Senate File 2380

S-5101

1 Amend Senate File 2380 as follows:

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

4 <Section 1. Section 124.506, Code 2020, is amended by adding 5 the following new subsection:

6 <u>NEW SUBSECTION</u>. 4A. According to an order for the disposal 7 of a crop that does not qualify as hemp as provided in section 8 204.10.

9 Sec. 2. Section 204.2, Code 2020, is amended by adding the 10 following new subsections:

11 <u>NEW SUBSECTION</u>. 01. "Certificate of analysis" means proof 12 that a crop produced on a licensee's crop site qualifies as 13 hemp as provided in section 204.8.

14 <u>NEW SUBSECTION</u>. 001. "Consumable hemp product" means a 15 hemp product that includes a substance that is metabolized 16 or is otherwise subject to a biotransformative process when 17 introduced into the human body.

18 a. A consumable hemp product may be introduced into the
19 human body by ingestion or absorption by any device including
20 but not limited to an electronic device.

21 b. A consumable hemp product may exist in a solid or liquid22 state.

23 c. A hemp product is deemed to be a consumable hemp product24 if it is any of the following:

(1) Designed by the processor, including the manufacturer,to be introduced into the human body.

27 (2) Advertised as an item to be introduced into the human28 body.

29 (3) Distributed, exported, or imported for sale or30 distribution to be introduced into the human body.

-1-

31 d. "Consumable hemp product" includes but is not limited to 32 any of the following:

33 (1) A noncombustible form of hemp that may be digested,
34 such as food; internally absorbed, such as chew or snuff; or
35 absorbed through the skin, such as a topical application.

SF2380.3781 (1) 88 (amending this SF 2380 to CONFORM to HF 2581) da/ns 1/11 (2) Hemp processed or otherwise manufactured, marketed,
 2 sold, or distributed as food, a food additive, a dietary
 3 supplement, or a drug.

e. "Consumable hemp product" does not include a hemp product
5 if the intended use of the hemp product is introduction into
6 the human body by any method of inhalation, as prohibited under
7 section 204.14A.

8 <u>NEW SUBSECTION</u>. 4A. *Federal Food, Drug, and Cosmetic Act* 9 means the Act so entitled as codified in 21 U.S.C. §301 et 10 seq., including regulations adopted pursuant to that Act by the 11 United States food and drug administration under the Code of 12 Federal Regulations, Title 21.

NEW SUBSECTION. 13. "Temporary harvest and transportation permit" means a document allowing the harvesting of a crop produced on a licensee's crop site and the temporary movement of that crop subject to limitations provided in section 204.8. Sec. 3. Section 204.2, subsection 6, Code 2020, is amended to read as follows:

19 6. *a.* "*Hemp*" means the plant cannabis sativa L. and any 20 part of that plant, including the seeds thereof, and all 21 derivatives, extracts, cannabinoids, isomers, acids, salts, 22 and salts of isomers, whether growing or not, with a <u>maximum</u> 23 delta-9 tetrahydrocannabinol concentration of not more than 24 three-tenths of one percent on a dry weight basis <u>as calculated</u> 25 pursuant to an official test as provided in section 204.8.

b. "Hemp" also means a plant of the genus cannabis
other than cannabis sativa L., with a <u>maximum</u> delta-9
tetrahydrocannabinol concentration of not more than
three-tenths of one percent on a dry weight basis <u>as calculated</u>
<u>pursuant to an official test as provided in section 204.8</u>, but
only to the extent allowed by the department in accordance with
applicable federal law, including the federal hemp law.
Sec. 4. Section 204.3, subsection 4, Code 2020, is amended
to read as follows:
The department may provide for the receipt, filing,

da/ns

SF2380.3781 (1) 88 (amending this SF 2380 to CONFORM to HF 2581)

```
-2-
```

1 processing, and return of documents described in this chapter 2 in an electronic format, including but not limited to the 3 transmission of documents by the internet. The department 4 shall provide for the authentication of official forms in an 5 electronic format that may include electronic signatures as 6 provided in chapter 554D. An official form in an electronic 7 format shall have the same validity and is discoverable and 8 admissible in evidence if given under penalty of perjury in the 9 same manner as an original printed form. The department shall 10 provide for the issuance of certificates of crop inspection 11 <u>analysis</u> in an electronic format as provided in section 204.8. 12 Sec. 5. Section 204.7, subsection 4, Code 2020, is amended 13 to read as follows:

14 The department shall adopt rules regulating the 4. 15 production of hemp, including but not limited to inspection 16 and testing requirements under section 204.8 or 204.9, and the 17 issuance of a temporary harvest and transportation permit or 18 certificate of crop inspection analysis under section 204.8. 19 The department shall adopt rules as necessary to administer the 20 negligent violation program. The department may adopt other 21 rules as necessary or desirable to administer and enforce the 22 provisions of this chapter relating to hemp or hemp products. 23 Section 204.7, subsection 5, Code 2020, is amended Sec. 6. 24 by striking the subsection and inserting in lieu thereof the 25 following:

26 5. a. A person is not subject to a criminal offense
27 involving hemp as otherwise prohibited in chapter 124 or 453B,
28 if all of the following apply:

29 (1) If the person is a licensee, the person carries the 30 person's hemp license when possessing hemp.

31 (2) The person carries a certificate of analysis, or a 32 temporary harvest and transportation permit, if the person is 33 in possession of harvested hemp. If the person is transporting 34 harvested hemp into or through this state, the person must 35 carry a certificate of analysis or an equivalent document SF2380.3781 (1) 88

> (amending this SF 2380 to CONFORM to HF 2581) da/ns 3/11

-3-

1 issued to the person by the jurisdiction where the hemp was
2 produced.

3 (3) The person carries a certificate of analysis, if the 4 person is delivering hemp seed for planting.

5 (4) The person carries a bill of lading under all of the 6 following circumstances:

7 (a) The person is in possession of hemp in transit to 8 transfer ownership.

9 (b) The person is delivering hemp seed for planting and the 10 seed is not of the licensee's own production.

11 (c) A person brings hemp produced in another state into or 12 through this state.

b. For purposes of paragraph "a", a criminal offense
involving hemp includes but is not limited to production, use,
harvest, transportation, delivery, distribution, or sale.

16 Sec. 7. Section 204.7, subsection 6, Code 2020, is amended 17 by striking the subsection and inserting in lieu thereof the 18 following:

19 6. A person other than a licensee is not subject to a 20 criminal offense involving hemp as described in subsection 5 if 21 the person is authorized to be on the licensee's crop site by 22 the licensee.

23 Sec. 8. Section 204.7, subsections 7 and 8, Code 2020, are 24 amended by striking the subsections.

25 Sec. 9. Section 204.7, subsection 9, paragraph a, Code 2020, 26 is amended to read as follows:

27 a. A Except as provided in subsection 10, and section 28 204.14A, a person may engage in the retail sale of a hemp 29 product if the hemp was produced in this state or another state 30 in compliance with the federal hemp law or other applicable 31 federal law. A person may engage in the retail sale of a hemp 32 product if the hemp was produced in another jurisdiction in 33 compliance with applicable federal law and the laws of the 34 other jurisdiction, if such law is substantially the same as 35 applicable federal law.

> SF2380.3781 (1) 88 (amending this SF 2380 to CONFORM to HF 2581) da/ns 4/11

-4-

Sec. 10. Section 204.7, subsection 9, paragraph b, Code
 2020, is amended by striking the paragraph.

3 Sec. 11. Section 204.7, Code 2020, is amended by adding the 4 following new subsection:

5 <u>NEW SUBSECTION</u>. 10. *a.* Except as provided in paragraph 6 "*e*", a consumable hemp product shall not be manufactured, 7 sold, or consumed in this state unless all of the following 8 conditions are met:

9 (1) The consumable hemp product is manufactured in this 10 state in compliance with this chapter.

11 (2) The hemp contained in the consumable hemp product was 12 produced exclusively in this state in compliance with this 13 chapter.

14 (3) The consumable hemp product complies with packaging 15 and labeling requirements, which shall be established by the 16 department of inspections and appeals by rule.

b. A person manufacturing a consumable hemp product in this state shall register with the department of inspections and appeals on a form prescribed by the department of inspections and appeals by rule. The department of inspections and appeals may impose a fee, established by the department of inspections and appeals by rule, on a registrant not to exceed the cost of processing the registration. The department of inspections and appeals shall adopt rules for the revocation of a registration issued to a manufacturer who manufactures a consumable hemp product not in compliance with this chapter.

c. A person selling a consumable hemp product in this state shall register with the department of inspections and appeals on a form prescribed by the department of inspections and appeals by rule and shall keep on the premises of the person's business a copy of the certificate of analysis issued pursuant to section 204.8 for the hemp contained in the consumable hemp products sold by the person. The department of inspections and appeals may impose a fee, established by the department of inspections and appeals by rule, on a registrant not to exceed

-5-

SF2380.3781 (1) 88 (amending this SF 2380 to CONFORM to HF 2581) da/ns 5/11 1 the cost of processing the registration. The department of 2 inspections and appeals shall adopt rules for the revocation of 3 a registration issued to a person who sells a consumable hemp 4 product not in compliance with this section.

5 d. Except as otherwise provided in this subsection,
6 a political subdivision of the state shall not adopt any
7 ordinance, rule, or regulation regarding the manufacture, sale,
8 or consumption of a consumable hemp product.

9 e. A consumable hemp product manufactured in another 10 jurisdiction pursuant to a state or tribal plan approved by the 11 United States department of agriculture pursuant to the federal 12 hemp law may be imported for use by a consumer or sale by a 13 retailer to a consumer if the state has substantially similar 14 testing requirements as those provided in section 204.8.

15 f. A consumable hemp product manufactured, sold, or 16 consumed in compliance with this subsection is not a controlled 17 substance under chapter 124 or 453B regardless of whether the 18 consumable hemp product has been approved by the United States 19 food and drug administration.

20 Sec. 12. Section 204.8, subsection 1, paragraph d, Code 21 2020, is amended to read as follows:

d. A licensee shall not harvest any portion of a crop
produced at the licensee's crop site unless the department has
obtained a sample of plants to conduct a test as provided in
this section and has issued the licensee a temporary harvest
and transportation permit or certificate of crop inspection
analysis. The department may adopt rules that it determines
necessary or desirable to administer and enforce the terms and
conditions of a permit. The department shall have unrestricted
access to a crop site subject to a permit. A licensee subject
to a permit shall receive permission from the department prior
to moving the hemp, shall not commingle the hemp, and shall not

34 <u>e.</u> The department shall issue a verified copy of the 35 <u>temporary harvest and transportation permit or</u> certificate <u>of</u>

-6-

SF2380.3781 (1) 88 (amending this SF 2380 to CONFORM to HF 2581) da/ns 6/11 1 <u>analysis</u> to any other person upon request of the licensee. The 2 <u>permit or</u> certificate shall be published by the department as 3 an official form.

4 <u>f.</u> To the extent allowed by the federal hemp law, the 5 certificate <u>of analysis</u> shall be proof that the harvested crop 6 described on the form qualifies as hemp pursuant to the results 7 of an official test.

8 g. A temporary harvest and transportation permit expires 9 when the department issues the licensee a certificate of 10 analysis. A permit or certificate of analysis terminates upon 11 the issuance of an order of disposal of the licensee's crop 12 as provided in section 204.10 or upon the revocation of the 13 licensee's hemp license as provided in section 204.11.

14 Sec. 13. Section 204.8, subsection 3, Code 2020, is amended 15 by striking the subsection and inserting in lieu thereof the 16 following:

The official test shall be a composite test of the 17 3. 18 plants obtained by the department from a licensee's crop 19 site during the annual inspection and shall be conducted by 20 a laboratory designated by the department. The sample must 21 have an acceptable delta-9 tetrahydrocannabinol concentration, 22 resulting from a post decarboxylation analysis, that does not 23 exceed three-tenths of one percent on a dry weight basis. 24 The laboratory shall report delta-9 tetrahydrocannabinol а. 25 concentration on a dry weight basis that accounts for a 26 measurement uncertainty associated with the result of a 27 measurement. The measurement uncertainty shall characterize 28 the dispersion of the values that could be reasonably 29 attributed to the particular quantity subject to measurement. 30 The acceptable delta-9 tetrahydrocannabinol concentration 31 occurs when the application of the measurement uncertainty to 32 the reported delta-9 tetrahydrocannabinol concentration on a 33 dry weight basis produces a distribution or range that includes 34 three-tenths of one percent or less.

35 b. The post decarboxylation value is the result

-7-

SF2380.3781 (1) 88 (amending this SF 2380 to CONFORM to HF 2581) da/ns 7/11 1 of an analysis determined after the process of

2 decarboxylation that determines the total potential 3 delta-9 tetrahydrocannabinol content derived from the sum of 4 the delta-9 tetrahydrocannabinol concentration and delta-9 5 tetrahydrocannabinolic acid content and reported on a dry 6 weight basis. The post decarboxylation value may be determined 7 by using a chromatographic technique using heat and gas 8 chromatography, through which the tetrahydrocannabinolic 9 acid content is converted from its acid form to its neutral The post decarboxylation value may also be calculated 10 form. 11 by using a high-performance liquid chromatograph technique, 12 which keeps the tetrahydrocannabinolic acid intact and requires 13 a conversion calculation of that tetrahydrocannabinolic acid 14 to determine the total potential delta-9 tetrahydrocannabinol 15 content in a given sample.

16 Sec. 14. Section 204.9, subsection 2, paragraph b, Code
17 2020, is amended to read as follows:

18 b. The department of public safety or a <u>local</u> law
19 enforcement agency may obtain a sample of plants that are part
20 of the crop and provide for a test of that sample as provided in
21 section 204.8. The department of public safety or a local law
22 enforcement agency shall not impose, assess, or collect a fee
23 for conducting an inspection or test under this section.

24 Sec. 15. Section 204.10, subsection 1, Code 2020, is amended 25 to read as follows:

1. If a crop that is produced at a licensee's crop site does not qualify as hemp according to an official test conducted pursuant to section 204.8, <u>but has a maximum concentration</u> <u>not in excess of two percent delta-9 tetrahydrocannabinol on</u> <u>a dry weight basis</u>, the department, in consultation with the department of public safety, shall order the disposal of the crop by destruction at the site or if necessary require the crop to be removed to another location for destruction. Sec. 16. Section 204.14, subsections 2 and 3, Code 2020, are amended to read as follows:

-8-

SF2380.3781 (1) 88 (amending this SF 2380 to CONFORM to HF 2581) da/ns 8/11 2. <u>a.</u> The Except as provided in paragraph "b", the person
 2 is required to hold a certificate of crop inspection under
 3 section 204.8 analysis to possess, handle, use, manufacture,
 4 market, transport, deliver, or distribute hemp that has been
 5 harvested under this chapter.

b. The person is required to hold a temporary harvest and
7 transportation permit to possess, harvest, or move hemp.

8 3. The person knowingly or intentionally does any of the9 following:

10 a. Falsifies the temporary harvest and transportation permit
11 or certificate of crop inspection analysis.

12 b. Acquires the <u>temporary harvest and transportation permit</u> 13 <u>or</u> certificate of crop inspection <u>analysis</u> that the person 14 knows has been falsified.

15 Sec. 17. <u>NEW SECTION</u>. 204.14A Criminal offense — 16 inhalation.

17 1. A person shall not possess, use, manufacture, market, 18 transport, deliver, or distribute harvested hemp or a hemp 19 product if the intended use of the harvested hemp or hemp 20 product is introduction into the body of a human by any method 21 of inhalation, including any of the following:

22 a. Smoke produced from combustion.

b. A type of article that uses a heating element, power
source, electronic circuit, or other electronic, chemical, or
mechanical process.

c. A device, including but not limited to a cigarette,
cigar, cigarillo, or pipe, regardless of whether such device
produces smoke or vapor.

29 2. A person who violates subsection 1 is guilty of a serious 30 misdemeanor.

31 3. This section does not apply to the extent that federal 32 law, including the federal Food, Drug, and Cosmetic Act, 33 authorizes as its intended use the introduction of harvested 34 hemp or a hemp product into the body of a human by a method of 35 inhalation.

-9-

SF2380.3781 (1) 88 (amending this SF 2380 to CONFORM to HF 2581) da/ns 9/11 1 Sec. 18. Section 204.17, subsection 2, paragraph c, Code
2 2020, is amended to read as follows:

3 c. Local law relating to product development, product 4 manufacturing, consumer safety, or public health so long as the 5 local law is consistent with federal and state law, except as 6 provided in section 204.7, subsection 10.

7 Sec. 19. CONTINGENT EFFECTIVE DATE.

8 1. Except as provided in subsection 2, this Act takes effect 9 on the date that chapter 204 is implemented as provided in 2019 10 Iowa Acts, chapter 130, section 18, subsection 1.

11 2. a. If the department of agriculture and land
12 stewardship, in cooperation with the department of public
13 safety, determines that the United States department of
14 agriculture must approve any amendment to an existing provision
15 or new provision enacted in this Act as part of a state plan
16 pursuant to section 204.3, the secretary of agriculture shall
17 publish a notice of that fact in the Iowa administrative
18 bulletin. The department of agriculture and land stewardship
19 shall forward a copy of the statement to the Code editor prior
20 to publication.

21 b. If a determination is made as provided in paragraph 22 "a", the amendment or new provision enacted in this Act takes 23 effect on the publication date of the edition of the Iowa 24 administrative bulletin that includes a statement by the 25 secretary of agriculture of the department of agriculture and 26 land stewardship certifying that the United States department 27 of agriculture has approved the amendment or provision. The 28 department of agriculture and land stewardship shall forward a 29 copy of the statement to the Code editor prior to publication. 30 This section does not affect the implementation of 3. 31 provisions amended or enacted in 2019 Iowa Acts, chapter 130.> 32 2. Title page, by striking lines 1 through 3 and inserting 33 <An Act relating to the regulation of hemp, including by 34 providing for testing methods and the regulation of hemp 35 products, providing penalties, making penalties applicable, and SF2380.3781 (1) 88

-10-

(amending this SF 2380 to CONFORM to HF 2581) da/ns 10/11 1 including effective date provisions.>

BRAD ZAUN

-11-