

**EIGHTY-SIXTH GENERAL ASSEMBLY  
2016 REGULAR SESSION  
DAILY  
HOUSE CLIP SHEET**

APRIL 28, 2016

HOUSE FILE 2064

H-8301

1 Amend the Senate amendment, H-8196, to House File  
2 2064, as amended, passed, and reprinted by the House,  
3 as follows:

4 1. By striking page 1, line 5, through page 2, line  
5 28, and inserting:

6 <Sec. \_\_\_\_\_. Section 124.413, subsection 1, Code  
7 2016, is amended to read as follows:

8 1. A Except as provided in subsection 3 and  
9 sections 901.11 and 901.12, a person sentenced pursuant  
10 to section 124.401, subsection 1, paragraph "a", "b",  
11 "c", "e", or "f", shall not be eligible for parole or  
12 work release until the person has served a minimum  
13 period of confinement of one-third of the maximum  
14 indeterminate sentence prescribed by law.

15 Sec. \_\_\_\_\_. Section 124.413, Code 2016, is amended by  
16 adding the following new subsection:

17 NEW SUBSECTION. 3. A person serving a sentence  
18 pursuant to section 124.401, subsection 1, paragraph  
19 "b" or "c", shall be denied parole or work release,  
20 based upon all the pertinent information as determined  
21 by the court under section 901.11, subsection 1, until  
22 the person has served between one-half of the minimum  
23 term of confinement prescribed in subsection 1 and the  
24 maximum indeterminate sentence prescribed by law.

25 Sec. \_\_\_\_\_. Section 711.3, Code 2016, is amended to  
26 read as follows:

27 711.3 Robbery in the second degree.

28 All robbery which is not robbery in the first degree  
29 is robbery in the second degree, except as provided in  
30 section 711.3A. Robbery in the second degree is a class  
31 "C" felony.

32 Sec. \_\_\_\_\_. NEW SECTION. 711.3A Robbery in the third  
33 degree.

34 1. A person commits robbery in the third degree  
35 when, while perpetrating a robbery, the person commits

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1 an assault as described in section 708.2, subsection 6,  
2 upon another person.

3 2. Robbery in the third degree is an aggravated  
4 misdemeanor.

5 Sec. \_\_\_\_\_. Section 802.2B, Code 2016, is amended by  
6 adding the following new subsection:

7 NEW SUBSECTION. 5A. Child endangerment in  
8 violation of section 726.6, subsection 4, 5, or 6.

9 Sec. \_\_\_\_\_. NEW SECTION. 901.11 Parole eligibility  
10 determination by court ---- certain drug, child  
11 endangerment, and robbery offenses.

12 1. At the time of sentencing, the court shall  
13 determine when a person convicted under section  
14 124.401, subsection 1, paragraph "b" or "c", shall  
15 first become eligible for parole or work release  
16 within the parameters described in section 124.413,  
17 subsection 3, based upon all the pertinent information  
18 including the person's criminal record, a validated  
19 risk assessment, and the negative impact the offense  
20 has had on the victim or other persons.

21 2. At the time of sentencing, the court shall  
22 determine when a person convicted of child endangerment  
23 as described in section 902.12, subsection 2, shall  
24 first become eligible for parole or work release within  
25 the parameters specified in section 902.12, subsection  
26 2, based upon all pertinent information including the  
27 person's criminal record, a validated risk assessment,  
28 and whether the offense involved multiple intentional  
29 acts or a series of intentional acts, or whether the  
30 offense involved torture or cruelty.

31 3. At the time of sentencing, the court shall  
32 determine when a person convicted of robbery in  
33 the second degree as described in section 902.12,  
34 subsection 3, shall first become eligible for parole  
35 or work release within the parameters specified in

1 section 902.12, subsection 3, based upon all pertinent  
2 information including the person's criminal record, a  
3 validated risk assessment, and the negative impact the  
4 offense has had on the victim or other persons.

5 Sec. \_\_\_\_\_. NEW SECTION. 901.12 Mandatory minimum  
6 sentence ---- parole eligibility ---- certain earlier drug  
7 offenses.

8 1. Effective July 1, 2016, and notwithstanding  
9 section 124.413, a person whose sentence commenced  
10 prior to July 1, 2016, for a conviction under section  
11 124.401, subsection 1, paragraph "b" or "c", who has  
12 not previously been convicted of a forcible felony,  
13 and who does not have a prior conviction under section  
14 124.401, subsection 1, paragraph "a", "b", or "c",  
15 shall first be eligible for parole or work release  
16 after the person has served between one-half of the  
17 minimum term of confinement prescribed in section  
18 124.413 and the maximum indeterminate sentence  
19 prescribed by law.

20 2. When the board of parole considers a person  
21 for parole or work release pursuant to this section,  
22 the board shall consider all pertinent information  
23 including the person's criminal record, a validated  
24 risk assessment, and the negative impact the offense  
25 has had on the victim or other persons.

26 Sec. \_\_\_\_\_. Section 902.12, Code 2016, is amended to  
27 read as follows:

28 902.12 Minimum sentence for certain felonies ----  
29 eligibility for parole or work release.

30 1. A person serving a sentence for conviction of  
31 the following felonies, including a person serving a  
32 sentence for conviction of the following felonies prior  
33 to July 1, 2003, shall be denied parole or work release  
34 unless the person has served at least seven-tenths of  
35 the maximum term of the person's sentence:

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1 ~~1.~~ a. Murder in the second degree in violation of  
2 section 707.3.

3 ~~2.~~ b. Attempted murder in violation of section  
4 707.11.

5 ~~3.~~ c. Sexual abuse in the second degree in  
6 violation of section 709.3.

7 ~~4.~~ d. Kidnapping in the second degree in violation  
8 of section 710.3.

9 ~~5.~~ e. Robbery in the first or second degree  
10 in violation of section 711.2 or 711.3, except as  
11 determined in subsection 3.

12 ~~6.~~ f. Vehicular homicide in violation of section  
13 707.6A, subsection 1 or 2, if the person was also  
14 convicted under section 321.261, subsection 4, based on  
15 the same facts or event that resulted in the conviction  
16 under section 707.6A, subsection 1 or 2.

17 2. A person serving a sentence for a conviction  
18 of child endangerment as defined in section 726.6,  
19 subsection 1, paragraph "b", that is described and  
20 punishable under section 726.6, subsection 4, shall  
21 be denied parole or work release until the person has  
22 served between three-tenths and seven-tenths of the  
23 maximum term of the person's sentence as determined  
24 under section 901.11, subsection 2.

25 3. A person serving a sentence for a conviction for  
26 robbery in the second degree in violation of section  
27 711.3 for a conviction that occurs on or after July 1,  
28 2016, shall be denied parole or work release until the  
29 person has served between one-half and seven-tenths of  
30 the maximum term of the person's sentence as determined  
31 under section 901.11, subsection 3.>

32 2. Title page, lines 1 and 2, by striking <offense  
33 of child endangerment resulting in death of a child or  
34 minor,> and inserting <offenses of child endangerment  
35 and robbery and criminal drug offenses,>

**By** BALTIMORE of Boone

H-8301 FILED APRIL 27, 2016

HOUSE FILE 2064

H-8304

1 Amend the amendment, H-8301, to the Senate  
2 amendment, H-8196, to House File 2064, as amended,  
3 passed, and reprinted by the House, as follows:

4 1. Page 3, by striking lines 16 through 19 and  
5 inserting <after the person has served one-half of  
6 the minimum term of confinement prescribed in section  
7 124.413.>

**By** RIZER of Linn

H-8304 FILED APRIL 27, 2016

Senate Amendment to  
HOUSE FILE 2421

H-8306

1 Amend House File 2421, as amended, passed, and  
2 reprinted by the House, as follows:  
3 1. Page 1, before line 1 by inserting:  
4 <DIVISION I  
5 COACHING AUTHORIZATION REQUIREMENT>  
6 2. Page 1, by striking lines 4 and 5 and inserting  
7 <the areas of cardiopulmonary resuscitation and  
8 automated external defibrillator use.>  
9 3. Page 1, line 9, after <requirements> by  
10 inserting <of this division>  
11 4. Page 1, after line 9 by inserting:  
12 <DIVISION II  
13 EXTRACURRICULAR INTERSCHOLASTIC ATHLETIC CONTESTS --  
14 HEALTH CARE PROFESSIONALS  
15 Sec. \_\_\_\_\_. Section 280.13C, Code 2016, is amended by  
16 adding the following new subsection:  
17 NEW SUBSECTION. 3A. a. The home team in an  
18 extracurricular interscholastic contest in which high  
19 school athletic teams participate in a collision sport  
20 shall ensure that a contest health care professional  
21 is present and available to assess athletic injuries  
22 at such contest.  
23 b. If an athlete who is a member of a visiting  
24 team in an extracurricular interscholastic contest at  
25 which a contest health care professional is present  
26 and available to assess athletic injuries as provided  
27 in this section shows signs, symptoms, or behaviors  
28 consistent with a concussion or brain injury, the  
29 contest health care professional shall notify the  
30 visiting team's athletic director within forty-eight  
31 hours after the contest occurs.  
32 c. The department of education, the Iowa high  
33 school athletic association, and the Iowa girls  
34 high school athletic union shall establish a process  
35 whereby an extracurricular interscholastic athletic

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1 contest can still take place when a contest health  
2 care professional who was scheduled to be present and  
3 available as provided in this section is not able to be  
4 present and available due to unforeseen circumstances.

5 Sec. \_\_\_\_\_. Section 280.13C, subsection 4, Code 2016,  
6 is amended by adding the following new paragraphs:

7 NEW PARAGRAPH. 0a. "Collision sport" means  
8 football, soccer, or wrestling.

9 NEW PARAGRAPH. 00a. "Contest health care  
10 professional" means a licensed health care provider as  
11 defined in this subsection or an emergency medical care  
12 provider as defined in section 147A.1.

13 Sec. \_\_\_\_\_. IMPLEMENTATION OF DIVISION II OF THIS  
14 ACT. Section 25B.2, subsection 3, shall not apply to  
15 this division of this Act.>

16 5. Title page, lines 2 and 3, by striking <certain  
17 emergency medical procedures training requirements> and  
18 inserting <requirements relating to the presence of  
19 health care professionals at certain extracurricular  
20 interscholastic athletic contests>

21 6. By renumbering as necessary.

RECEIVED FROM THE SENATE

HOUSE FILE 2468

H-8303

1 Amend House File 2468 as follows:

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

4 <Section 1. NEW SECTION. 421.48 Background checks.

5 An applicant for employment with the department of  
6 revenue shall be subject to a national criminal history  
7 check through the federal bureau of investigation. A  
8 contractor, vendor, employee, or any other individual  
9 performing work for the department of revenue, shall be  
10 subject to a national criminal history check through  
11 the federal bureau of investigation at least once  
12 every ten years. The department of revenue shall  
13 request the national criminal history check and shall  
14 provide the individual's fingerprints to the department  
15 of public safety for submission through the state  
16 criminal history repository to the federal bureau of  
17 investigation. The individual shall authorize release  
18 of the results of the national criminal history check  
19 to the department of revenue. The department of  
20 revenue shall pay the actual cost of the fingerprinting  
21 and national criminal history check, if any. The  
22 results of a criminal history check conducted pursuant  
23 to this section shall not be considered a public record  
24 under chapter 22.

25 Sec. 2. Section 422.11L, subsection 3, paragraph d,  
26 Code 2016, is amended to read as follows:

27 d. (1) A taxpayer must submit an application to  
28 the department for each separate and distinct solar  
29 installation. The application must be approved by  
30 the department in order to claim the tax credit. The  
31 department shall accept and approve applications on  
32 a first-come, first-served basis until the maximum  
33 amount of tax credits that may be claimed pursuant  
34 to subsection 4 is reached. However, an application  
35 must be filed by May 1 following the year of the

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1 installation of the solar energy system in order to be  
2 eligible for approval for the tax year during which the  
3 solar energy system was installed. Applications filed  
4 later than May 1 following the year of the installation  
5 will be eligible for approval for the tax year during  
6 which the application is received.

7 (2) If for a tax year the aggregate amount of tax  
8 credits applied for exceeds the amount specified in  
9 subsection 4, the department shall establish a wait  
10 list for tax credits. Valid applications filed by the  
11 taxpayer but not approved by the department shall be  
12 placed on a wait list in the order the applications  
13 were received and those applicants shall be given  
14 priority for having their applications approved in  
15 succeeding years. Placement on a wait list pursuant  
16 to this subparagraph shall not constitute a promise  
17 binding the state. The availability of a tax credit  
18 and approval of a tax credit application pursuant to  
19 this section in a future year is contingent upon the  
20 availability of tax credits in that particular year.

21 Sec. 3. Section 423.3, subsection 80, Code 2016, is  
22 amended to read as follows:

23 80. a. For purposes of this subsection,  
24 "designated exempt entity" means ~~an~~ any of the  
25 following:

26 (1) An entity which is designated in section 423.4,  
27 subsection 1 or 6.

28 (2) An entity which is an instrumentality of a  
29 county or municipal government, including an agent of  
30 such entity, if the entity was created for the purpose  
31 of owning, including pursuant to a lease-purchase  
32 agreement, real property located within a reinvestment  
33 district established under chapter 15J.

34 b. ~~If~~ Subject to the limitations in paragraph  
35 "c", if a contractor, subcontractor, or builder is

1 to use building materials, supplies, and equipment  
2 in the performance of a construction contract with a  
3 designated exempt entity, the person shall purchase  
4 such items of tangible personal property without  
5 liability for the tax if such property will be used  
6 in the performance of the construction contract and a  
7 purchasing agent authorization letter and an exemption  
8 certificate, issued by the designated exempt entity,  
9 are presented to the retailer.

10 c. (1) The With regard to a construction contract  
11 with a designated exempt entity described in paragraph  
12 "a", subparagraph (1), the sales price of building  
13 materials, supplies, or equipment is exempt from tax  
14 by this subsection only to the extent the building  
15 materials, supplies, or equipment are completely  
16 consumed in the performance of the construction  
17 contract with the designated exempt entity.

18 (2) With regard to a construction contract with  
19 a designated exempt entity described in paragraph  
20 "a", subparagraph (2), the sales price of building  
21 materials, supplies, or equipment is exempt from tax  
22 by this subsection only to the extent the building  
23 materials, supplies, or equipment are completely  
24 consumed in the performance of a construction contract  
25 to construct a project, as defined in section 15J.2,  
26 subsection 10, which project has been approved by the  
27 economic development authority board in accordance with  
28 chapter 15J.

29 e. d. Where Subject to the limitations in  
30 paragraph "c", where the owner, contractor,  
31 subcontractor, or builder is also a retailer holding a  
32 retail sales tax permit and transacting retail sales  
33 of building materials, supplies, and equipment, the  
34 tax shall not be due when materials are withdrawn from  
35 inventory for use in construction performed for a

1 designated exempt entity if an exemption certificate is  
2 received from such entity.

3 ~~d.~~ e. Tax Subject to the limitations in paragraph  
4 "c", tax shall not apply to tangible personal property  
5 purchased and consumed by a manufacturer as building  
6 materials, supplies, or equipment in the performance  
7 of a construction contract for a designated exempt  
8 entity, if a purchasing agent authorization letter and  
9 an exemption certificate are received from such entity  
10 and presented to a retailer.

11 Sec. 4. Section 429.2, subsection 2, paragraph c,  
12 Code 2016, is amended to read as follows:

13 c. The director of revenue shall consider all  
14 evidence and witnesses offered by the taxpayer and  
15 the department, including but not limited to evidence  
16 relating to the proper valuation of the property  
17 involved.

18 Sec. 5. Section 437A.15, subsection 7, paragraph b,  
19 Code 2016, is amended to read as follows:

20 b. The task force shall study the effects of the  
21 replacement taxes under this chapter and chapter 437B  
22 on local taxing authorities, local taxing districts,  
23 consumers, and taxpayers through January 1, ~~2016~~ 2019.  
24 If the task force recommends modifications to the  
25 replacement tax that will further the purposes of tax  
26 neutrality for local taxing authorities, local taxing  
27 districts, taxpayers, and consumers, consistent with  
28 the stated purposes of this chapter, the department of  
29 management shall transmit those recommendations to the  
30 general assembly.

31 Sec. 6. Section 437B.11, subsection 7, Code 2016,  
32 is amended to read as follows:

33 7. The utility replacement tax task force created  
34 in section 437A.15 shall study the effects of the  
35 replacement tax on local taxing authorities, local

1 taxing districts, consumers, and taxpayers through  
2 January 1, ~~2016~~ 2019. If the task force recommends  
3 modifications to the replacement tax that will further  
4 the purposes of tax neutrality for local taxing  
5 authorities, local taxing districts, taxpayers, and  
6 consumers, consistent with the stated purposes of this  
7 chapter, the department of management shall transmit  
8 those recommendations to the general assembly.

9 Sec. 7. Section 476C.3, subsection 4, paragraph  
10 b, subparagraph (3), Code 2016, is amended to read as  
11 follows:

12 (3) (a) Of the maximum amount of energy production  
13 capacity equivalent of all other facilities found  
14 eligible under this chapter, ten megawatts of nameplate  
15 generating capacity or energy production equivalent  
16 shall be reserved for solar energy conversion  
17 facilities with that meet all of the following  
18 requirements:

19 (i) The facility has a generating capacity of one  
20 and one-half megawatts or less.

21 (ii) The facility is owned, in whole or in part,  
22 directly or indirectly, or is contracted for, by  
23 utilities described in section 476C.1, subsection 6,  
24 paragraph "b", subparagraphs (4) and (5).

25 (iii) The facility is located in this state.

26 (iv) The facility meets the requirements of section  
27 476C.1, subsection 6, paragraphs "d" through "f".

28 (b) A solar energy conversion facility that meets  
29 the requirements of and is found eligible under  
30 subparagraph division (a) shall be considered an  
31 "eligible renewable energy facility" for purposes of  
32 this chapter, notwithstanding any contrary provisions  
33 of section 476C.1, subsection 6.

34 Sec. 8. Section 476C.3, subsection 7, Code 2016, is  
35 amended to read as follows:

1 7. a. An owner meeting the requirements of section  
2 476C.1, subsection 6, paragraph "b", shall not be  
3 an owner of more than two eligible renewable energy  
4 facilities. A person that has an equity interest equal  
5 to or greater than fifty-one percent in an eligible  
6 renewable energy facility shall not have an equity  
7 interest greater than ten percent in any other eligible  
8 renewable energy facility. This paragraph "a" shall  
9 not apply to facilities described in section 476C.3,  
10 subsection 4, paragraph "b", subparagraph (3).

11 b. An entity described in section 476C.1,  
12 subsection 6, paragraph "b", subparagraphs (4) or (5),  
13 shall not have an ownership interest in more than four  
14 facilities described in section 476C.3, subsection 4,  
15 paragraph "b", subparagraph (3).

16 Sec. 9. EFFECTIVE UPON ENACTMENT. The following  
17 provision or provisions of this Act, being deemed of  
18 immediate importance, take effect upon enactment:

19 1. The section of this Act amending section 421.48.

20 2. The section of this Act amending section  
21 422.11L, subsection 3.

22 3. The section of this Act amending section 423.3,  
23 subsection 80.

24 4. The section of this Act amending section 429.2.

25 5. The section of this Act amending section  
26 437A.15.

27 6. The section of this Act amending section  
28 437B.11.

29 7. The sections of this Act amending section  
30 476C.3.

31 Sec. 10. RETROACTIVE APPLICABILITY. The section  
32 of this Act amending section 422.11L, subsection 3,  
33 applies retroactively to January 1, 2014, for tax years  
34 beginning and installations occurring on or after that  
35 date. However, tax credit applications filed after May

1 1, 2015, for solar energy systems installed during the  
2 2014 calendar year shall be eligible for approval for  
3 the first time for the tax year that begins during the  
4 2016 calendar year.

5 Sec. 11. RETROACTIVE APPLICABILITY. The following  
6 provision or provisions of this Act apply retroactively  
7 to January 1, 2015, for construction contracts entered  
8 into on or after that date.

9 1. The section of this Act amending section 423.3,  
10 subsection 80.

11 Sec. 12. RETROACTIVE APPLICABILITY. The following  
12 provision or provisions of this Act apply retroactively  
13 to January 1, 2016:

14 1. The section of this Act amending section  
15 437A.15.

16 2. The section of this Act amending section  
17 437B.11.

18 Sec. 13. RETROACTIVE APPLICABILITY. The following  
19 provision or provisions of this Act apply retroactively  
20 to January 1, 2015, for tax years beginning on or after  
21 that date:

22 1. The sections of this Act amending section  
23 476C.3.

24 Sec. 14. RETROACTIVE APPLICABILITY. The following  
25 provision or provisions of this Act apply retroactively  
26 to May 22, 2015:

27 1. The section of this Act amending section 429.2.

28 Sec. 15. RETROACTIVE APPLICABILITY. The following  
29 provision or provisions of this Act apply retroactively  
30 to applications for the renewable energy tax credit  
31 made on or after June 26, 2015:

32 1. The sections of this Act amending section  
33 476C.3.

34 Sec. 16. APPLICABILITY. The section of this Act  
35 amending section 423.3, subsection 80, applies to

1 purchases made on or after the effective date of the  
2 section of this Act amending section 423.3, subsection  
3 80.>

4 2. By renumbering, redesignating, and correcting  
5 internal references as necessary.

**By** WINDSCHITL of Harrison

HOUSE FILE 2468

H-8305

1 Amend the amendment, H-8303, to House File 2468, as  
2 follows:

3 1. By striking page 1, line 1, through page 8, line  
4 5, and inserting:

5 <Amend House File 2468 as follows:

6 1. By striking everything after the enacting clause  
7 and inserting:

8 <Section 1. NEW SECTION. 421.48 Background checks.

9 An applicant for employment with the department of  
10 revenue shall be subject to a national criminal history  
11 check through the federal bureau of investigation. A  
12 contractor, vendor, employee, or any other individual  
13 performing work for the department of revenue, shall be  
14 subject to a national criminal history check through  
15 the federal bureau of investigation at least once  
16 every ten years. The department of revenue shall  
17 request the national criminal history check and shall  
18 provide the individual's fingerprints to the department  
19 of public safety for submission through the state  
20 criminal history repository to the federal bureau of  
21 investigation. The individual shall authorize release  
22 of the results of the national criminal history check  
23 to the department of revenue. The department of  
24 revenue shall pay the actual cost of the fingerprinting  
25 and national criminal history check, if any. The  
26 results of a criminal history check conducted pursuant  
27 to this section shall not be considered a public record  
28 under chapter 22.

29 Sec. 2. Section 422.11L, subsection 3, paragraph d,  
30 Code 2016, is amended to read as follows:

31 d. (1) A taxpayer must submit an application to  
32 the department for each separate and distinct solar  
33 installation. The application must be approved by  
34 the department in order to claim the tax credit. The  
35 application must be filed by May 1 following the year

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1 of the installation of the solar energy system.  
2 (2) The department shall accept and approve  
3 applications on a first-come, first-served basis until  
4 the maximum amount of tax credits that may be claimed  
5 pursuant to subsection 4 is reached. If for a tax year  
6 the aggregate amount of tax credits applied for exceeds  
7 the amount specified in subsection 4, the department  
8 shall establish a wait list for tax credits. Valid  
9 applications filed by the taxpayer by May 1 following  
10 the year of the installation but not approved by the  
11 department shall be placed on a wait list in the order  
12 the applications were received and those applicants  
13 shall be given priority for having their applications  
14 approved in succeeding years. Placement on a wait list  
15 pursuant to this subparagraph shall not constitute  
16 a promise binding the state. The availability of a  
17 tax credit and approval of a tax credit application  
18 pursuant to this section in a future year is contingent  
19 upon the availability of tax credits in that particular  
20 year.

21 Sec. 3. Section 422.11L, Code 2016, is amended by  
22 adding the following new subsection:

23 NEW SUBSECTION. 6. For purposes of this section,  
24 "Internal Revenue Code" means the Internal Revenue Code  
25 of 1954, prior to the date of its redesignation as the  
26 Internal Revenue Code of 1986 by the Tax Reform Act of  
27 1986, or means the Internal Revenue Code of 1986 as  
28 amended to and including January 1, 2016.

29 Sec. 4. Section 423.3, subsection 80, Code 2016, is  
30 amended to read as follows:

31 80. a. For purposes of this subsection,  
32 "designated exempt entity" means ~~an~~ any of the  
33 following:

34 (1) An entity which is designated in section 423.4,  
35 subsection 1 or 6.

1       (2) An entity which is an instrumentality of a  
2 county or municipal government, including an agent of  
3 such entity, if the entity was created for the purpose  
4 of owning, including pursuant to a lease-purchase  
5 agreement, real property located within a reinvestment  
6 district established under chapter 15J.

7       b. ~~If~~ Subject to the limitations in paragraph  
8 "c", if a contractor, subcontractor, or builder is  
9 to use building materials, supplies, and equipment  
10 in the performance of a construction contract with a  
11 designated exempt entity, the person shall purchase  
12 such items of tangible personal property without  
13 liability for the tax if such property will be used  
14 in the performance of the construction contract and a  
15 purchasing agent authorization letter and an exemption  
16 certificate, issued by the designated exempt entity,  
17 are presented to the retailer.

18       c. (1) The With regard to a construction contract  
19 with a designated exempt entity described in paragraph  
20 "a", subparagraph (1), the sales price of building  
21 materials, supplies, or equipment is exempt from tax  
22 by this subsection only to the extent the building  
23 materials, supplies, or equipment are completely  
24 consumed in the performance of the construction  
25 contract with the designated exempt entity.

26       (2) With regard to a construction contract with  
27 a designated exempt entity described in paragraph  
28 "a", subparagraph (2), the sales price of building  
29 materials, supplies, or equipment is exempt from tax  
30 by this subsection only to the extent the building  
31 materials, supplies, or equipment are completely  
32 consumed in the performance of a construction contract  
33 to construct a project, as defined in section 15J.2,  
34 subsection 10, which project has been approved by the  
35 economic development authority board in accordance with

1 chapter 15J.

2 ~~e.~~ d. Where Subject to the limitations in  
3 paragraph "c", where the owner, contractor,  
4 subcontractor, or builder is also a retailer holding a  
5 retail sales tax permit and transacting retail sales  
6 of building materials, supplies, and equipment, the  
7 tax shall not be due when materials are withdrawn from  
8 inventory for use in construction performed for a  
9 designated exempt entity if an exemption certificate is  
10 received from such entity.

11 ~~d.~~ e. Tax Subject to the limitations in paragraph  
12 "c", tax shall not apply to tangible personal property  
13 purchased and consumed by a manufacturer as building  
14 materials, supplies, or equipment in the performance  
15 of a construction contract for a designated exempt  
16 entity, if a purchasing agent authorization letter and  
17 an exemption certificate are received from such entity  
18 and presented to a retailer.

19 Sec. 5. Section 429.2, subsection 2, paragraph c,  
20 Code 2016, is amended to read as follows:

21 c. The director of revenue shall consider all  
22 evidence and witnesses offered by the taxpayer and  
23 the department, including but not limited to evidence  
24 relating to the proper valuation of the property  
25 involved.

26 Sec. 6. Section 437A.15, subsection 7, paragraph b,  
27 Code 2016, is amended to read as follows:

28 b. The task force shall study the effects of the  
29 replacement taxes under this chapter and chapter 437B  
30 on local taxing authorities, local taxing districts,  
31 consumers, and taxpayers through January 1, ~~2016~~ 2019.  
32 If the task force recommends modifications to the  
33 replacement tax that will further the purposes of tax  
34 neutrality for local taxing authorities, local taxing  
35 districts, taxpayers, and consumers, consistent with

1 the stated purposes of this chapter, the department of  
2 management shall transmit those recommendations to the  
3 general assembly.

4 Sec. 7. Section 437B.11, subsection 7, Code 2016,  
5 is amended to read as follows:

6 7. The utility replacement tax task force created  
7 in section 437A.15 shall study the effects of the  
8 replacement tax on local taxing authorities, local  
9 taxing districts, consumers, and taxpayers through  
10 January 1, ~~2016~~ 2019. If the task force recommends  
11 modifications to the replacement tax that will further  
12 the purposes of tax neutrality for local taxing  
13 authorities, local taxing districts, taxpayers, and  
14 consumers, consistent with the stated purposes of this  
15 chapter, the department of management shall transmit  
16 those recommendations to the general assembly.

17 Sec. 8. Section 476C.3, subsection 4, paragraph  
18 b, subparagraph (3), Code 2016, is amended to read as  
19 follows:

20 (3) (a) Of the maximum amount of energy production  
21 capacity equivalent of all other facilities found  
22 eligible under this chapter, ten megawatts of nameplate  
23 generating capacity or energy production equivalent  
24 shall be reserved for solar energy conversion  
25 facilities ~~with~~ that meet all of the following  
26 requirements:

27 (i) The facility has a generating capacity of one  
28 and one-half megawatts or less.

29 (ii) The facility is owned, in whole or in part,  
30 directly or indirectly, or is contracted for, by  
31 utilities described in section 476C.1, subsection 6,  
32 paragraph "b", subparagraphs (4) and (5).

33 (iii) The facility is located in this state.

34 (iv) The facility meets the requirements of section  
35 476C.1, subsection 6, paragraphs "d" through "f".

1 (b) A solar energy conversion facility that meets  
2 the requirements of and is found eligible under  
3 subparagraph division (a) shall be considered an  
4 "eligible renewable energy facility" for purposes of  
5 this chapter, notwithstanding any contrary provisions  
6 of section 476C.1, subsection 6.

7 Sec. 9. Section 476C.3, subsection 7, Code 2016, is  
8 amended to read as follows:

9 7. a. An owner meeting the requirements of section  
10 476C.1, subsection 6, paragraph "b", shall not be  
11 an owner of more than two eligible renewable energy  
12 facilities. A person that has an equity interest equal  
13 to or greater than fifty-one percent in an eligible  
14 renewable energy facility shall not have an equity  
15 interest greater than ten percent in any other eligible  
16 renewable energy facility. This paragraph "a" shall  
17 not apply to facilities described in section 476C.3,  
18 subsection 4, paragraph "b", subparagraph (3).

19 b. An entity described in section 476C.1,  
20 subsection 6, paragraph "b", subparagraphs (4) or (5),  
21 shall not have an ownership interest in more than four  
22 facilities described in section 476C.3, subsection 4,  
23 paragraph "b", subparagraph (3).

24 Sec. 10. SOLAR ENERGY SYSTEM TAX CREDIT  
25 APPLICATIONS. Notwithstanding the provision in  
26 section 422.11L, subsection 3, paragraph "d", which  
27 requires applications for the solar energy system tax  
28 credit to be filed by May 1 following the year of the  
29 installation, all of the following shall apply:

30 1. Applications for the solar energy system tax  
31 credit filed after May 1, 2015, for solar energy  
32 systems installed during the 2014 calendar year,  
33 shall be eligible for approval under section 422.11L.  
34 Such applications shall be accepted and approved on  
35 a first-come, first-served basis and shall first be

1 eligible for approval for the tax year during which the  
2 application is received, but not before the tax year  
3 beginning January 1, 2016.

4 2. Applications for the solar energy system tax  
5 credit filed after May 1, 2016, for solar energy  
6 systems installed during the 2015 calendar year,  
7 shall be eligible for approval under section 422.11L.  
8 Such applications shall be accepted and approved on  
9 a first-come, first-served basis and shall first be  
10 eligible for approval for the tax year during which the  
11 application is received, but not before the tax year  
12 beginning January 1, 2017.

13 Sec. 11. EFFECTIVE UPON ENACTMENT. The section of  
14 this Act providing for the approval of solar energy  
15 tax credit applications filed after May 1 following  
16 the year of the installation for solar energy systems  
17 installed during the 2014 and 2015 calendar years,  
18 being deemed of immediate importance, takes effect upon  
19 enactment.

20 Sec. 12. EFFECTIVE UPON ENACTMENT. The following  
21 provision or provisions of this Act, being deemed of  
22 immediate importance, take effect upon enactment:

23 1. The section of this Act enacting section 421.48.

24 2. The section of this Act amending section 423.3,  
25 subsection 80.

26 3. The section of this Act amending section 429.2.

27 4. The section of this Act amending section  
28 437A.15.

29 5. The section of this Act amending section  
30 437B.11.

31 6. The sections of this Act amending section  
32 476C.3.

33 Sec. 13. RETROACTIVE APPLICABILITY. The following  
34 provision or provisions of this Act apply retroactively  
35 to January 1, 2015, for construction contracts entered

1 into on or after that date:

2 1. The section of this Act amending section 423.3,  
3 subsection 80.

4 Sec. 14. RETROACTIVE APPLICABILITY. The following  
5 provision or provisions of this Act apply retroactively  
6 to January 1, 2016:

7 1. The section of this Act amending section  
8 437A.15.

9 2. The section of this Act amending section  
10 437B.11.

11 Sec. 15. RETROACTIVE APPLICABILITY. The following  
12 provision or provisions of this Act apply retroactively  
13 to January 1, 2015, for tax years beginning on or after  
14 that date:

15 1. The section of this Act enacting section  
16 422.11L, subsection 6.

17 Sec. 16. RETROACTIVE APPLICABILITY. The following  
18 provision or provisions of this Act apply retroactively  
19 to January 1, 2015, for tax years beginning on or after  
20 that date:

21 1. The sections of this Act amending section  
22 476C.3.

23 Sec. 17. RETROACTIVE APPLICABILITY. The following  
24 provision or provisions of this Act apply retroactively  
25 to applications for the renewable energy tax credit  
26 made on or after June 26, 2015:

27 1. The sections of this Act amending section  
28 476C.3.

29 Sec. 18. RETROACTIVE APPLICABILITY. The following  
30 provision or provisions of this Act apply retroactively  
31 to May 22, 2015:

32 1. The section of this Act amending section 429.2.

33 Sec. 19. APPLICABILITY. The section of this Act  
34 amending section 423.3, subsection 80, applies to  
35 purchases made on or after the effective date of the

1 section of this Act amending section 423.3, subsection  
2 80.>

3 2. By renumbering, redesignating, and correcting  
4 internal references as necessary.>

**By** WINDSCHITL of Harrison

SENATE FILE 484

H-8300

1 Amend Senate File 484, as amended, passed, and  
2 reprinted by the Senate, as follows:

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

5 <Section 1. Section 124.204, subsection 4,  
6 paragraphs m and u, Code 2016, are amended by striking  
7 the paragraphs.

8 Sec. 2. Section 124.204, subsection 7, Code 2016,  
9 is amended by striking the subsection.

10 Sec. 3. Section 124.206, subsection 7, Code 2016,  
11 is amended to read as follows:

12 7. Hallucinogenic substances. Unless specifically  
13 excepted or unless listed in another schedule, any  
14 material, compound, mixture, or preparation which  
15 contains any quantity of the following substances,  
16 or, for purposes of paragraphs "a" and "b", which  
17 contains any of its salts, isomers, or salts of isomers  
18 whenever the existence of such salts, isomers, or salts  
19 of isomers is possible within the specific chemical  
20 designation (for purposes of this paragraph only, the  
21 term "isomer" includes the optical, positional, and  
22 geometric isomers):

23 a. ~~Marijuana when used for medicinal purposes~~  
24 ~~pursuant to rules of the board.~~

25 b. Tetrahydrocannabinols, meaning  
26 tetrahydrocannabinols naturally contained in a  
27 plant of the genus cannabis (cannabis plant) as well  
28 as synthetic equivalents of the substances contained  
29 in the cannabis plant, or in the resinous extractives  
30 of such plant, and synthetic substances, derivatives,  
31 and their isomers with similar chemical structure and  
32 pharmacological activity to those substances contained  
33 in the plant, such as the following:

34 (1) 1 cis or trans tetrahydrocannabinol, and their  
35 optical isomers.

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1 (2) 6 cis or trans tetrahydrocannabinol, and their  
2 optical isomers.

3 (3) 3,4 cis or trans tetrahydrocannabinol, and  
4 their optical isomers. (Since nomenclature of these  
5 substances is not internationally standardized,  
6 compounds of these structures, regardless of numerical  
7 designation of atomic positions covered.)

8 ~~b.~~ c. Nabilone [another name for  
9 nabilone: (+-) -  
10 trans-3-(1,1-dimethylheptyl)-6,6a,7,8,10,10a-hexahydro-1-hydroxy-6,6-  
11 dimethyl-9H-dibenzo[b,d]pyran-9-one].

12 Sec. 4. Section 124.401, subsection 5, unnumbered  
13 paragraph 3, Code 2016, is amended to read as follows:

14 A person may knowingly or intentionally recommend,  
15 possess, use, dispense, deliver, transport, or  
16 administer ~~cannabidiol~~ medical cannabis if the  
17 recommendation, possession, use, dispensing, delivery,  
18 transporting, or administering is in accordance with  
19 the provisions of chapter ~~124D~~ 124E. For purposes of  
20 this paragraph, ~~"cannabidiol"~~ "medical cannabis" means  
21 the same as defined in section ~~124D.2~~ 124E.2.

22 Sec. 5. NEW SECTION. 124E.1 Short title.

23 This chapter shall be known and may be cited as the  
24 "Compassionate Use of Medical Cannabis Act".

25 Sec. 6. NEW SECTION. 124E.2 Definitions.

26 As used in this chapter:

27 1. "Debilitating medical condition" means any of the  
28 following:

29 a. Cancer, if the underlying condition or treatment  
30 produces one or more of the following:

- 31 (1) Intractable pain.
- 32 (2) Nausea or severe vomiting.
- 33 (3) Cachexia or severe wasting.

34 b. Multiple sclerosis.

35 c. Epilepsy or seizure disorders.

- 1 d. AIDS or HIV as defined in section 141A.1.
- 2 e. Crohn's disease or ulcerative colitis.
- 3 f. Amyotrophic lateral sclerosis.
- 4 g. Intractable pain.
- 5 h. Glaucoma.
- 6 i. Any terminal illness, with a probable life
- 7 expectancy of under one year, if the illness or its
- 8 treatment produces one or more of the following:
  - 9 (1) Intractable pain.
  - 10 (2) Nausea or severe vomiting.
  - 11 (3) Cachexia or severe wasting.
- 12 j. Any other chronic or debilitating disease or
- 13 medical condition or its medical treatment approved by
- 14 the department pursuant to rule.
- 15 2. "Department" means the department of public
- 16 health.
- 17 3. "Disqualifying felony offense" means a violation
- 18 under federal or state law of a felony offense, which
- 19 has as an element the possession, use, or distribution
- 20 of a controlled substance, as defined in 21 U.S.C.
- 21 {802(6).
- 22 4. "Enclosed, locked facility" means a closet, room,
- 23 greenhouse, or other enclosed area equipped with locks
- 24 or other security devices that permit access only by a
- 25 cardholder.
- 26 5. "Health care practitioner" means an individual
- 27 licensed under chapter 148 to practice medicine and
- 28 surgery or osteopathic medicine and surgery or an
- 29 individual licensed to prescribe medicine in any other
- 30 state and provides specialty care for an Iowa resident
- 31 for one or more of the debilitating medical conditions
- 32 provided in this chapter.
- 33 6. "Intractable pain" means a pain in which the
- 34 cause of the pain cannot be removed or otherwise
- 35 treated with the consent of the patient and which, in

1 the generally accepted course of medical practice, no  
2 relief or cure of the cause of the pain is possible,  
3 or none has been found after reasonable efforts.  
4 Reasonable efforts for relieving or curing the cause of  
5 the pain may be determined on the basis of but are not  
6 limited to any of the following:

7 a. When treating a nonterminally ill patient for  
8 intractable pain, evaluation by the attending physician  
9 and one or more physicians specializing in pain  
10 medicine or the treatment of the area, system, or organ  
11 of the body perceived as the source of the pain.

12 b. When treating a terminally ill patient,  
13 evaluation by the attending physician who does so in  
14 accordance with the level of care, skill, and treatment  
15 that would be recognized by a reasonably prudent  
16 physician under similar conditions and circumstances.

17 7. "Medical cannabis" means any species of the genus  
18 cannabis plant, or any mixture or preparation of them,  
19 including whole plant extracts and resins.

20 8. "Medical cannabis manufacturer" means an entity  
21 licensed by the department to manufacture and to  
22 possess, cultivate, transport, or supply medical  
23 cannabis pursuant to the provisions of this chapter.

24 9. "Medical cannabis patient center" means an entity  
25 licensed under section 124E.8 that acquires medical  
26 cannabis from a medical cannabis manufacturer in this  
27 state for the purpose of dispensing medical cannabis in  
28 this state pursuant to this chapter.

29 10. "Primary caregiver" means a person, at least  
30 eighteen years of age, who has been designated by a  
31 patient's health care practitioner or a person having  
32 custody of a patient, as a necessary caretaker taking  
33 responsibility for managing the well-being of the  
34 patient with respect to the use of medical cannabis  
35 pursuant to the provisions of this chapter.

1 11. "Written certification" means a document signed  
2 by a health care practitioner, with whom the patient  
3 has established a patient-provider relationship, which  
4 states that the patient has a debilitating medical  
5 condition and identifies that condition and provides  
6 any other relevant information.

7 Sec. 7. NEW SECTION. 124E.3 Health care  
8 practitioner certification ---- duties.

9 1. Prior to a patient's submission of an  
10 application for a medical cannabis registration card  
11 pursuant to section 124E.4, a health care practitioner  
12 shall do all of the following:

13 a. Determine, in the health care practitioner's  
14 medical judgment, whether the patient whom the health  
15 care practitioner has examined and treated suffers from  
16 a debilitating medical condition that qualifies for  
17 the use of medical cannabis under this chapter, and  
18 if so determined, provide the patient with a written  
19 certification of that diagnosis.

20 b. Provide explanatory information as provided by  
21 the department to the patient about the therapeutic use  
22 of medical cannabis.

23 2. Determine, on an annual basis, if the patient  
24 continues to suffer from a debilitating medical  
25 condition and, if so, issue the patient a new  
26 certification of that diagnosis.

27 3. Otherwise comply with all requirements  
28 established by the department pursuant to rule.

29 4. A health care practitioner may provide, but has  
30 no duty to provide, a written certification pursuant  
31 to this section.

32 Sec. 8. NEW SECTION. 124E.4 Medical cannabis  
33 registration card.

34 1. Issuance to patient. The department may approve  
35 the issuance of a medical cannabis registration card by

1 the department of transportation to a patient who:  
2 a. Is at least eighteen years of age.  
3 b. Is a permanent resident of this state.  
4 c. Submits a written certification to the  
5 department signed by the patient's health care  
6 practitioner that the patient is suffering from a  
7 debilitating medical condition.  
8 d. Submits an application to the department, on a  
9 form created by the department, in consultation with  
10 the department of transportation, that contains all of  
11 the following:  
12 (1) The patient's full name, Iowa residence  
13 address, date of birth, and telephone number.  
14 (2) A copy of the patient's valid photo  
15 identification.  
16 (3) Full name, address, and telephone number of the  
17 patient's health care practitioner.  
18 (4) Full name, residence address, date of birth,  
19 and telephone number of each primary caregiver of the  
20 patient, if any.  
21 (5) Any other information required by rule.  
22 e. Submits a medical cannabis registration card  
23 fee of one hundred dollars to the department. If the  
24 patient attests to receiving social security disability  
25 benefits, supplemental security insurance payments, or  
26 being enrolled in medical assistance, the fee shall be  
27 twenty-five dollars.  
28 2. Patient card contents. A medical cannabis  
29 registration card issued to a patient by the department  
30 of transportation pursuant to subsection 1 shall  
31 contain, at a minimum, all of the following:  
32 a. The patient's full name, Iowa residence address,  
33 and date of birth.  
34 b. The patient's photograph.  
35 c. The date of issuance and expiration date of the

1 registration card.

2 d. Any other information required by rule.

3 3. Issuance to primary caregiver. For a patient in  
4 a primary caregiver's care, the department may approve  
5 the issuance of a medical cannabis registration card  
6 by the department of transportation to the primary  
7 caregiver who:

8 a. Is at least eighteen years of age.

9 b. Submits a written certification to the  
10 department signed by the patient's health care  
11 practitioner that the patient in the primary  
12 caregiver's care is suffering from a debilitating  
13 medical condition.

14 c. Submits an application to the department, on a  
15 form created by the department, in consultation with  
16 the department of transportation, that contains all of  
17 the following:

18 (1) The primary caregiver's full name, residence  
19 address, date of birth, and telephone number.

20 (2) The patient's full name.

21 (3) A copy of the primary caregiver's valid photo  
22 identification.

23 (4) Full name, address, and telephone number of the  
24 patient's health care practitioner.

25 (5) Any other information required by rule.

26 d. Submits a medical cannabis registration card fee  
27 of twenty-five dollars to the department.

28 4. Primary caregiver card contents. A medical  
29 cannabis registration card issued by the department  
30 of transportation to a primary caregiver pursuant to  
31 subsection 3 shall contain, at a minimum, all of the  
32 following:

33 a. The primary caregiver's full name, residence  
34 address, and date of birth.

35 b. The primary caregiver's photograph.

1 c. The date of issuance and expiration date of the  
2 registration card.

3 d. The registration card number of each patient  
4 in the primary caregiver's care. If the patient  
5 in the primary caregiver's care is under the age of  
6 eighteen, the full name of the patient's parent or  
7 legal guardian.

8 e. Any other information required by rule.

9 5. Expiration date of card. A medical cannabis  
10 registration card issued pursuant to this section shall  
11 expire one year after the date of issuance and may be  
12 renewed.

13 6. Card issuance ---- department of  
14 transportation. The department may enter into  
15 a chapter 28E agreement with the department of  
16 transportation to facilitate the issuance of medical  
17 cannabis registration cards pursuant to subsections 1  
18 and 3.

19 Sec. 9. NEW SECTION. 124E.5 Medical advisory board  
20 ---- duties.

21 1. No later than August 15, 2016, the director  
22 of public health shall establish a medical advisory  
23 board consisting of nine practitioners representing the  
24 fields of neurology, pain management, gastroenterology,  
25 oncology, psychiatry, pediatrics, infectious disease,  
26 family medicine, and pharmacy. The practitioners  
27 shall be nationally board-certified in their area of  
28 specialty and knowledgeable about the use of medical  
29 cannabis.

30 2. A quorum of the advisory board shall consist of  
31 five members.

32 3. The duties of the advisory board shall include  
33 but not be limited to the following:

34 a. Reviewing and recommending to the department for  
35 approval additional chronic or debilitating diseases or

1 medical conditions or their treatments as debilitating  
2 medical conditions that qualify for the use of medical  
3 cannabis under this chapter.

4 b. Accepting and reviewing petitions to add chronic  
5 or debilitating diseases or medical conditions or their  
6 medical treatments to the list of debilitating medical  
7 conditions that qualify for the use of medical cannabis  
8 under this chapter.

9 c. Advising the department regarding the location  
10 and number of necessary medical cannabis patient  
11 centers throughout the state on a continuous basis, the  
12 form and quantity of allowable medical cannabis to be  
13 dispensed to a patient or primary caregiver, and the  
14 general oversight of medical cannabis manufacturers and  
15 medical cannabis patient centers in this state.

16 d. Convening at least twice per year to conduct  
17 public hearings and to evaluate petitions, which  
18 shall be maintained as confidential personal health  
19 information, to add chronic or debilitating diseases or  
20 medical conditions or their medical treatments to the  
21 list of debilitating medical conditions that qualify  
22 for the use of medical cannabis under this chapter.

23 Sec. 10. NEW SECTION. 124E.6 Medical cannabis  
24 manufacturer licensure.

25 1. a. The department shall license up to two  
26 medical cannabis manufacturers to manufacture  
27 medical cannabis within this state consistent with  
28 the provisions of this chapter by December 1, 2016.  
29 The department shall license new medical cannabis  
30 manufacturers or relicense the existing medical  
31 cannabis manufacturers by December 1 of each year.

32 b. Information submitted during the application  
33 process shall be confidential until the medical  
34 cannabis manufacturer is licensed by the department  
35 unless otherwise protected from disclosure under state

1 or federal law.

2 2. As a condition for licensure, a medical cannabis  
3 manufacturer must agree to begin supplying medical  
4 cannabis to medical cannabis patient centers in this  
5 state by July 1, 2017.

6 3. The department shall consider the following  
7 factors in determining whether to license a medical  
8 cannabis manufacturer:

9 a. The technical expertise of the medical cannabis  
10 manufacturer in medical cannabis.

11 b. The qualifications of the medical cannabis  
12 manufacturer's employees.

13 c. The long-term financial stability of the medical  
14 cannabis manufacturer.

15 d. The ability to provide appropriate security  
16 measures on the premises of the medical cannabis  
17 manufacturer.

18 e. Whether the medical cannabis manufacturer  
19 has demonstrated an ability to meet certain medical  
20 cannabis production needs for medical use regarding  
21 the range of recommended dosages for each debilitating  
22 medical condition, the range of chemical compositions  
23 of any plant of the genus cannabis that will likely  
24 be medically beneficial for each of the debilitating  
25 medical conditions, and the form of the medical  
26 cannabis in the manner determined by the department  
27 pursuant to rule.

28 f. The medical cannabis manufacturer's projection  
29 of and ongoing assessment of fees on patients with  
30 debilitating medical conditions.

31 4. The department shall require each medical  
32 cannabis manufacturer to contract with the state  
33 hygienic laboratory at the university of Iowa in Iowa  
34 City to test the medical cannabis produced by the  
35 manufacturer. The department shall require that the

1 laboratory report testing results to the manufacturer  
2 in a manner determined by the department pursuant to  
3 rule.

4 5. Each entity submitting an application for  
5 licensure as a medical cannabis manufacturer shall pay  
6 a nonrefundable application fee of seven thousand five  
7 hundred dollars to the department.

8 Sec. 11. NEW SECTION. 124E.7 Medical cannabis  
9 manufacturers.

10 1. A medical cannabis manufacturer shall contract  
11 with the state hygienic laboratory at the university  
12 of Iowa in Iowa City for purposes of testing the  
13 medical cannabis manufactured by the medical cannabis  
14 manufacturer as to content, contamination, and  
15 consistency. The cost of all laboratory testing shall  
16 be paid by the medical cannabis manufacturer.

17 2. The operating documents of a medical cannabis  
18 manufacturer shall include all of the following:

19 a. Procedures for the oversight of the medical  
20 cannabis manufacturer and procedures to ensure accurate  
21 record keeping.

22 b. Procedures for the implementation of appropriate  
23 security measures to deter and prevent the theft of  
24 medical cannabis and unauthorized entrance into areas  
25 containing medical cannabis.

26 3. A medical cannabis manufacturer shall implement  
27 security requirements, including requirements for  
28 protection of each location by a fully operational  
29 security alarm system, facility access controls,  
30 perimeter intrusion detection systems, and a personnel  
31 identification system.

32 4. A medical cannabis manufacturer shall not share  
33 office space with, refer patients to, or have any  
34 financial relationship with a health care practitioner.

35 5. A medical cannabis manufacturer shall not permit

1 any person to consume medical cannabis on the property  
2 of the medical cannabis manufacturer.

3 6. A medical cannabis manufacturer is subject to  
4 reasonable inspection by the department.

5 7. A medical cannabis manufacturer shall not  
6 employ a person under eighteen years of age or who has  
7 been convicted of a disqualifying felony offense. An  
8 employee of a medical cannabis manufacturer shall be  
9 subject to a background investigation conducted by the  
10 division of criminal investigation of the department  
11 of public safety and a national criminal history  
12 background check.

13 8. A medical cannabis manufacturer shall not  
14 operate in any location, whether for manufacturing,  
15 cultivating, harvesting, packaging, or processing,  
16 within one thousand feet of a public or private school  
17 existing before the date of the medical cannabis  
18 manufacturer's licensure by the department.

19 9. A medical cannabis manufacturer shall comply  
20 with reasonable restrictions set by the department  
21 relating to signage, marketing, display, and  
22 advertising of medical cannabis.

23 10. a. A medical cannabis manufacturer shall  
24 provide a reliable and ongoing supply of medical  
25 cannabis to medical cannabis patient centers pursuant  
26 to this chapter.

27 b. All manufacturing, cultivating, harvesting,  
28 packaging, and processing of medical cannabis shall  
29 take place in an enclosed, locked facility at a  
30 physical address provided to the department during the  
31 licensure process.

32 c. A medical cannabis manufacturer shall not  
33 manufacture edible medical cannabis products utilizing  
34 food coloring.

35 d. A medical cannabis manufacturer shall

1 manufacture a reliable and ongoing supply of medical  
2 cannabis to treat every debilitating medical condition  
3 listed in this chapter.

4 Sec. 12. NEW SECTION. 124E.8 Medical cannabis  
5 patient center licensure.

6 1. a. The department shall license by April 1,  
7 2017, up to four medical cannabis patient centers to  
8 dispense medical cannabis within this state consistent  
9 with the provisions of this chapter. The department  
10 shall license new medical cannabis patient centers or  
11 relicense the existing medical cannabis manufacturers  
12 by December 1 of each year.

13 b. Information submitted during the application  
14 process shall be confidential until the medical  
15 cannabis patient center is licensed by the department  
16 unless otherwise protected from disclosure under state  
17 or federal law.

18 2. As a condition for licensure, a medical cannabis  
19 patient center must agree to begin supplying medical  
20 cannabis to patients by July 1, 2017.

21 3. The department shall consider the following  
22 factors in determining whether to license a medical  
23 cannabis patient center:

24 a. The technical expertise of the medical cannabis  
25 patient center regarding medical cannabis.

26 b. The qualifications of the medical cannabis  
27 patient center's employees.

28 c. The long-term financial stability of the medical  
29 cannabis patient center.

30 d. The ability to provide appropriate security  
31 measures on the premises of the medical cannabis  
32 patient center.

33 e. The medical cannabis patient center's projection  
34 and ongoing assessment of fees for the purchase of  
35 medical cannabis on patients with debilitating medical

1 conditions.

2 4. Each entity submitting an application for  
3 licensure as a medical cannabis patient center shall  
4 pay a nonrefundable application fee of five thousand  
5 dollars to the department.

6 Sec. 13. NEW SECTION. 124E.9 Medical cannabis  
7 patient centers.

8 1. a. The medical cannabis patient centers shall  
9 be located based on geographical need throughout the  
10 state to improve patient access.

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

16 2. The operating documents of a medical cannabis  
17 patient center shall include all of the following:

18 a. Procedures for the oversight of the medical  
19 cannabis patient center and procedures to ensure  
20 accurate record keeping.

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

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

31 4. A medical cannabis patient center shall not  
32 share office space with, refer patients to, or have any  
33 financial relationship with a health care practitioner.

34 5. A medical cannabis patient center shall not  
35 permit any person to consume medical cannabis on the

1 property of the medical cannabis patient center.

2 6. A medical cannabis patient center is subject to  
3 reasonable inspection by the department.

4 7. A medical cannabis patient center shall not  
5 employ a person under eighteen years of age or who has  
6 been convicted of a disqualifying felony offense. An  
7 employee of a medical cannabis patient center shall be  
8 subject to a background investigation conducted by the  
9 division of criminal investigation of the department  
10 of public safety and a national criminal history  
11 background check.

12 8. A medical cannabis patient center shall not  
13 operate in any location within one thousand feet of a  
14 public or private school existing before the date of  
15 the medical cannabis patient center's licensure by the  
16 department.

17 9. A medical cannabis patient center shall  
18 comply with reasonable restrictions set by the  
19 department relating to signage, marketing, display, and  
20 advertising of medical cannabis.

21 10. Prior to dispensing of any medical cannabis,  
22 a medical cannabis patient center shall do all of the  
23 following:

24 a. Verify that the medical cannabis patient center  
25 has received a valid medical cannabis registration card  
26 from a patient or a patient's primary caregiver, if  
27 applicable.

28 b. Assign a tracking number to any medical cannabis  
29 dispensed from the medical cannabis patient center.

30 c. (1) Properly package medical cannabis in  
31 compliance with federal law regarding child resistant  
32 packaging and exemptions for packaging for elderly  
33 patients, and label medical cannabis with a list of  
34 all active ingredients and individually identifying  
35 information, including all of the following:

1 (a) The name and date of birth of the patient and  
2 the patient's primary caregiver, if appropriate.

3 (b) The medical cannabis registration card numbers  
4 of the patient and the patient's primary caregiver, if  
5 applicable.

6 (c) The chemical composition of the medical  
7 cannabis.

8 (2) Proper packaging of medical cannabis shall  
9 include but not be limited to all of the following:

10 (a) Warning labels regarding the use of medical  
11 cannabis by a woman during pregnancy and while  
12 breastfeeding.

13 (b) Clearly labeled packaging indicating that  
14 an edible medical cannabis product contains medical  
15 cannabis and which packaging shall not imitate candy  
16 products or in any way make the product marketable to  
17 children.

18 11. A medical cannabis patient center shall employ  
19 a pharmacist licensed pursuant to chapter 155A.

20 12. A medical cannabis patient center shall keep  
21 a reliable and ongoing supply of medical cannabis to  
22 treat every debilitating medical condition listed in  
23 this chapter.

24 Sec. 14. NEW SECTION. 124E.10 Department duties  
25 ---- rules.

26 1. a. The department shall maintain a confidential  
27 file of the names of each patient to or for whom the  
28 department issues a medical cannabis registration  
29 card, the name of each primary caregiver to whom the  
30 department issues a medical cannabis registration card  
31 under section 124E.4, and the names of each health care  
32 practitioner who provides a written certification for  
33 medical cannabis pursuant to this chapter.

34 b. Individual names contained in the file shall be  
35 confidential and shall not be subject to disclosure,

1 except as provided in subparagraph (1).

2 (1) Information in the confidential file maintained  
3 pursuant to paragraph "a" may be released on an  
4 individual basis to the following persons under the  
5 following circumstances:

6 (a) To authorized employees or agents of the  
7 department and the department of transportation as  
8 necessary to perform the duties of the department and  
9 the department of transportation pursuant to this  
10 chapter.

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

16 (c) To authorized employees of a medical cannabis  
17 patient center, but only for the purpose of verifying  
18 that a person is lawfully in possession of a medical  
19 cannabis registration card issued pursuant to this  
20 chapter.

21 (2) Release of information pursuant to subparagraph  
22 (1) shall be consistent with the federal Health  
23 Insurance Portability and Accountability Act of 1996,  
24 Pub. L. No. 104-191.

25 2. The department shall adopt rules pursuant to  
26 chapter 17A to administer this chapter which shall  
27 include but not be limited to rules to do all of the  
28 following:

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

32 b. Identify criteria and set forth procedures for  
33 including additional chronic or debilitating diseases  
34 or medical conditions or their medical treatments  
35 on the list of debilitating medical conditions that

1 qualify for the use of medical cannabis. Procedures  
2 shall include a petition process and shall allow for  
3 public comment and public hearings before the medical  
4 advisory board.

5 c. Set forth additional chronic or debilitating  
6 diseases or medical conditions or associated medical  
7 treatments for inclusion on the list of debilitating  
8 medical conditions that qualify for the use of medical  
9 cannabis as recommended by the medical advisory board.

10 d. Establish the form and quantity of medical  
11 cannabis allowed to be dispensed to a patient or  
12 primary caregiver pursuant to this chapter. The  
13 form and quantity of medical cannabis shall be  
14 appropriate to serve the medical needs of patients with  
15 debilitating conditions.

16 e. Establish requirements for the licensure of  
17 medical cannabis manufacturers and medical cannabis  
18 patient centers and set forth procedures for medical  
19 cannabis manufacturers and medical cannabis patient  
20 centers to obtain licenses.

21 f. Develop a dispensing system for medical cannabis  
22 within this state that provides for all of the  
23 following:

24 (1) Medical cannabis patient centers within  
25 this state housed on secured grounds and operated by  
26 licensed medical cannabis patient centers.

27 (2) The dispensing of medical cannabis to patients  
28 and their primary caregivers to occur at locations  
29 designated by the department.

30 g. Specify and implement procedures that address  
31 public safety including security procedures and product  
32 quality including measures to ensure contaminant-free  
33 cultivation of medical cannabis, safety, and labeling.

34 h. Establish and implement a real-time, statewide  
35 medical cannabis registry management sale tracking

1 system that is available to medical cannabis patient  
2 centers on a twenty-four-hour-day, seven-day-a-week  
3 basis for the purpose of verifying that a person  
4 is lawfully in possession of a medical cannabis  
5 registration card issued pursuant to this chapter  
6 and for tracking the date of the sale and quantity of  
7 medical cannabis purchased by a patient or a primary  
8 caregiver.

9 i. Establish and implement a medical cannabis  
10 inventory and delivery tracking system to track  
11 medical cannabis from production by a medical cannabis  
12 manufacturer through dispensing at a medical cannabis  
13 patient center.

14 Sec. 15. NEW SECTION. 124E.11 Reciprocity.

15 A valid medical cannabis registration card, or its  
16 equivalent, issued under the laws of another state  
17 that allows an out-of-state patient to possess or  
18 use medical cannabis in the jurisdiction of issuance  
19 shall have the same force and effect as a valid  
20 medical cannabis registration card issued pursuant to  
21 this chapter, except that an out-of-state patient in  
22 this state shall not obtain medical cannabis from a  
23 medical cannabis patient center in this state and an  
24 out-of-state patient shall not smoke medical cannabis.

25 Sec. 16. NEW SECTION. 124E.12 Use of medical  
26 cannabis ---- smoking prohibited.

27 A patient shall not consume medical cannabis  
28 possessed or used as authorized by this chapter by  
29 smoking medical cannabis.

30 Sec. 17. NEW SECTION. 124E.13 Use of medical  
31 cannabis ---- affirmative defenses.

32 1. A health care practitioner, including any  
33 authorized agent or employee thereof, shall not be  
34 subject to prosecution for the unlawful certification,  
35 possession, or administration of marijuana under the

1 laws of this state for activities arising directly  
2 out of or directly related to the certification or  
3 use of medical cannabis in the treatment of a patient  
4 diagnosed with a debilitating medical condition as  
5 authorized by this chapter.

6 2. A medical cannabis manufacturer, including any  
7 authorized agent or employee thereof, shall not be  
8 subject to prosecution for manufacturing, possessing,  
9 cultivating, harvesting, packaging, processing,  
10 transporting, or supplying medical cannabis pursuant  
11 to this chapter.

12 3. A medical cannabis patient center, including  
13 any authorized agent or employee thereof, shall not be  
14 subject to prosecution for transporting, supplying, or  
15 dispensing medical cannabis pursuant to this chapter.

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

27 b. In a prosecution for the unlawful possession  
28 of marijuana under the laws of this state, including  
29 but not limited to chapters 124 and 453B, it is an  
30 affirmative and complete defense to the prosecution  
31 that the person possessed medical cannabis because the  
32 person is a primary caregiver of a patient who has been  
33 diagnosed with a debilitating medical condition and is  
34 in possession of a valid medical cannabis registration  
35 card, and where the primary caregiver's possession of

1 the medical cannabis is on behalf of the patient and  
2 for the patient's use only as authorized under this  
3 chapter.

4 c. If a patient or primary caregiver is charged  
5 with the commission of a crime and is not in possession  
6 of the person's medical cannabis registration card,  
7 any charge or charges filed against the person shall  
8 be dismissed by the court if the person produces to  
9 the court prior to or at the person's trial a medical  
10 cannabis registration card issued to that person and  
11 valid at the time the person was charged.

12 4. An agency of this state or a political  
13 subdivision thereof, including any law enforcement  
14 agency, shall not remove or initiate proceedings to  
15 remove a patient under the age of eighteen from the  
16 home of a parent based solely upon the parent's or  
17 patient's possession or use of medical cannabis as  
18 authorized under this chapter.

19 Sec. 18. NEW SECTION. 124E.14 Fees.

20 Medical cannabis registration card fees and medical  
21 cannabis manufacturer and medical cannabis patient  
22 center application and annual fees collected by the  
23 department pursuant to this chapter shall be retained  
24 by the department, shall be considered repayment  
25 receipts as defined in section 8.2, and shall be  
26 used for the purpose of regulating medical cannabis  
27 manufacturers and medical cannabis patient centers and  
28 for other expenses necessary for the administration of  
29 this chapter. Notwithstanding section 8.33, moneys  
30 that remain unencumbered or unobligated at the end of  
31 the fiscal year shall not revert to the general fund  
32 of the state.

33 Sec. 19. NEW SECTION. 124E.15 Penalties.

34 1. A person who knowingly or intentionally  
35 possesses or uses medical cannabis in violation of

1 the requirements of this chapter is subject to the  
2 penalties provided under chapters 124 and 453B.

3 2. A medical cannabis manufacturer or a medical  
4 cannabis patient center shall be assessed a civil  
5 penalty of up to one thousand dollars per violation for  
6 any violation of this chapter in addition to any other  
7 applicable penalties.

8 Sec. 20. REPEAL. Chapter 124D, Code 2016, is  
9 repealed.

10 Sec. 21. EMERGENCY RULES. The department may  
11 adopt emergency rules under section 17A.4, subsection  
12 3, and section 17A.5, subsection 2, paragraph "b", to  
13 implement the provisions of this Act and the rules  
14 shall be effective immediately upon filing unless  
15 a later date is specified in the rules. Any rules  
16 adopted in accordance with this section shall also be  
17 published as a notice of intended action as provided  
18 in section 17A.4.

19 Sec. 22. TRANSITION PROVISIONS. A medical cannabis  
20 registration card issued under chapter 124D prior to  
21 July 1, 2016, remains effective and continues in effect  
22 as issued for the twelve-month period following its  
23 issuance. This Act does not preclude the permit holder  
24 from seeking to renew the permit under this Act prior  
25 to the expiration of the twelve-month period.>

**By** FORBES of Polk  
KRESSIG of Black Hawk

SENATE FILE 484

H-8302

1 Amend the amendment, H-8300, to Senate File 484,  
2 as amended, passed, and reprinted by the Senate, as  
3 follows:

4 1. By striking page 1, line 1, through page 22,  
5 line 25, and inserting:

6 <Amend Senate File 484, as amended, passed, and  
7 reprinted by the Senate, as follows:

8 \_\_\_\_\_. By striking everything after the enacting  
9 clause and inserting:

10 <Section 1. Section 124.204, subsection 4,  
11 paragraphs m and u, Code 2016, are amended by striking  
12 the paragraphs.

13 Sec. 2. Section 124.204, subsection 7, Code 2016,  
14 is amended by striking the subsection.

15 Sec. 3. Section 124.206, subsection 7, Code 2016,  
16 is amended to read as follows:

17 7. Hallucinogenic substances. Unless specifically  
18 excepted or unless listed in another schedule, any  
19 material, compound, mixture, or preparation which  
20 contains any quantity of the following substances,  
21 or, for purposes of paragraphs "a" and "b", which  
22 contains any of its salts, isomers, or salts of isomers  
23 whenever the existence of such salts, isomers, or salts  
24 of isomers is possible within the specific chemical  
25 designation (for purposes of this paragraph only, the  
26 term "isomer" includes the optical, positional, and  
27 geometric isomers):

28 a. ~~Marijuana when used for medicinal purposes~~  
29 ~~pursuant to rules of the board.~~

30 b. Tetrahydrocannabinols, meaning  
31 tetrahydrocannabinols naturally contained in a  
32 plant of the genus cannabis (cannabis plant) as well  
33 as synthetic equivalents of the substances contained  
34 in the cannabis plant, or in the resinous extractives  
35 of such plant, and synthetic substances, derivatives,

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1 and their isomers with similar chemical structure and  
2 pharmacological activity to those substances contained  
3 in the plant, such as the following:

4 (1) 1 cis or trans tetrahydrocannabinol, and their  
5 optical isomers.

6 (2) 6 cis or trans tetrahydrocannabinol, and their  
7 optical isomers.

8 (3) 3,4 cis or trans tetrahydrocannabinol, and  
9 their optical isomers. (Since nomenclature of these  
10 substances is not internationally standardized,  
11 compounds of these structures, regardless of numerical  
12 designation of atomic positions covered.)

13 ~~b.~~ c. Nabilone [another name for  
14 nabilone: (+-) -

15 trans-3-(1,1-dimethylheptyl)-6,6a,7,8,10,10a-hexahydro-1-hydroxy-6,6-  
16 dimethyl-9H-dibenzo[b,d]pyran-9-one].

17 Sec. 4. Section 124.401, subsection 5, unnumbered  
18 paragraph 3, Code 2016, is amended to read as follows:

19 A person may knowingly or intentionally recommend,  
20 possess, use, dispense, deliver, transport, or  
21 administer ~~cannabidiol~~ medical cannabis if the  
22 recommendation, possession, use, dispensing, delivery,  
23 transporting, or administering is in accordance with  
24 the provisions of chapter ~~124D~~ 124E. For purposes of  
25 this paragraph, ~~"cannabidiol"~~ "medical cannabis" means  
26 the same as defined in section ~~124D.2~~ 124E.2.

27 Sec. 5. NEW SECTION. 124E.1 Short title.

28 This chapter shall be known and may be cited as the  
29 "Compassionate Use of Medical Cannabis Act".

30 Sec. 6. NEW SECTION. 124E.2 Definitions.

31 As used in this chapter:

32 1. "Debilitating medical condition" means any of the  
33 following:

34 a. Cancer, if the underlying condition or treatment  
35 produces one or more of the following:

- 1 (1) Intractable pain.
- 2 (2) Nausea or severe vomiting.
- 3 (3) Cachexia or severe wasting.
- 4 b. Multiple sclerosis.
- 5 c. Epilepsy or seizure disorders.
- 6 d. AIDS or HIV as defined in section 141A.1.
- 7 e. Crohn's disease or ulcerative colitis.
- 8 f. Amyotrophic lateral sclerosis.
- 9 g. Intractable pain.
- 10 h. Glaucoma.
- 11 i. Any terminal illness, with a probable life
- 12 expectancy of under one year, if the illness or its
- 13 treatment produces one or more of the following:
- 14 (1) Intractable pain.
- 15 (2) Nausea or severe vomiting.
- 16 (3) Cachexia or severe wasting.
- 17 j. Any other chronic or debilitating disease or
- 18 medical condition or its medical treatment approved by
- 19 the department pursuant to rule.
- 20 2. "Department" means the department of public
- 21 health.
- 22 3. "Disqualifying felony offense" means a violation
- 23 under federal or state law of a felony offense, which
- 24 has as an element the possession, use, or distribution
- 25 of a controlled substance, as defined in 21 U.S.C.
- 26 {802(6).
- 27 4. "Enclosed, locked facility" means a closet, room,
- 28 greenhouse, or other enclosed area equipped with locks
- 29 or other security devices that permit access only by a
- 30 cardholder.
- 31 5. "Health care practitioner" means an individual
- 32 licensed under chapter 148 to practice medicine and
- 33 surgery or osteopathic medicine and surgery or an
- 34 individual licensed to prescribe medicine in any other
- 35 state and provides specialty care for an Iowa resident

1 for one or more of the debilitating medical conditions  
2 provided in this chapter.

3 6. "Intractable pain" means a pain in which the  
4 cause of the pain cannot be removed or otherwise  
5 treated with the consent of the patient and which, in  
6 the generally accepted course of medical practice, no  
7 relief or cure of the cause of the pain is possible,  
8 or none has been found after reasonable efforts.

9 Reasonable efforts for relieving or curing the cause of  
10 the pain may be determined on the basis of but are not  
11 limited to any of the following:

12 a. When treating a nonterminally ill patient for  
13 intractable pain, evaluation by the attending physician  
14 and one or more physicians specializing in pain  
15 medicine or the treatment of the area, system, or organ  
16 of the body perceived as the source of the pain.

17 b. When treating a terminally ill patient,  
18 evaluation by the attending physician who does so in  
19 accordance with the level of care, skill, and treatment  
20 that would be recognized by a reasonably prudent  
21 physician under similar conditions and circumstances.

22 7. "Medical cannabis" means any species of the genus  
23 cannabis plant, or any mixture or preparation of them,  
24 including whole plant extracts and resins.

25 8. "Medical cannabis manufacturer" means an entity  
26 licensed by the department to manufacture and to  
27 possess, cultivate, transport, or supply medical  
28 cannabis pursuant to the provisions of this chapter.

29 9. "Medical cannabis patient center" means an entity  
30 licensed under section 124E.8 that acquires medical  
31 cannabis from a medical cannabis manufacturer in this  
32 state for the purpose of dispensing medical cannabis in  
33 this state pursuant to this chapter.

34 10. "Primary caregiver" means a person, at least  
35 eighteen years of age, who has been designated by a

1 patient's health care practitioner or a person having  
2 custody of a patient, as a necessary caretaker taking  
3 responsibility for managing the well-being of the  
4 patient with respect to the use of medical cannabis  
5 pursuant to the provisions of this chapter.

6 11. "Written certification" means a document signed  
7 by a health care practitioner, with whom the patient  
8 has established a patient-provider relationship, which  
9 states that the patient has a debilitating medical  
10 condition and identifies that condition and provides  
11 any other relevant information.

12 Sec. 7. NEW SECTION. 124E.3 Health care  
13 practitioner certification ---- duties.

14 1. Prior to a patient's submission of an  
15 application for a medical cannabis registration card  
16 pursuant to section 124E.4, a health care practitioner  
17 shall do all of the following:

18 a. Determine, in the health care practitioner's  
19 medical judgment, whether the patient whom the health  
20 care practitioner has examined and treated suffers from  
21 a debilitating medical condition that qualifies for  
22 the use of medical cannabis under this chapter, and  
23 if so determined, provide the patient with a written  
24 certification of that diagnosis.

25 b. Provide explanatory information as provided by  
26 the department to the patient about the therapeutic use  
27 of medical cannabis.

28 2. Determine, on an annual basis, if the patient  
29 continues to suffer from a debilitating medical  
30 condition and, if so, issue the patient a new  
31 certification of that diagnosis.

32 3. Otherwise comply with all requirements  
33 established by the department pursuant to rule.

34 4. A health care practitioner may provide, but has  
35 no duty to provide, a written certification pursuant

1 to this section.

2 Sec. 8. NEW SECTION. 124E.4 Medical cannabis  
3 registration card.

4 1. Issuance to patient. The department may approve  
5 the issuance of a medical cannabis registration card by  
6 the department of transportation to a patient who:

7 a. Is at least eighteen years of age.

8 b. Is a permanent resident of this state.

9 c. Submits a written certification to the  
10 department signed by the patient's health care  
11 practitioner that the patient is suffering from a  
12 debilitating medical condition.

13 d. Submits an application to the department, on a  
14 form created by the department, in consultation with  
15 the department of transportation, that contains all of  
16 the following:

17 (1) The patient's full name, Iowa residence  
18 address, date of birth, and telephone number.

19 (2) A copy of the patient's valid photo  
20 identification.

21 (3) Full name, address, and telephone number of the  
22 patient's health care practitioner.

23 (4) Full name, residence address, date of birth,  
24 and telephone number of each primary caregiver of the  
25 patient, if any.

26 (5) Any other information required by rule.

27 e. Submits a medical cannabis registration card  
28 fee of one hundred dollars to the department. If the  
29 patient attests to receiving social security disability  
30 benefits, supplemental security insurance payments, or  
31 being enrolled in medical assistance, the fee shall be  
32 twenty-five dollars.

33 2. Patient card contents. A medical cannabis  
34 registration card issued to a patient by the department  
35 of transportation pursuant to subsection 1 shall

1 contain, at a minimum, all of the following:

2 a. The patient's full name, Iowa residence address,  
3 and date of birth.

4 b. The patient's photograph.

5 c. The date of issuance and expiration date of the  
6 registration card.

7 d. Any other information required by rule.

8 3. Issuance to primary caregiver. For a patient in  
9 a primary caregiver's care, the department may approve  
10 the issuance of a medical cannabis registration card  
11 by the department of transportation to the primary  
12 caregiver who:

13 a. Is at least eighteen years of age.

14 b. Submits a written certification to the  
15 department signed by the patient's health care  
16 practitioner that the patient in the primary  
17 caregiver's care is suffering from a debilitating  
18 medical condition.

19 c. Submits an application to the department, on a  
20 form created by the department, in consultation with  
21 the department of transportation, that contains all of  
22 the following:

23 (1) The primary caregiver's full name, residence  
24 address, date of birth, and telephone number.

25 (2) The patient's full name.

26 (3) A copy of the primary caregiver's valid photo  
27 identification.

28 (4) Full name, address, and telephone number of the  
29 patient's health care practitioner.

30 (5) Any other information required by rule.

31 d. Submits a medical cannabis registration card fee  
32 of twenty-five dollars to the department.

33 4. Primary caregiver card contents. A medical  
34 cannabis registration card issued by the department  
35 of transportation to a primary caregiver pursuant to

1 subsection 3 shall contain, at a minimum, all of the  
2 following:

3 a. The primary caregiver's full name, residence  
4 address, and date of birth.

5 b. The primary caregiver's photograph.

6 c. The date of issuance and expiration date of the  
7 registration card.

8 d. The registration card number of each patient  
9 in the primary caregiver's care. If the patient  
10 in the primary caregiver's care is under the age of  
11 eighteen, the full name of the patient's parent or  
12 legal guardian.

13 e. Any other information required by rule.

14 5. Expiration date of card. A medical cannabis  
15 registration card issued pursuant to this section shall  
16 expire one year after the date of issuance and may be  
17 renewed.

18 6. Card issuance ---- department of  
19 transportation. The department may enter into  
20 a chapter 28E agreement with the department of  
21 transportation to facilitate the issuance of medical  
22 cannabis registration cards pursuant to subsections 1  
23 and 3.

24 Sec. 9. NEW SECTION. 124E.5 Medical advisory board  
25 ---- duties.

26 1. No later than August 15, 2016, the director  
27 of public health shall establish a medical advisory  
28 board consisting of nine practitioners representing the  
29 fields of neurology, pain management, gastroenterology,  
30 oncology, psychiatry, pediatrics, infectious disease,  
31 family medicine, and pharmacy. The practitioners  
32 shall be nationally board-certified in their area of  
33 specialty and knowledgeable about the use of medical  
34 cannabis.

35 2. A quorum of the advisory board shall consist of

1 five members.

2 3. The duties of the advisory board shall include  
3 but not be limited to the following:

4 a. Reviewing and recommending to the department for  
5 approval additional chronic or debilitating diseases or  
6 medical conditions or their treatments as debilitating  
7 medical conditions that qualify for the use of medical  
8 cannabis under this chapter.

9 b. Accepting and reviewing petitions to add chronic  
10 or debilitating diseases or medical conditions or their  
11 medical treatments to the list of debilitating medical  
12 conditions that qualify for the use of medical cannabis  
13 under this chapter.

14 c. Advising the department regarding the location  
15 and number of necessary medical cannabis patient  
16 centers throughout the state on a continuous basis, the  
17 form and quantity of allowable medical cannabis to be  
18 dispensed to a patient or primary caregiver, and the  
19 general oversight of medical cannabis manufacturers and  
20 medical cannabis patient centers in this state.

21 d. Convening at least twice per year to conduct  
22 public hearings and to evaluate petitions, which  
23 shall be maintained as confidential personal health  
24 information, to add chronic or debilitating diseases or  
25 medical conditions or their medical treatments to the  
26 list of debilitating medical conditions that qualify  
27 for the use of medical cannabis under this chapter.

28 Sec. 10. NEW SECTION. 124E.6 Medical cannabis  
29 manufacturer licensure.

30 1. a. The department shall license up to two  
31 medical cannabis manufacturers to manufacture  
32 medical cannabis within this state consistent with  
33 the provisions of this chapter by December 1, 2016.  
34 The department shall license new medical cannabis  
35 manufacturers or relicense the existing medical

1 cannabis manufacturers by December 1 of each year.

2 b. Information submitted during the application  
3 process shall be confidential until the medical  
4 cannabis manufacturer is licensed by the department  
5 unless otherwise protected from disclosure under state  
6 or federal law.

7 2. As a condition for licensure, a medical cannabis  
8 manufacturer must agree to begin supplying medical  
9 cannabis to medical cannabis patient centers in this  
10 state by July 1, 2017.

11 3. The department shall consider the following  
12 factors in determining whether to license a medical  
13 cannabis manufacturer:

14 a. The technical expertise of the medical cannabis  
15 manufacturer in medical cannabis.

16 b. The qualifications of the medical cannabis  
17 manufacturer's employees.

18 c. The long-term financial stability of the medical  
19 cannabis manufacturer.

20 d. The ability to provide appropriate security  
21 measures on the premises of the medical cannabis  
22 manufacturer.

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

33 f. The medical cannabis manufacturer's projection  
34 of and ongoing assessment of fees on patients with  
35 debilitating medical conditions.

1 4. The department shall require each medical  
2 cannabis manufacturer to contract with the state  
3 hygienic laboratory at the university of Iowa in Iowa  
4 City to test the medical cannabis produced by the  
5 manufacturer. The department shall require that the  
6 laboratory report testing results to the manufacturer  
7 in a manner determined by the department pursuant to  
8 rule.

9 5. Each entity submitting an application for  
10 licensure as a medical cannabis manufacturer shall pay  
11 a nonrefundable application fee of seven thousand five  
12 hundred dollars to the department.

13 Sec. 11. NEW SECTION. 124E.7 Medical cannabis  
14 manufacturers.

15 1. A medical cannabis manufacturer shall contract  
16 with the state hygienic laboratory at the university  
17 of Iowa in Iowa City for purposes of testing the  
18 medical cannabis manufactured by the medical cannabis  
19 manufacturer as to content, contamination, and  
20 consistency. The cost of all laboratory testing shall  
21 be paid by the medical cannabis manufacturer.

22 2. The operating documents of a medical cannabis  
23 manufacturer shall include all of the following:

24 a. Procedures for the oversight of the medical  
25 cannabis manufacturer and procedures to ensure accurate  
26 record keeping.

27 b. Procedures for the implementation of appropriate  
28 security measures to deter and prevent the theft of  
29 medical cannabis and unauthorized entrance into areas  
30 containing medical cannabis.

31 3. A medical cannabis manufacturer shall implement  
32 security requirements, including requirements for  
33 protection of each location by a fully operational  
34 security alarm system, facility access controls,  
35 perimeter intrusion detection systems, and a personnel

1 identification system.

2 4. A medical cannabis manufacturer shall not share  
3 office space with, refer patients to, or have any  
4 financial relationship with a health care practitioner.

5 5. A medical cannabis manufacturer shall not permit  
6 any person to consume medical cannabis on the property  
7 of the medical cannabis manufacturer.

8 6. A medical cannabis manufacturer is subject to  
9 reasonable inspection by the department.

10 7. A medical cannabis manufacturer shall not  
11 employ a person under eighteen years of age or who has  
12 been convicted of a disqualifying felony offense. An  
13 employee of a medical cannabis manufacturer shall be  
14 subject to a background investigation conducted by the  
15 division of criminal investigation of the department  
16 of public safety and a national criminal history  
17 background check.

18 8. A medical cannabis manufacturer shall not  
19 operate in any location, whether for manufacturing,  
20 cultivating, harvesting, packaging, or processing,  
21 within one thousand feet of a public or private school  
22 existing before the date of the medical cannabis  
23 manufacturer's licensure by the department.

24 9. A medical cannabis manufacturer shall comply  
25 with reasonable restrictions set by the department  
26 relating to signage, marketing, display, and  
27 advertising of medical cannabis.

28 10. a. A medical cannabis manufacturer shall  
29 provide a reliable and ongoing supply of medical  
30 cannabis to medical cannabis patient centers pursuant  
31 to this chapter.

32 b. All manufacturing, cultivating, harvesting,  
33 packaging, and processing of medical cannabis shall  
34 take place in an enclosed, locked facility at a  
35 physical address provided to the department during the

1 licensure process.

2 c. A medical cannabis manufacturer shall not  
3 manufacture edible medical cannabis products utilizing  
4 food coloring.

5 d. A medical cannabis manufacturer shall  
6 manufacture a reliable and ongoing supply of medical  
7 cannabis to treat every debilitating medical condition  
8 listed in this chapter.

9 Sec. 12. NEW SECTION. 124E.8 Medical cannabis  
10 patient center licensure.

11 1. a. The department shall license by April 1,  
12 2017, up to four medical cannabis patient centers to  
13 dispense medical cannabis within this state consistent  
14 with the provisions of this chapter. The department  
15 shall license new medical cannabis patient centers or  
16 relicense the existing medical cannabis manufacturers  
17 by December 1 of each year.

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

23 2. As a condition for licensure, a medical cannabis  
24 patient center must agree to begin supplying medical  
25 cannabis to patients by July 1, 2017.

26 3. The department shall consider the following  
27 factors in determining whether to license a medical  
28 cannabis patient center:

29 a. The technical expertise of the medical cannabis  
30 patient center regarding medical cannabis.

31 b. The qualifications of the medical cannabis  
32 patient center's employees.

33 c. The long-term financial stability of the medical  
34 cannabis patient center.

35 d. The ability to provide appropriate security

1 measures on the premises of the medical cannabis  
2 patient center.

3 e. The medical cannabis patient center's projection  
4 and ongoing assessment of fees for the purchase of  
5 medical cannabis on patients with debilitating medical  
6 conditions.

7 4. Each entity submitting an application for  
8 licensure as a medical cannabis patient center shall  
9 pay a nonrefundable application fee of five thousand  
10 dollars to the department.

11 Sec. 13. NEW SECTION. 124E.9 Medical cannabis  
12 patient centers.

13 1. a. The medical cannabis patient centers shall  
14 be located based on geographical need throughout the  
15 state to improve patient access.

16 b. A medical cannabis patient center may dispense  
17 medical cannabis pursuant to the provisions of this  
18 chapter but shall not dispense any medical cannabis  
19 in a form or quantity other than the form or quantity  
20 allowed by the department pursuant to rule.

21 2. The operating documents of a medical cannabis  
22 patient center shall include all of the following:

23 a. Procedures for the oversight of the medical  
24 cannabis patient center and procedures to ensure  
25 accurate record keeping.

26 b. Procedures for the implementation of appropriate  
27 security measures to deter and prevent the theft of  
28 medical cannabis and unauthorized entrance into areas  
29 containing medical cannabis.

30 3. A medical cannabis patient center shall  
31 implement security requirements, including requirements  
32 for protection by a fully operational security alarm  
33 system, facility access controls, perimeter intrusion  
34 detection systems, and a personnel identification  
35 system.

1 4. A medical cannabis patient center shall not  
2 share office space with, refer patients to, or have any  
3 financial relationship with a health care practitioner.

4 5. A medical cannabis patient center shall not  
5 permit any person to consume medical cannabis on the  
6 property of the medical cannabis patient center.

7 6. A medical cannabis patient center is subject to  
8 reasonable inspection by the department.

9 7. A medical cannabis patient center shall not  
10 employ a person under eighteen years of age or who has  
11 been convicted of a disqualifying felony offense. An  
12 employee of a medical cannabis patient center shall be  
13 subject to a background investigation conducted by the  
14 division of criminal investigation of the department  
15 of public safety and a national criminal history  
16 background check.

17 8. A medical cannabis patient center shall not  
18 operate in any location within one thousand feet of a  
19 public or private school existing before the date of  
20 the medical cannabis patient center's licensure by the  
21 department.

22 9. A medical cannabis patient center shall  
23 comply with reasonable restrictions set by the  
24 department relating to signage, marketing, display, and  
25 advertising of medical cannabis.

26 10. Prior to dispensing of any medical cannabis,  
27 a medical cannabis patient center shall do all of the  
28 following:

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

33 b. Assign a tracking number to any medical cannabis  
34 dispensed from the medical cannabis patient center.

35 c. (1) Properly package medical cannabis in

1 compliance with federal law regarding child resistant  
2 packaging and exemptions for packaging for elderly  
3 patients, and label medical cannabis with a list of  
4 all active ingredients and individually identifying  
5 information, including all of the following:

6 (a) The name and date of birth of the patient and  
7 the patient's primary caregiver, if appropriate.

8 (b) The medical cannabis registration card numbers  
9 of the patient and the patient's primary caregiver, if  
10 applicable.

11 (c) The chemical composition of the medical  
12 cannabis.

13 (2) Proper packaging of medical cannabis shall  
14 include but not be limited to all of the following:

15 (a) Warning labels regarding the use of medical  
16 cannabis by a woman during pregnancy and while  
17 breastfeeding.

18 (b) Clearly labeled packaging indicating that  
19 an edible medical cannabis product contains medical  
20 cannabis and which packaging shall not imitate candy  
21 products or in any way make the product marketable to  
22 children.

23 11. A medical cannabis patient center shall employ  
24 a pharmacist licensed pursuant to chapter 155A.

25 12. A medical cannabis patient center shall keep  
26 a reliable and ongoing supply of medical cannabis to  
27 treat every debilitating medical condition listed in  
28 this chapter.

29 Sec. 14. NEW SECTION. 124E.10 Department duties  
30 ---- rules.

31 1. a. The department shall maintain a confidential  
32 file of the names of each patient to or for whom the  
33 department issues a medical cannabis registration  
34 card, the name of each primary caregiver to whom the  
35 department issues a medical cannabis registration card

1 under section 124E.4, and the names of each health care  
2 practitioner who provides a written certification for  
3 medical cannabis pursuant to this chapter.

4 b. Individual names contained in the file shall be  
5 confidential and shall not be subject to disclosure,  
6 except as provided in subparagraph (1).

7 (1) Information in the confidential file maintained  
8 pursuant to paragraph "a" may be released on an  
9 individual basis to the following persons under the  
10 following circumstances:

11 (a) To authorized employees or agents of the  
12 department and the department of transportation as  
13 necessary to perform the duties of the department and  
14 the department of transportation pursuant to this  
15 chapter.

16 (b) To authorized employees of state or local  
17 law enforcement agencies, but only for the purpose of  
18 verifying that a person is lawfully in possession of a  
19 medical cannabis registration card issued pursuant to  
20 this chapter.

21 (c) To authorized employees of a medical cannabis  
22 patient center, but only for the purpose of verifying  
23 that a person is lawfully in possession of a medical  
24 cannabis registration card issued pursuant to this  
25 chapter.

26 (2) Release of information pursuant to subparagraph  
27 (1) shall be consistent with the federal Health  
28 Insurance Portability and Accountability Act of 1996,  
29 Pub. L. No. 104-191.

30 2. The department shall adopt rules pursuant to  
31 chapter 17A to administer this chapter which shall  
32 include but not be limited to rules to do all of the  
33 following:

34 a. Govern the manner in which the department shall  
35 consider applications for new and renewal medical

1 cannabis registration cards.

2 b. Identify criteria and set forth procedures for  
3 including additional chronic or debilitating diseases  
4 or medical conditions or their medical treatments  
5 on the list of debilitating medical conditions that  
6 qualify for the use of medical cannabis. Procedures  
7 shall include a petition process and shall allow for  
8 public comment and public hearings before the medical  
9 advisory board.

10 c. Set forth additional chronic or debilitating  
11 diseases or medical conditions or associated medical  
12 treatments for inclusion on the list of debilitating  
13 medical conditions that qualify for the use of medical  
14 cannabis as recommended by the medical advisory board.

15 d. Establish the form and quantity of medical  
16 cannabis allowed to be dispensed to a patient or  
17 primary caregiver pursuant to this chapter. The  
18 form and quantity of medical cannabis shall be  
19 appropriate to serve the medical needs of patients with  
20 debilitating conditions.

21 e. Establish requirements for the licensure of  
22 medical cannabis manufacturers and medical cannabis  
23 patient centers and set forth procedures for medical  
24 cannabis manufacturers and medical cannabis patient  
25 centers to obtain licenses.

26 f. Develop a dispensing system for medical cannabis  
27 within this state that provides for all of the  
28 following:

29 (1) Medical cannabis patient centers within  
30 this state housed on secured grounds and operated by  
31 licensed medical cannabis patient centers.

32 (2) The dispensing of medical cannabis to patients  
33 and their primary caregivers to occur at locations  
34 designated by the department.

35 g. Specify and implement procedures that address

1 public safety including security procedures and product  
2 quality including measures to ensure contaminant-free  
3 cultivation of medical cannabis, safety, and labeling.

4 h. Establish and implement a real-time, statewide  
5 medical cannabis registry management sale tracking  
6 system that is available to medical cannabis patient  
7 centers on a twenty-four-hour-day, seven-day-a-week  
8 basis for the purpose of verifying that a person  
9 is lawfully in possession of a medical cannabis  
10 registration card issued pursuant to this chapter  
11 and for tracking the date of the sale and quantity of  
12 medical cannabis purchased by a patient or a primary  
13 caregiver.

14 i. Establish and implement a medical cannabis  
15 inventory and delivery tracking system to track  
16 medical cannabis from production by a medical cannabis  
17 manufacturer through dispensing at a medical cannabis  
18 patient center.

19 Sec. 15. NEW SECTION. 124E.11 Reciprocity.

20 A valid medical cannabis registration card, or its  
21 equivalent, issued under the laws of another state  
22 that allows an out-of-state patient to possess or  
23 use medical cannabis in the jurisdiction of issuance  
24 shall have the same force and effect as a valid  
25 medical cannabis registration card issued pursuant to  
26 this chapter, except that an out-of-state patient in  
27 this state shall not obtain medical cannabis from a  
28 medical cannabis patient center in this state and an  
29 out-of-state patient shall not smoke medical cannabis.

30 Sec. 16. NEW SECTION. 124E.12 Use of medical  
31 cannabis ---- smoking prohibited.

32 A patient shall not consume medical cannabis  
33 possessed or used as authorized by this chapter by  
34 smoking medical cannabis.

35 Sec. 17. NEW SECTION. 124E.13 Use of medical

1 cannabis ---- affirmative defenses.

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

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

17 3. A medical cannabis patient center, including  
18 any authorized agent or employee thereof, shall not be  
19 subject to prosecution for transporting, supplying, or  
20 dispensing medical cannabis pursuant to this chapter.

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

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

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

9 c. If a patient or primary caregiver is charged  
10 with the commission of a crime and is not in possession  
11 of the person's medical cannabis registration card,  
12 any charge or charges filed against the person shall  
13 be dismissed by the court if the person produces to  
14 the court prior to or at the person's trial a medical  
15 cannabis registration card issued to that person and  
16 valid at the time the person was charged.

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

24 Sec. 18. NEW SECTION. 124E.14 Fees.

25 Medical cannabis registration card fees and medical  
26 cannabis manufacturer and medical cannabis patient  
27 center application and annual fees collected by the  
28 department pursuant to this chapter shall be retained  
29 by the department, shall be considered repayment  
30 receipts as defined in section 8.2, and shall be  
31 used for the purpose of regulating medical cannabis  
32 manufacturers and medical cannabis patient centers and  
33 for other expenses necessary for the administration of  
34 this chapter. Notwithstanding section 8.33, moneys  
35 that remain unencumbered or unobligated at the end of

1 the fiscal year shall not revert to the general fund  
2 of the state.

3 Sec. 19. NEW SECTION. 124E.15 Penalties.

4 1. A person who knowingly or intentionally  
5 possesses or uses medical cannabis in violation of  
6 the requirements of this chapter is subject to the  
7 penalties provided under chapters 124 and 453B.

8 2. A medical cannabis manufacturer or a medical  
9 cannabis patient center shall be assessed a civil  
10 penalty of up to one thousand dollars per violation for  
11 any violation of this chapter in addition to any other  
12 applicable penalties.

13 Sec. 20. REPEAL. Chapter 124D, Code 2016, is  
14 repealed.

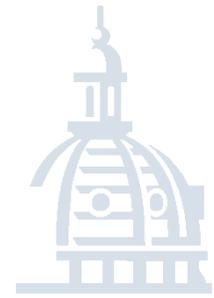
15 Sec. 21. EMERGENCY RULES. The department may  
16 adopt emergency rules under section 17A.4, subsection  
17 3, and section 17A.5, subsection 2, paragraph "b", to  
18 implement the provisions of this Act and the rules  
19 shall be effective immediately upon filing unless  
20 a later date is specified in the rules. Any rules  
21 adopted in accordance with this section shall also be  
22 published as a notice of intended action as provided  
23 in section 17A.4.

24 Sec. 22. TRANSITION PROVISIONS. A medical cannabis  
25 registration card issued under chapter 124D prior to  
26 July 1, 2016, remains effective and continues in effect  
27 as issued for the twelve-month period following its  
28 issuance. This Act does not preclude the permit holder  
29 from seeking to renew the permit under this Act prior  
30 to the expiration of the twelve-month period.

31 Sec. 23. EFFECTIVE UPON ENACTMENT. This Act, being  
32 deemed of immediate importance, takes effect upon  
33 enactment.>

34 2. Title page, line 2, after <fees> by inserting <,  
35 and including effective date provisions>>

**By** FORBES of Polk  
KRESSIG of Black Hawk



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**HF 567** – Synthetic Drugs (LSB1434HV.1)

Analysts: Kent Ohms (Phone: 515-725-2200) ([kenneth.ohms@legis.iowa.gov](mailto:kenneth.ohms@legis.iowa.gov))

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Fiscal Note Version – As amended by **H-8289** to the Senate amendment **H-1340**

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### **Description**

**House File 567**, as amended by **H-8289**, to the Senate amendment **H-1340**, involves imitation controlled substances and the Medical Cannabidiol Act. The bill repeals and replaces the current Act and creates a new Iowa Code section that covers more debilitating medical conditions and allows broader access to the list of qualified individuals with a medical cannabidiol card.

The amendment also defines imitation controlled substance and enhances penalties, modifies the controlled substance list to include new synthetic drug products, and lengthens the time the Pharmacy Board is allowed to temporarily designate substances as controlled substances before the General Assembly must take action to codify the changes.

### **Background**

#### **Medical Cannabidiol Act**

Possession of medical cannabidiol for patients diagnosed with intractable epilepsy was enacted in 2014 Iowa Acts, chapter 1125. Since the Program inception, as of April 14, 2016, the Medical Cannabidiol Act Registration Card Program has received 70 applications for cannabidiol registration cards; 66 applications were approved and three were denied. Renewal applications have also occurred. These applications have resulted in a total of 148 applications approved and 118 issued.

#### **Synthetic Drugs**

Synthetic drug products (marketed under various names) are man-made chemicals marketed as a “legal” high. Synthetic cannabinoids are applied to plant materials to simulate marijuana. Synthetic cathinones are man-made chemicals related to amphetamines. The contents and effects of synthetic cannabinoids and cathinones are unpredictable due to constantly changing chemicals used in the manufacturing process that are without quality controls or government regulatory oversight. The chemical compositions are constantly changing to avoid newly enacted laws to place the products on the scheduled list of controlled substances. Currently, if the Pharmacy Board designates a new substance as controlled, the General Assembly has 60 days upon convening to make corresponding changes in Iowa Code chapter **124** or the temporary designation is nullified. Nationwide, in calendar year 2012, 51 new synthetic cannabinoids were identified, 31 new cathinones were identified, and 76 other synthetic compounds were identified for a total of 158 new synthetic drug products entering the marketplace. Side effects of synthetic drugs can include severe agitation and anxiety, nausea, vomiting, tachycardia, elevated blood pressure, tremors and seizures, hallucinations, dilated pupils, suicidal and harmful thoughts/actions, chest pain, extreme paranoia, hallucinations, delusions, and violent behavior.

The impact to the Iowa correctional system operating budget is the cost difference between a serious or aggravated misdemeanor (\$222 per case) and a Class B or C felony (\$452 per case).

The table below shows FY 2010-2014 convictions for imitation controlled substances, according to the Justice Data Warehouse: The overall conviction rate is 25.0%.

Offense Class	FY 2010-2014 Convictions
Serious Misdemeanor	1
Aggravated Misdemeanor	19
Total Convictions	20

The following table shows the FY 2010-2014 offender-based convictions for imitation controlled substances, by race/ethnicity, according to the Justice Data Warehouse. Data was available for 11 of the 20 convictions recorded.

Conviction Offense Class	White	Black	Other
Serious Misdemeanor	100.0%	0.0%	0.0%
Aggravated Misdemeanor	60.0%	30.0%	10.0%
Total Convictions	63.6%	27.3%	9.1%

Refer to the Legislative Services Agency (LSA) [Minority Impact Statements Memo](#) dated January 26, 2016, for information related to minorities in the criminal justice system.

### **Assumptions**

#### ***Medical Cannabidiol Act***

- Of the patients with an eligible diagnosis, it is estimated that 1.7% will apply for a medical cannabidiol card. This will lead to the following applications per debilitating medical condition:
  - Cancer: 2,848 patients
  - Multiple Sclerosis: 45 patients
  - Seizures: 375 patients
  - AIDS or HIV: 39 patients
  - Crohn's Disease: 101 patients
  - Amyotrophic Lateral Sclerosis (ALS)
  - Terminal Illness: Unknown.
  - Total: 3,410 patients
- The ratios of caregivers to patients in other state programs varies by eligible medical conditions, with more severe diagnosis usually always having a caregiver. Based on Minnesota estimates for eligible medical conditions, an estimated 1,050 primary care givers may also apply for cards.
- The amendment requires that the program operate on a self-sustaining basis. To accomplish this, it is assumed that the IDPH will adopt rules with fees of \$100 for patients, \$25 for patients with a financial hardship, and \$100 for caregivers.
- The issuance of a card costs the Department of Transportation (DOT) \$10. This is funded by the Road Use Tax Fund. It is assumed this cost will be offset by the fee revenue.
- The Chronic Conditions appropriation to the IDPH includes \$25,000 for the Medical Cannabidiol Program. It is assumed the appropriation will be discontinued.
- The IDPH will require staff to implement and administer the program before fee revenue becomes available in FY 2017. There will also be costs and time spent associated with updating databases, processing applications, updating rules, and oversight. Initial work will involve the Bureau Chief, half the Program Manager for the year, 2.0 FTE position Clerk Specialists, half the support costs and all of the database programming costs.

#### ***Synthetic Drugs***

- Conviction and sentencing patterns will not change, for an average of four convictions a year. While the conviction rate may increase with increased imitation controlled offense

levels there is no way to estimate what that impact will be. Therefore, the assumption being used is that the conviction pattern will remain the same.

- The impact on minorities will remain consistent with current data.
- The average state cost for one Class C felony conviction ranges from \$7,800 to \$18,400.  
The average state cost for one Class B felony conviction ranges from \$9,600 to \$34,800.

The LSA [Correctional Impact Statements Memo](#) dated February 18, 2016, contains additional information.

**Fiscal Impact**

***Medical Cannabidiol Act***

Due to the nature of the needs for getting implementation work done outlined in the assumptions, it is estimated that \$266,000 for FY 2017 will be needed. The following table outlines the estimated budget of the Medical Cannabidiol Program for FY 2017 and FY 2018.

<b>Budget for the Medical Cannabidiol Program</b>		
	<u>FY 2017</u>	<u>FY 2018</u>
<b>Revenue</b>		
Card Application Fees	\$ 407,000	\$ 407,000
<b>Total Revenue</b>	<b>\$ 407,000</b>	<b>\$ 407,000</b>
<b>Expenditures</b>		
<u>Department of Public Health</u>		
Salary	\$ 235,000	\$ 235,000
Support	31,000	15,000
Database	100,000	0
<b>Total Department of Public Health</b>	<b>\$ 366,000</b>	<b>\$ 250,000</b>
<u>Department of Transportation</u>		
Card Issuance	\$ 45,000	\$ 45,000
<b>Total Expenditures</b>	<b>\$ 411,000</b>	<b>\$ 295,000</b>
<b>Net Impact</b>	<b>\$ -4,000</b>	<b>\$ 112,000</b>
Full Time Equivalents (FTEs) Needed	4.1	4.1

***Synthetic Drugs***

The additional cost for enforcement and regulation by law enforcement agencies at the state and local level is expected to be minimal.

Additional costs to the Judicial Branch for enhanced penalties in this bill are minimal.

The fiscal impact at the most will be \$140,000 per year (average of four convictions at the maximum Class B felony conviction cost of \$35,000).

**Correctional Impact**

***Medical Cannabidiol Act***

The bill creates a new civil penalty of up to \$1,000 per violation. It is unknown at this time how many violations under Iowa Code chapters [124](#) and [453B](#) will occur related to the changes in this bill and the correctional impact cannot be estimated.

**Synthetic Drugs**

The correctional impact is expected to be minimal due to the low number of convictions under current law. Enhancing the penalties will increase the incarceration rate and lengthen the term of supervision, both in the state prison system and Community-Based Corrections (CBC). Offenders convicted under the provisions of this bill will remain under supervision longer than current law.

**Minority Impact**

To the extent convictions occur under the provisions of the bill, there will be a minority impact, specifically to Blacks. Blacks comprise approximately 3.4% of the Iowa population but represent approximately 27.3% of the convictions impacted under this bill.

**Sources**

Department of Public Health  
Department of Transportation  
LSA Analysis and Calculations  
Office of National Drug Control Policy  
Department of Public Safety  
State Court Administrator's Office  
Criminal Justice and Juvenile Planning Board

/s/ Holly M. Lyons

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April 26, 2016

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The fiscal note for this bill was prepared pursuant to [Joint Rule 17](#) and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.

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REPORT OF THE CONFERENCE COMMITTEE  
ON SENATE FILE 2324

To the President of the Senate and the Speaker of the House of Representatives:

We, the undersigned members of the conference committee appointed to resolve the differences between the Senate and House of Representatives on Senate File 2324, a bill for an Act relating to and making appropriations to state departments and agencies from the rebuild Iowa infrastructure fund, the state bond repayment fund, the technology reinvestment fund, and the prison bonding fund, providing for related matters, and including effective date and retroactive applicability provisions, respectfully make the following report:

1. That the House recedes from its amendment, S-5174.

2. That Senate File 2324, as amended, passed, and reprinted by the Senate, is amended to read as follows:

1. Page 1, by striking lines 10 through 14 and inserting:  
<For major maintenance projects:>

CCS-2324

2. Page 1, by striking line 16 and inserting:

<..... \$ 9,489,237>

3. Page 1, by striking lines 23 through 30 and inserting:

<In addition, of the moneys appropriated in this subsection, the department should give priority to projects that address health and safety issues of Iowa law enforcement academy facilities.>

4. Page 2, by striking line 4 and inserting:

<..... \$ 5,200,000>

5. Page 2, line 17, by striking <\$450,000> and inserting <\$225,000>

6. Page 4, by striking lines 31 through 34.

7. Page 5, line 18, by striking <35,000> and inserting <28,000>

8. Page 6, by striking lines 14 through 33.

9. Page 7, by striking line 12 and inserting:

<..... \$ 1,000,000>

10. Page 7, by striking lines 16 through 20.

11. Page 8, by striking line 24 and inserting:

<..... \$ 2,500,000>

12. Page 8, by striking line 35 and inserting:

<..... \$ 1,500,000>

13. Page 9, before line 1 by inserting:

<d. For infrastructure improvements at the commercial service airports within the state:

FY 2016-2017:

..... \$ 1,440,000>

14. By striking page 11, line 31, through page 12, line 2.

15. Page 12, by striking line 30 and inserting:

<..... \$ 300,000>

16. Page 14, after line 1 by inserting:

<As a condition of receiving the appropriation provided in this subsection, the department shall not expend any moneys to pay an owners' representative fee related to the repair and

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renovation of the dome of the Iowa state capitol.

Of the moneys appropriated in this subsection, the department shall be authorized to expend such amount as is necessary for the costs of installing outdoor lighting at the Iowa state capitol.>

17. Page 14, by striking lines 2 through 19 and inserting:

<2. JUDICIAL BRANCH

For furniture and equipment for the Polk county justice center:

..... \$ 6,718,443>

18. Page 14, after line 31 by inserting:

<Sec. \_\_\_\_ . 2011 Iowa Acts, chapter 133, section 4, as amended by 2015 Iowa Acts, chapter 139, section 8, is amended to read as follows:

SEC. 4. REVERSION.

1. Except as provided in ~~subsection~~ subsections 2 and 3, for purposes of section 8.33, unless specifically provided otherwise, unencumbered or unobligated moneys made from an appropriation in this division of this Act shall not revert but shall remain available for expenditure for the purposes designated until the close of the fiscal year that ends three years after the end of the fiscal year for which the appropriation is made. However, if the project or projects for which such appropriation was made are completed in an earlier fiscal year, unencumbered or unobligated moneys shall revert at the close of that same fiscal year.

2. For purposes of section 8.33, unless specifically provided otherwise, moneys appropriated in section 3, subsection 8, paragraph "b", of this division of this Act as amended by 2012 Iowa Acts, chapter 1140, section 18, that remain unencumbered or unobligated at the close of the fiscal year beginning July 1, 2014, shall not revert but shall remain available for the purpose designated until the close of the fiscal year that begins July 1, 2016, or until the project for

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which the appropriation was made is completed, whichever is earlier.

3. Of the moneys appropriated in section 3, subsection 5, paragraph "a", of this division of this 2011 Act as amended by 2012 Iowa Acts, chapter 1140, section 17, and 2013 Iowa Acts, chapter 142, section 47, on June 30, 2016, an amount equal to \$2,992,416 shall be transferred to the rebuild Iowa infrastructure fund created in section 8.57.>

19. Page 15, after line 31 by inserting:

<Sec. \_\_\_\_\_. 2014 Iowa Acts, chapter 1136, section 1, subsection 7, paragraph c, is amended to read as follows:

c. For the construction of a new facility and an addition, renovation, and modernization of current facilities and related improvements for biosciences at Iowa state university of science and technology:

FY 2015-2016:	
.....	\$ 11,000,000
FY 2016-2017:	
.....	\$ <del>19,500,000</del>
	<u>15,500,000</u>
FY 2017-2018:	
.....	\$ <del>19,500,000</del>
	<u>23,500,000&gt;</u>

20. By striking page 15, line 32, through page 16, line 6.

21. Page 16, by striking lines 27 through 35.

22. By striking page 19, line 32, through page 20, line 4.

23. By striking page 20, line 30, through page 21, line 6.

24. Page 21, by striking lines 21 through 26 and inserting:

<Sec. \_\_\_\_\_. REBUILD IOWA INFRASTRUCTURE FUND — FUTURE APPROPRIATIONS. It is the intent of the general assembly that future appropriations from the rebuild Iowa infrastructure fund should be used, to the greatest extent possible, for public vertical infrastructure projects that involve major maintenance of state government facilities necessary for the

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proper functioning of state government.>

25. By renumbering, redesignating, and correcting internal references as necessary.

ON THE PART OF THE SENATE:

ON THE PART OF THE HOUSE:

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MATT McCOY, CHAIRPERSON

---

DAN HUSEMAN, CHAIRPERSON

---

TOD R. BOWMAN

---

DENNIS COHOON

---

JANET PETERSEN

---

STEVE HOLT

---

JIM LYKAM

---

GUY VANDER LINDEN