structure is directly
9 related to the production of hemp, including but not limited to
10 a barn, machine shed, greenhouse, or storage crib.

11 *b.* The department may require the licensee to furnish
12 business records, including books, accounts, records, files,
13 and any other documents in print or electronic media that the
14 department deems relevant to an inquiry conducted under this
15 chapter.

16 *c.* The department may request the department of public
17 safety or a local law enforcement agency accompany the
18 department of agriculture and land stewardship when conducting
19 an inspection.

20 2. *a.* The department of public safety or a local law
21 enforcement agency may conduct an inspection of a licensee's
22 crop site or enter into a structure located on or in close
23 proximity to the crop site and may require a licensee to
24 furnish business records, in the same manner and according to
25 the same limitations as the department of agriculture and land
26 stewardship pursuant to subsection 1.

27 *b.* The department of public safety or a law enforcement
28 agency may obtain a sample of plants that are part of the
29 crop and provide for a test of that sample as provided in
30 section 204.8. The department of public safety or a local law
31 enforcement agency shall not impose, assess, or collect a fee
32 for conducting an inspection or test under this section.

33 4. A person shall not prevent the department, the department
34 of public safety, or a local law enforcement agency from
35 administering and enforcing the provisions of this section by

1 any means, including but not limited to any act, including
2 a refusal to allow entry, misrepresentation, omission, or
3 concealment of facts.

4 5. A licensee shall not harvest any portion of a crop
5 produced at the licensee's crop site if the department, the
6 department of public safety, or a local law enforcement agency
7 has been prevented from accessing the site under this section.

8 Sec. 10. NEW SECTION. 204.10 Order of disposal.

9 1. If a crop that is produced at a licensee's crop site does
10 not qualify as hemp according to an official test conducted
11 pursuant to section 204.8, the department, in consultation with
12 the department of public safety, shall order the disposal of
13 the crop by destruction at the site or if necessary require the
14 crop to be removed to another location for destruction.

15 2. The department may request assistance from the
16 department of public safety or a local law enforcement agency
17 as necessary to carry out the provisions of this section. The
18 department upon request shall deliver any sample of the crop
19 to the department of public safety or a local law enforcement
20 agency.

21 3. The licensee shall pay the department for all actual
22 and reasonable costs of the destruction of the crop. If the
23 department assumes any amount of the costs, it may charge that
24 amount to the licensee. If the licensee fails to reimburse any
25 of that amount to the department, the department may report the
26 amount to the county treasurer. The amount shall be placed
27 upon the tax books, and collected with interest and penalties
28 after due, in the same manner as other unpaid property taxes.
29 The county shall reimburse the department within thirty days
30 from the collection of the property taxes.

31 4. To the extent allowed by applicable federal law, the
32 department may provide for the disposal of the mature stalks
33 of the crop confiscated by the department for the licensee's
34 on-farm use and at the licensee's expense.

35 Sec. 11. NEW SECTION. 204.11 Disciplinary action.

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1 1. The department may suspend or revoke a hemp license
2 obtained under section 204.4 by a person who does any of the
3 following:

4 a. Provides false or misleading information to the
5 department under this chapter, including by submitting a false
6 application.

7 b. Fails to comply with or violates any provision of this
8 chapter, including a rule adopted by the department, the
9 department of public safety, or a condition of an application
10 for the issuance of a hemp license under section 204.4.

11 c. Fails to comply with an order issued by the department
12 under this chapter.

13 2. The department shall revoke a license issued pursuant to
14 section 204.4, if any of the following apply:

15 a. The department would disapprove a new application to that
16 person for good cause as provided in section 204.4, subsection
17 10.

18 b. The person submits a materially false application to
19 participate in the negligent violation program.

20 3. The suspension or revocation of a hemp license is in
21 addition to an order of disposal under section 204.10; the
22 imposition of a civil penalty under section 204.12, subject
23 to the provisions of section 204.15; or the imposition of any
24 other civil or criminal penalty authorized under state law.

25 **Sec. 12. NEW SECTION. 204.12 Civil penalties.**

26 1. A person who violates a provision of this chapter is
27 subject to a civil penalty of not less than five hundred
28 dollars and not more than two thousand five hundred dollars.
29 The department shall impose, assess, and collect the civil
30 penalty. Each day that a continuing violation occurs may be
31 considered a separate offense.

32 2. Notwithstanding subsection 1, a civil penalty shall not
33 be imposed, assessed, or collected against a licensee who is
34 participating in or has successfully completed the negligent
35 violation program pursuant to section 204.15.

1 3. All civil penalties collected under this section shall be
2 deposited into the general fund of the state.

3 Sec. 13. NEW SECTION. 204.13 Injunctive relief.

4 The department, or the attorney general acting on behalf of
5 the department, may apply to the district court for injunctive
6 relief in order to restrain a person from acting in violation
7 of this chapter. In order to obtain injunctive relief, the
8 department, or attorney general, shall not be required to post
9 a bond or prove the absence of an adequate remedy at law unless
10 the court for good cause otherwise orders. The court may order
11 any form of prohibitory or mandatory relief that is appropriate
12 under principles of equity, including but not limited to
13 issuing a temporary or permanent restraining order.

14 Sec. 14. NEW SECTION. 204.14 Criminal offense — falsified
15 certificate of crop inspection.

16 A person is subject to criminal penalties provided under the
17 applicable provisions in chapter 124 or 453B, if all of the
18 following apply:

19 1. The person commits an offense under one of the applicable
20 provisions of chapter 124 or 453B by possessing, handling,
21 using, manufacturing, marketing, transporting, delivering, or
22 distributing the plant cannabis, regardless of whether the
23 plant was produced in compliance with the provisions of this
24 chapter.

25 2. The person is required to hold a certificate of crop
26 inspection under section 204.8 to possess, handle, use,
27 manufacture, market, transport, deliver, or distribute hemp
28 that has been harvested under this chapter.

29 3. The person knowingly or intentionally does any of the
30 following:

31 a. Falsifies the certificate of crop inspection.

32 b. Acquires the certificate of crop inspection that the
33 person knows has been falsified.

34 Sec. 15. NEW SECTION. 204.15 Negligent violation —
35 program.

1 1. *a.* The department may find that a licensee has
2 negligently violated a provision of this chapter by doing any
3 of the following:

4 (1) Completing an application for a license without
5 providing a legal description of the crop site pursuant to
6 section 204.4.

7 (2) Failing to renew a hemp license for an existing crop
8 site or obtain a hemp license for a new crop site pursuant to
9 section 204.4.

10 (3) Producing a crop on the licensee's crop site with a
11 maximum concentration of delta-9 tetrahydrocannabinol that
12 exceeds three-tenths of one percent according to the results of
13 an official test of a sample obtained from the licensed crop
14 site pursuant to an inspection conducted under section 204.8.

15 *b.* It is conclusively presumed that a licensee acted
16 with a culpable mental state greater than negligence, if
17 the department obtains a sample of a crop produced on the
18 licensee's crop site and the official test results of the
19 sample conducted pursuant to section 204.8 indicate a maximum
20 concentration of delta-9 tetrahydrocannabinol in excess of two
21 percent on a dry weight basis.

22 *c.* If the department determines a licensee violated this
23 chapter with a culpable mental state greater than negligence,
24 the department shall immediately report the licensee's
25 violation to the department of public safety, the county
26 attorney, and the attorney general, who shall take action as
27 the facts and circumstances warrant. The department shall also
28 report the licensee to the United States attorney general to
29 the extent required by the federal hemp law.

30 2. The department may establish a negligent violation
31 program. The purpose of the program is to allow a
32 participating licensee who has negligently violated a provision
33 of this chapter as described in subsection 1 to comply with a
34 corrective plan established by the department to correct each
35 negligent violation, including by providing for all of the

1 following:

2 *a.* A reasonable date, established by the department, for the
3 licensee to correct each cause for the violation.

4 *b.* The filing of periodic reports to the department
5 evidencing that the licensee is complying with the requirements
6 of this chapter. The licensee shall submit the reports to the
7 department according to a schedule required by the department.
8 The licensee shall submit a report to the department for
9 at least two years from the date that the licensee first
10 participated in the program.

11 *c.* Any other requirement established by the department.

12 3. A licensee shall not participate in the negligent
13 violation program, if a test of a sample of plants that
14 are part of a crop produced on the licensee's crop site
15 exceeds a maximum concentration of two percent delta-9
16 tetrahydrocannabinol on a dry weight basis.

17 4. A person who has violated a provision of this chapter
18 three times in a five-year period shall be ineligible to
19 participate in the negligent violation program, or produce
20 hemp, for a period of five years beginning on the date of the
21 third violation.

22 5. The department shall certify that a licensee has
23 successfully completed the negligent violation program. The
24 certification shall be published by the department as an
25 official form. The department shall deliver the certification
26 to the licensee which shall be proof of the licensee's
27 compliance.

28 6. A licensee who is participating in or has successfully
29 completed the negligent violation program shall not be subject
30 to any of the following:

31 *a.* A civil penalty under section 204.12 for committing a
32 violation of this chapter.

33 *b.* A criminal offense under chapter 124 or 453B arising
34 out of a negligent violation of this chapter, if the licensee
35 would otherwise be guilty of producing, possessing, using,

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(amending this HF 781 to CONFORM to SF 599)

1 harvesting, handling, or distributing the plant cannabis
2 pursuant to the results of a test conducted pursuant to section
3 204.8.

4 Sec. 16. NEW SECTION. 204.16 **Waivers or variances.**

5 If the department determines there is a conflict with a
6 regulation or order promulgated by a federal agency and a
7 provision of this chapter, the department may grant a variance
8 or waiver from the provision of this chapter to the extent such
9 variance or waiver is allowed under the federal hemp law and
10 the United States department of agriculture. The waiver or
11 variance shall expire not later than July 1 of the succeeding
12 legislative session.

13 Sec. 17. NEW SECTION. 204.17 **Statutory construction.**

14 1. Nothing in this chapter shall be construed or applied to
15 be less stringent than required under the federal hemp law.

16 2. Nothing in this chapter shall be construed or applied to
17 be in conflict with any of the following:

18 a. Applicable federal law and related regulations.

19 b. Other laws of this state, including any administrative
20 rules, relating to product development, product manufacturing,
21 consumer safety, or public health so long as the state law is
22 compatible with applicable federal law.

23 c. Local law relating to product development, product
24 manufacturing, consumer safety, or public health so long as the
25 local law is consistent with federal and state law.

26 3. Except as provided in section 204.7, nothing in this
27 chapter shall be construed or applied to prohibit a person
28 from possessing, handling, using, manufacturing, marketing,
29 transporting, delivering, or distributing a hemp product.

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 pursuant to chapter 124E.

34 5. Nothing in this chapter shall be construed or applied to
35 infringe upon the ability of the department of public safety

1 or a local law enforcement agency to obtain a search warrant
2 issued by a court, or enter onto any premises in a manner
3 consistent with the laws of this state and the United States,
4 including Article I, section 8, of the Constitution of the
5 State of Iowa, or the fourth amendment to the Constitution of
6 the United States.

7 6. Nothing in this chapter shall be construed or applied
8 to affect a statute or rule of which applies to hemp or hemp
9 product in the same manner as other articles subject to the
10 same general regulation.

11 Sec. 18. CONTINGENT IMPLEMENTATION.

12 1. Except as provided in subsection 2, the provisions of
13 chapter 204, as enacted in this division of this Act, shall
14 only be implemented, including administered and enforced,
15 by the department of agriculture and land stewardship,
16 the department of public safety, and local law enforcement
17 agencies, beginning on the publication date of the edition of
18 the Iowa administrative bulletin that includes a statement by
19 the secretary of agriculture of the department of agriculture
20 and land stewardship certifying that the United States
21 department of agriculture has approved a state plan as
22 described in section 204.3, as enacted in this division of this
23 Act. The department shall forward a copy of the statement to
24 the Iowa Code editor prior to publication.

25 2. Section 204.3 and this subsection shall be implemented on
26 the effective date of this Act.

27 Sec. 19. EFFECTIVE DATE. This division of this Act, being
28 deemed of immediate importance, takes effect upon enactment.

29 DIVISION II

30 COORDINATING AMENDMENTS

31 Sec. 20. Section 29B.107A, Code 2019, is amended by adding
32 the following new subsection:

33 NEW SUBSECTION. 3. Notwithstanding subsection 2,
34 "*controlled substance*" does not include hemp or a hemp product
35 excluded from schedule I of controlled substances as provided

1 in section 124.204, subsection 7.

2 Sec. 21. Section 80.9, subsection 7, Code 2019, is amended
3 to read as follows:

4 7. a. The department shall assist persons who are
5 responsible for the care of private and public land in
6 identifying growing marijuana plants when the plants are
7 reported to the department. The department shall also provide
8 education to the persons regarding methods of eradicating the
9 plants.

10 b. Notwithstanding paragraph "a", the department is not
11 required to provide such assistance if the marijuana plants are
12 hemp produced in accordance with the provisions of chapter 204.

13 c. The department shall adopt rules necessary to carry out
14 this subsection.

15 Sec. 22. Section 124.204, subsection 4, paragraphs m and u,
16 Code 2019, are amended to read as follows:

17 m. Marijuana, except as otherwise provided ~~by rules of the~~
18 ~~board for medicinal purposes~~ in subsection 7.

19 u. (1) Tetrahydrocannabinols, except as otherwise
20 provided by rules of the board for medicinal purposes,
21 meaning tetrahydrocannabinols naturally contained in a plant
22 of the genus Cannabis (Cannabis plant) as well as synthetic
23 equivalents of the substances contained in the Cannabis plant,
24 or in the resinous extractives of such plant, and synthetic
25 substances, derivatives, and their isomers with similar
26 chemical structure and pharmacological activity to those
27 substances contained in the plant, such as the following:

28 ~~(1)~~ (a) 1 cis or trans tetrahydrocannabinol, and their
29 optical isomers.

30 ~~(2)~~ (b) 6 cis or trans tetrahydrocannabinol, and their
31 optical isomers.

32 ~~(3)~~ (c) 3,4 cis or trans tetrahydrocannabinol, and their
33 optical isomers. (Since nomenclature of these substances
34 is not internationally standardized, compounds of these
35 structures, regardless of numerical designation of atomic

1 positions covered.)

2 (2) Subparagraph (1) does not include tetrahydrocannabinol
3 to the extent excluded in subsection 7.

4 Sec. 23. Section 124.204, subsection 7, Code 2019, is
5 amended to read as follows:

6 7. *Exclusions.* This section does not apply to ~~marijuana~~,
7 any of the following:

8 a. Marijuana, tetrahydrocannabinols, or chemical
9 derivatives of tetrahydrocannabinol, when utilized for
10 medicinal purposes pursuant to rules of the board.

11 b. (1) Hemp as defined in section 204.2 that is or was
12 produced in this state, or was produced in another state, in
13 accordance with the provisions of chapter 204 with a maximum
14 delta-9 tetrahydrocannabinol concentration that does not exceed
15 three-tenths of one percent on a dry weight basis.

16 (2) A hemp product as provided in chapter 204 with a maximum
17 delta-9 tetrahydrocannabinol concentration that does not exceed
18 three-tenths of one percent on a dry weight basis.

19 Sec. 24. Section 124.401, Code 2019, is amended by adding
20 the following new subsection:

21 NEW SUBSECTION. 6. Notwithstanding any other provision in
22 this section to the contrary, a person may produce, possess,
23 use, harvest, handle, manufacture, market, transport, deliver,
24 or distribute any of the following:

25 a. Hemp that is hemp seed delivered for planting at a
26 licensed crop site, or hemp that is or was produced at the
27 site, by a person operating under a hemp license issued by the
28 department of agriculture and land stewardship in accordance
29 with the provisions of chapter 204.

30 b. Hemp that was produced in another state in accordance
31 with the federal hemp law and other applicable law.

32 c. A hemp product as provided in chapter 204.

33 Sec. 25. NEW SECTION. 124.401H Iowa hemp Act — negligent
34 violation program.

35 Notwithstanding any provision of this chapter to the

1 contrary, a person shall not be guilty of an offense under
2 this chapter, including under section 124.401 or 124.410,
3 for producing, possessing, using, harvesting, handling,
4 manufacturing, marketing, transporting, delivering, or
5 distributing the plant cannabis, if all of the following apply:

6 1. The person holds a valid hemp license issued by the
7 department of agriculture and land stewardship as provided in
8 chapter 204.

9 2. The plant is or was produced on the licensee's crop site
10 as provided in chapter 204.

11 3. The offense arises out of a test of a sample of plants
12 that are part of a crop produced on the licensee's crop site
13 and the test indicates that the sample does not qualify as hemp
14 under section 204.8 and does not exceed maximum concentration
15 of two percent delta-9 tetrahydrocannabinol on a dry weight
16 basis.

17 4. The licensee is participating in or has successfully
18 completed the negligent violation program that applies to the
19 licensee's crop site described in subsection 3 if such program
20 is established by the department of agriculture and land
21 stewardship pursuant to section 204.15.

22 Sec. 26. Section 124.410, Code 2019, is amended to read as
23 follows:

24 **124.410 Accommodation offense.**

25 1. In a prosecution for unlawful delivery or possession
26 with intent to deliver marijuana, if the prosecution proves
27 that the defendant violated the provisions of section 124.401,
28 subsection 1, by proving that the defendant delivered or
29 possessed with intent to deliver one-half ounce or less of
30 marijuana which was not offered for sale, the defendant is
31 guilty of an accommodation offense and rather than being
32 sentenced as if convicted for a violation of section 124.401,
33 subsection 1, paragraph "d", shall be sentenced as if
34 convicted of a violation of [section 124.401, subsection 5](#). An
35 accommodation offense may be proved as an included offense

1 under a charge of delivering or possessing with the intent to
2 deliver marijuana in violation of section 124.401, subsection
3 1. ~~This section~~

4 2. Subsection 1 does not apply to hashish, any of the
5 following:

6 a. Hashish, hashish oil, or other derivatives of marijuana
7 as defined in section 124.101, subsection 20.

8 b. Hemp or a hemp product excluded from schedule I
9 of controlled substances as provided in section 124.204,
10 subsection 7.

11 Sec. 27. Section 124.411, subsection 3, Code 2019, is
12 amended to read as follows:

13 3. ~~This section~~ does not apply to ~~offenses~~ any of the
14 following:

15 a. An offense under section 124.401, subsection 5.

16 b. Hemp or a hemp product excluded from schedule I
17 of controlled substances as provided in section 124.204,
18 subsection 7.

19 Sec. 28. Section 124.506A, subsection 1, Code 2019, is
20 amended to read as follows:

21 1. a. Notwithstanding the provisions of section 124.506, if
22 more than ten pounds of marijuana or more than one pound of any
23 other controlled substance is seized as a result of a violation
24 of this chapter, the law enforcement agency responsible for
25 retaining the seized controlled substance may destroy the
26 seized controlled substance if the law enforcement agency
27 retains at least ten pounds of the marijuana seized or at least
28 one pound of any other controlled substance seized for evidence
29 purposes.

30 b. Paragraph "a" does not apply to hemp or a hemp product
31 excluded from schedule I of controlled substances as provided
32 in section 124.204, subsection 7.

33 Sec. 29. Section 189.1, subsection 1, Code 2019, is amended
34 to read as follows:

35 1. "Article" means food, commercial feed, agricultural

1 seed, commercial fertilizer, drug, pesticide, hemp or a hemp
2 product, and paint, in the sense in which they are defined in
3 the various provisions of this subtitle.

4 Sec. 30. NEW SECTION. 317.1D **Exemption — Iowa hemp Act.**

5 This chapter does not apply to a plant or any part of the
6 plant qualifying as hemp, if the hemp is produced on a crop
7 site regulated under chapter 204.

8 Sec. 31. NEW SECTION. 453B.17 **Exemption — Iowa hemp Act —**
9 **hemp and hemp products.**

10 This chapter does not apply to any of the following:

11 1. Hemp that is hemp seed delivered for planting at a
12 licensed crop site, or hemp that is or was produced at the
13 site, by a person operating under a hemp license issued by the
14 department of agriculture and land stewardship in accordance
15 with the provisions of chapter 204.

16 2. Hemp that was produced in another state in accordance
17 with the federal hemp law and other applicable law.

18 3. A hemp product as provided in chapter 204.

19 Sec. 32. NEW SECTION. 453B.18 **Exemption — Iowa hemp Act**
20 **— negligent violation program.**

21 Notwithstanding any provision of this chapter to the
22 contrary, a person shall not be guilty of an offense under this
23 chapter for producing or possessing the plant cannabis, if all
24 of the following apply:

25 1. The person holds a valid hemp license issued by the
26 department of agriculture and land stewardship as provided in
27 chapter 204.

28 2. The plant is or was produced on the licensee's crop site
29 as provided in chapter 204.

30 3. The offense arises out of a test of a sample of plants
31 that are part of a crop produced on the licensee's crop
32 site and the test indicates that the sample does not qualify
33 as hemp under section 204.8 and it does not exceed maximum
34 concentration of two percent delta-9 tetrahydrocannabinol on a
35 dry weight basis.

1 4. The licensee is participating in or has successfully
2 completed the negligent violation program that applies to the
3 licensee's crop site described in subsection 3 if such program
4 is established by the department of agriculture and land
5 stewardship pursuant to section 204.15.

6 Sec. 33. CONTINGENT EFFECTIVE DATE. The amendments to
7 sections 29B.107A, 80.9, 124.204, 124.401, 124.410, 124.411,
8 124.506A, and 189.1, and new sections 124.401H, 317.1D,
9 453B.17, and 453B.18, as enacted in this division of this
10 Act, shall become effective upon the date of implementation
11 of chapter 204 as described in subsection 1 of the section
12 providing for the contingent implementation of that chapter, as
13 enacted in division I of this Act.>

14 2. Title page, by striking lines 1 through 5 and inserting
15 <An Act relating to hemp, including the regulation of hemp,
16 providing for enforcement and the confiscation and destruction
17 or disposal of certain property, providing for fees, including
18 penalties, and providing implementation and effective date
19 provisions.>

KLEIN of Washington