

**EIGHTY-SEVENTH GENERAL ASSEMBLY
2017 REGULAR SESSION
DAILY
HOUSE CLIP SHEET**

APRIL 24, 2017

HOUSE FILE 478

H-1451

1 Amend the amendment, H-1445, to the Senate amendment,
2 H-1438, to House File 478, as amended, passed, and reprinted by
3 the House, as follows:

4 1. Page 1, after line 4 by inserting:

5 <Sec. _____. Section 427.1, subsection 21A, Code 2017, is
6 amended to read as follows:

7 21A. Dwelling unit property owned by community housing
8 development organization.

9 a. Dwelling unit property owned and managed by a community
10 housing development organization, as recognized by the state
11 of Iowa and the federal government pursuant to criteria
12 for community housing development organization designation
13 contained in the HOME program of the federal National
14 Affordable Housing Act of 1990, if the organization is also a
15 nonprofit organization exempt from federal income tax under
16 section 501(c)(3) of the Internal Revenue Code and owns and
17 manages more than one hundred fifty dwelling units that are
18 located in a city with a population of more than one hundred
19 ten thousand.

20 b. For assessment years beginning on or after January
21 1, 2018, dwelling unit property that is constructed or
22 substantially rehabilitated on or after July 1, 2017, is
23 eligible for the exemption under this subsection if such
24 property is owned, managed, or controlled by a community
25 housing development organization that is a nonprofit
26 organization exempt from federal income tax under section
27 501(c)(3) of the Internal Revenue Code, that meets the federal
28 HOME program community housing development organization
29 designation criteria, and that owns and manages more than one
30 hundred fifty dwelling units. The exemption authorized under
31 this paragraph shall be allowed for each eligible property
32 unless specifically disapproved by resolution of the city
33 council for property located in a city or by resolution of the
34 board of supervisors for property located in the unincorporated
35 area of a county.

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1 c. For the ~~2005 and 2006~~ assessment years beginning January
2 1, 2005, and January 1, 2006, an application is not required
3 to be filed to receive the exemption. For the assessment year
4 beginning January 1, 2007, and subsequent assessment years,
5 an application for exemption must be filed with the assessing
6 authority not later than February 1 of the assessment year for
7 which the exemption is sought. Upon the filing and allowance
8 of the claim, the claim shall be allowed on the property for
9 successive years without further filing as long as the property
10 continues to qualify for the exemption.>

11 2. Page 4, before line 8 by inserting:

12 <__. Page 17, after line 30 by inserting:

13 <Sec. __. IMPLEMENTATION. Section 25B.7 shall not apply to
14 the amendment to section 427.1, subsection 21A, in this Act.>>

15 3. By renumbering as necessary.

By HALL of Woodbury

HOUSE FILE 524

H-1461

1 Amend the Senate amendment, H-1341, to House File 524, as
2 amended, passed, and reprinted by the House, as follows:

3 1. Page 1, by striking lines 1 through 7 and inserting:

4 <Amend House File 524, as amended, passed, and reprinted by
5 the House, as follows:

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

8 <Section 1. NEW SECTION. 124.201A Cannabidiol
9 investigational product ---- rules.

10 1. If a cannabidiol investigational product approved as
11 a prescription drug medication by the United States food and
12 drug administration is eliminated from or revised in the
13 federal schedule of controlled substances by the federal drug
14 enforcement agency and notice of the elimination or revision
15 is given to the board, the board shall similarly eliminate
16 or revise the prescription drug medication in the schedule
17 of controlled substances under this chapter. Such action by
18 the board shall be immediately effective upon the date of
19 publication of the final regulation containing the elimination
20 or revision in the federal register.

21 2. The board shall adopt rules pursuant to chapter 17A
22 to administer this section. The board may adopt rules on an
23 emergency basis as provided in section 17A.4, subsection 3, and
24 section 17A.5, subsection 2, to administer this section, and
25 the rules shall be effective immediately upon filing unless
26 a later date is specified in the rules. Any emergency rules
27 adopted in accordance with this section shall also be published
28 as a notice of intended action as provided in section 17A.4,
29 subsection 1.

30 Sec. 2. Section 124.401, subsection 5, unnumbered paragraph
31 3, Code 2017, is amended to read as follows:

32 A person may knowingly or intentionally recommend, possess,
33 use, dispense, deliver, transport, or administer cannabidiol
34 if the recommendation, possession, use, dispensing, delivery,
35 transporting, or administering is in accordance with the

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1 provisions of chapter ~~124D~~ 124E. For purposes of this
2 paragraph, "cannabidiol" means the same as defined in section
3 ~~124D.2~~ 124E.2.

4 Sec. 3. Section 124.553, subsection 8, Code 2017, is amended
5 to read as follows:

6 8. The board may enter into an agreement with a prescription
7 database or monitoring program operated in ~~a state bordering~~
8 ~~this state or in the state of Kansas~~ any state for the mutual
9 exchange of information. Any agreement entered into pursuant
10 to this subsection shall specify that all the information
11 exchanged pursuant to the agreement shall be used and
12 disseminated in accordance with the laws of this state.

13 Sec. 4. NEW SECTION. 124E.1 Short title.

14 This chapter shall be known and may be cited as the "Medical
15 Cannabidiol Act".

16 Sec. 5. NEW SECTION. 124E.2 Definitions.

17 As used in this chapter:

18 1. "Bordering state" means the same as defined in section
19 331.910.

20 2. "Debilitating medical condition" means any of the
21 following:

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

24 (1) Severe or chronic pain.

25 (2) Nausea or severe vomiting.

26 (3) Cachexia or severe wasting.

27 b. Multiple sclerosis with severe and persistent muscle
28 spasms.

29 c. Seizures, including those characteristic of epilepsy.

30 d. AIDS or HIV as defined in section 141A.1.

31 e. Crohn's disease.

32 f. Amyotrophic lateral sclerosis.

33 g. Any terminal illness, with a probable life expectancy of
34 under one year, if the illness or its treatment produces one or
35 more of the following:

- 1 (1) Severe or chronic pain.
- 2 (2) Nausea or severe vomiting.
- 3 (3) Cachexia or severe wasting.
- 4 h. Parkinson's disease.
- 5 i. Untreatable pain.
- 6 3. "Department" means the department of public health.
- 7 4. "Disqualifying felony offense" means a violation under
- 8 federal or state law of a felony under federal or state law,
- 9 which has as an element the possession, use, or distribution of
- 10 a controlled substance, as defined in 21 U.S.C. {802(6).
- 11 5. "Health care practitioner" means an individual licensed
- 12 under chapter 148 to practice medicine and surgery or
- 13 osteopathic medicine and surgery who is a patient's primary
- 14 care provider. "Health care practitioner" shall not include a
- 15 physician assistant licensed under chapter 148C or an advanced
- 16 registered nurse practitioner licensed pursuant to chapter 152
- 17 or 152E.
- 18 6. "Medical cannabidiol" means any pharmaceutical
- 19 grade cannabinoid found in the plant Cannabis sativa L. or
- 20 Cannabis indica or any other preparation thereof that has
- 21 a tetrahydrocannabinol level of no more than three percent
- 22 and that is delivered in a form recommended by the medical
- 23 cannabidiol board, approved by the board of medicine, and
- 24 adopted by the department pursuant to rule.
- 25 7. "Primary caregiver" means a person who is a resident of
- 26 this state or a bordering state as defined in section 331.910,
- 27 including but not limited to a parent or legal guardian, at
- 28 least eighteen years of age, who has been designated by a
- 29 patient's health care practitioner as a necessary caretaker
- 30 taking responsibility for managing the well-being of the
- 31 patient with respect to the use of medical cannabidiol pursuant
- 32 to the provisions of this chapter.
- 33 8. "Untreatable pain" means any pain whose cause cannot be
- 34 removed and, according to generally accepted medical practice,
- 35 the full range of pain management modalities appropriate for

1 the patient has been used without adequate result or with
2 intolerable side effects.

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

8 Sec. 6. NEW SECTION. 124E.3 Health care practitioner
9 certification ---- duties.

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

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

20 b. Provide explanatory information as provided by the
21 department to the patient about the therapeutic use of medical
22 cannabidiol and the possible risks, benefits, and side effects
23 of the proposed treatment.

24 2. Subsequently, the health care practitioner shall do the
25 following:

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

29 b. Otherwise comply with all requirements established by the
30 department pursuant to rule.

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

33 Sec. 7. NEW SECTION. 124E.4 Medical cannabidiol
34 registration card.

35 1. Issuance to patient. Subject to subsection 7, the

1 department may approve the issuance of a medical cannabidiol
2 registration card by the department of transportation to a
3 patient who:
4 a. Is at least eighteen years of age.
5 b. Is a permanent resident of this state.
6 c. Submits a written certification to the department signed
7 by the patient's health care practitioner that the patient is
8 suffering from a debilitating medical condition.
9 d. Submits an application to the department, on a form
10 created by the department, in consultation with the department
11 of transportation, that contains all of the following:
12 (1) The patient's full name, Iowa residence address, date
13 of birth, and telephone number.
14 (2) A copy of the patient's valid photograph
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, and
19 telephone number of each primary caregiver of the patient, if
20 any.
21 (5) Any other information required by rule.
22 e. Submits a medical cannabidiol registration card fee of
23 one hundred dollars to the department. If the patient attests
24 to receiving social security disability benefits, supplemental
25 security insurance payments, or being enrolled in the medical
26 assistance program, the fee shall be twenty-five dollars.
27 f. Has not been convicted of a disqualifying felony offense.
28 2. Patient card contents. A medical cannabidiol
29 registration card issued to a patient by the department of
30 transportation pursuant to subsection 1 shall contain, at a
31 minimum, all of the following:
32 a. The patient's full name, Iowa residence address, and date
33 of birth.
34 b. The patient's photograph.
35 c. The date of issuance and expiration date of the medical

- 1 cannabidiol registration card.
- 2 d. Any other information required by rule.
- 3 3. Issuance to primary caregiver. For a patient in a
- 4 primary caregiver's care, subject to subsection 7, the
- 5 department may approve the issuance of a medical cannabidiol
- 6 registration card by the department of transportation to the
- 7 primary caregiver who:
 - 8 a. Submits a written certification to the department signed
 - 9 by the patient's health care practitioner that the patient in
 - 10 the primary caregiver's care is suffering from a debilitating
 - 11 medical condition.
 - 12 b. Submits an application to the department, on a form
 - 13 created by the department, in consultation with the department
 - 14 of transportation, that contains all of the following:
 - 15 (1) The primary caregiver's full name, residence address,
 - 16 date of birth, and telephone number.
 - 17 (2) The patient's full name.
 - 18 (3) A copy of the primary caregiver's valid photograph
 - 19 identification.
 - 20 (4) Full name, address, and telephone number of the
 - 21 patient's health care practitioner.
 - 22 (5) Any other information required by rule.
 - 23 c. Has not been convicted of a disqualifying felony offense.
 - 24 d. Submits a medical cannabidiol registration card fee of
 - 25 twenty-five dollars to the department.
- 26 4. Primary caregiver card contents. A medical cannabidiol
- 27 registration card issued by the department of transportation to
- 28 a primary caregiver pursuant to subsection 3 shall contain, at
- 29 a minimum, all of the following:
 - 30 a. The primary caregiver's full name, residence address, and
 - 31 date of birth.
 - 32 b. The primary caregiver's photograph.
 - 33 c. The date of issuance and expiration date of the
 - 34 registration card.
 - 35 d. The medical cannabidiol registration card number of each

1 patient in the primary caregiver's care. If the patient in the
2 primary caregiver's care is under the age of eighteen, the full
3 name of the patient's parent or legal guardian.

4 e. Any other information required by rule.

5 5. Expiration date of card. A medical cannabidiol
6 registration card issued pursuant to this section shall expire
7 one year after the date of issuance and may be renewed.

8 6. Card issuance ---- department of transportation. The
9 department may enter into a chapter 28E agreement with the
10 department of transportation to facilitate the issuance of
11 medical cannabidiol registration cards pursuant to subsections
12 1 and 3.

13 7. Federally approved clinical trials. The department shall
14 not approve the issuance of a medical cannabidiol registration
15 card pursuant to this section for a patient who is enrolled
16 in a federally approved clinical trial for the treatment of a
17 debilitating medical condition with medical cannabidiol.

18 Sec. 8. NEW SECTION. 124E.4A Medical cannabidiol board ----
19 duties.

20 1. a. A medical cannabidiol board is created consisting of
21 eight practitioners representing the fields of neurology, pain
22 management, gastroenterology, oncology, psychiatry, pediatrics,
23 family medicine, and pharmacy, and one representative from law
24 enforcement.

25 b. The practitioners shall be licensed in this state and
26 nationally board-certified in their area of specialty and
27 knowledgeable about the use of medical cannabidiol.

28 c. Applicants for membership on the board shall submit a
29 membership application to the department and the governor shall
30 appoint members from the applicant pool.

31 d. For purposes of this subsection, "representative from
32 law enforcement" means a regularly employed member of a police
33 force of a city or county, including a sheriff, or of the state
34 patrol, in this state, who is responsible for the prevention
35 and detection of crime and the enforcement of the criminal laws

1 of this state.

2 2. The medical cannabidiol board shall convene at least
3 twice but no more than four times per year.

4 3. The duties of the medical cannabidiol board shall include
5 but not be limited to the following:

6 a. Accepting and reviewing petitions to add medical
7 conditions, medical treatments, or debilitating diseases to the
8 list of debilitating medical conditions for which the medical
9 use of cannabidiol would be medically beneficial under this
10 chapter.

11 b. Making recommendations relating to the removal or
12 addition of debilitating medical conditions to the list of
13 allowable debilitating medical conditions for which the medical
14 use of cannabidiol under this chapter would be medically
15 beneficial.

16 c. Working with the department regarding the requirements
17 for the licensure of medical cannabidiol manufacturers
18 and medical cannabidiol dispensaries, including licensure
19 procedures.

20 d. Advising the department regarding the location of medical
21 cannabidiol manufacturers and medical cannabidiol dispensaries
22 throughout the state.

23 e. Making recommendations relating to the form and quantity
24 of allowable medical uses of cannabidiol.

25 4. Recommendations made by the medical cannabidiol board
26 pursuant to section 3, paragraphs "b" and "e", shall be made to
27 the board of medicine for consideration, and if approved, shall
28 be adopted by the board of medicine by rule.

29 5. On or before January 1 of each year, beginning January
30 1, 2018, the medical cannabidiol board shall submit a report
31 detailing the activities of the board.

32 6. The medical cannabidiol board may recommend a statutory
33 revision to the definition of medical cannabidiol contained in
34 this chapter that increases the tetrahydrocannabinol level to
35 more than three percent, however, any such recommendation shall

1 be submitted to the general assembly during the regular session
2 of the general assembly following such submission. The general
3 assembly shall have the sole authority to revise the definition
4 of medical cannabidiol for purposes of this chapter.

5 Sec. 9. NEW SECTION. 124E.5 Medical cannabidiol
6 manufacturer licensure.

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

15 b. Information submitted during the application process
16 shall be confidential until a medical cannabidiol manufacturer
17 is licensed by the department unless otherwise protected from
18 disclosure under state or federal law.

19 2. As a condition for licensure, a medical cannabidiol
20 manufacturer must agree to begin supplying medical cannabidiol
21 to medical cannabidiol dispensaries in this state no later than
22 December 1, 2018.

23 3. The department shall consider the following factors in
24 determining whether to select and license a medical cannabidiol
25 manufacturer:

26 a. The technical expertise of the medical cannabidiol
27 manufacturer regarding medical cannabidiol.

28 b. The qualifications of the medical cannabidiol
29 manufacturer's employees.

30 c. The long-term financial stability of the medical
31 cannabidiol manufacturer.

32 d. The ability to provide appropriate security measures on
33 the premises of the medical cannabidiol manufacturer.

34 e. Whether the medical cannabidiol manufacturer has
35 demonstrated an ability to meet certain medical cannabidiol

1 production needs for medical use regarding the range of
2 recommended dosages for each debilitating medical condition,
3 the range of chemical compositions of any plant of the genus
4 cannabis that will likely be medically beneficial for each
5 of the debilitating medical conditions, and the form of the
6 medical cannabidiol in the manner determined by the department
7 pursuant to rule.

8 f. The medical cannabidiol manufacturer's projection of
9 and ongoing assessment of fees on patients with debilitating
10 medical conditions.

11 4. The department shall require each medical cannabidiol
12 manufacturer to contract with the state hygienic laboratory at
13 the university of Iowa in Iowa City or an independent medical
14 cannabidiol testing laboratory to perform spot-check testing
15 of the medical cannabidiol produced by the manufacturer as
16 provided in section 124E.6. The department shall require that
17 the laboratory report testing results to the manufacturer in a
18 manner determined by the department pursuant to rule.

19 5. Each entity submitting an application for licensure as
20 a medical cannabidiol manufacturer shall pay a nonrefundable
21 application fee of seven thousand five hundred dollars to the
22 department.

23 Sec. 10. NEW SECTION. 124E.6 Medical cannabidiol
24 manufacturers.

25 1. A medical cannabidiol manufacturer shall contract with
26 the state hygienic laboratory at the university of Iowa in Iowa
27 City or an independent medical cannabidiol testing laboratory
28 to perform spot-check testing of the medical cannabidiol
29 manufactured by the medical cannabidiol manufacturer as to
30 content, contamination, and consistency. The cost of all
31 laboratory testing shall be paid by the medical cannabidiol
32 manufacturer.

33 2. The operating documents of a medical cannabidiol
34 manufacturer shall include all of the following:

35 a. Procedures for the oversight of the medical cannabidiol

1 manufacturer and procedures to ensure accurate recordkeeping.

2 b. Procedures for the implementation of appropriate security
3 measures to deter and prevent the theft of medical cannabidiol
4 and unauthorized entrance into areas containing medical
5 cannabidiol.

6 3. A medical cannabidiol manufacturer shall implement
7 security requirements, including requirements for protection
8 of each location by a fully operational security alarm system,
9 facility access controls, perimeter intrusion detection
10 systems, and a personnel identification system.

11 4. A medical cannabidiol manufacturer shall not share
12 office space with, refer patients to, or have any financial
13 relationship with a health care practitioner.

14 5. A medical cannabidiol manufacturer shall not permit any
15 person to consume medical cannabidiol on the property of the
16 medical cannabidiol manufacturer.

17 6. A medical cannabidiol manufacturer is subject to
18 reasonable inspection by the department.

19 7. A medical cannabidiol manufacturer shall not employ
20 a person who is under eighteen years of age or who has been
21 convicted of a disqualifying felony offense. An employee
22 of a medical cannabidiol manufacturer shall be subject to a
23 background investigation conducted by the division of criminal
24 investigation of the department of public safety and a national
25 criminal history background check.

26 8. A medical cannabidiol manufacturer owner shall not have
27 been convicted of a disqualifying felony offense and shall be
28 subject to a background investigation conducted by the division
29 of criminal investigation of the department of public safety
30 and a national criminal history background check.

31 9. A medical cannabidiol manufacturer shall not operate at
32 the same physical location as a medical cannabidiol dispensary.

33 10. A medical cannabidiol manufacturer shall not operate
34 in any location, whether for manufacturing, possessing,
35 cultivating, harvesting, transporting, packaging, processing,

1 or supplying, within one thousand feet of a public or private
2 school existing before the date of the medical cannabidiol
3 manufacturer's licensure by the department.

4 11. A medical cannabidiol manufacturer shall comply
5 with reasonable restrictions set by the department relating
6 to signage, marketing, display, and advertising of medical
7 cannabidiol.

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

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

15 c. A medical cannabidiol manufacturer shall not manufacture
16 edible medical cannabidiol products.

17 Sec. 11. NEW SECTION. 124E.7 Medical cannabidiol dispensary
18 licensure.

19 1. a. The department shall issue a request for proposals
20 to select and license by April 1, 2018, up to five medical
21 cannabidiol dispensaries to dispense medical cannabidiol within
22 this state consistent with the provisions of this chapter. The
23 department shall license new medical cannabidiol dispensaries
24 or relicense the existing medical cannabidiol dispensaries by
25 December 1 of each year.

26 b. Information submitted during the application process
27 shall be confidential until a medical cannabidiol dispensary
28 is licensed by the department unless otherwise protected from
29 disclosure under state or federal law.

30 2. As a condition for licensure, a medical cannabidiol
31 dispensary must agree to begin supplying medical cannabidiol to
32 patients by December 1, 2018.

33 3. The department shall consider the following factors in
34 determining whether to select and license a medical cannabidiol
35 dispensary:

- 1 a. The technical expertise of the medical cannabidiol
- 2 dispensary regarding medical cannabidiol.
- 3 b. The qualifications of the medical cannabidiol
- 4 dispensary's employees.
- 5 c. The long-term financial stability of the medical
- 6 cannabidiol dispensary.
- 7 d. The ability to provide appropriate security measures on
- 8 the premises of the medical cannabidiol dispensary.
- 9 e. The medical cannabidiol dispensary's projection and
- 10 ongoing assessment of fees for the purchase of medical
- 11 cannabidiol on patients with debilitating medical conditions.
- 12 4. Each entity submitting an application for licensure as
- 13 a medical cannabidiol dispensary shall pay a nonrefundable
- 14 application fee of five thousand dollars to the department.

15 Sec. 12. NEW SECTION. 124E.8 Medical cannabidiol

16 dispensaries.

- 17 1. a. The medical cannabidiol dispensaries shall be located
- 18 based on geographical need throughout the state to improve
- 19 patient access.

- 20 b. A medical cannabidiol dispensary may dispense medical
- 21 cannabidiol pursuant to the provisions of this chapter but
- 22 shall not dispense any medical cannabidiol in a form or
- 23 quantity other than the form or quantity allowed by the
- 24 department pursuant to rule.

- 25 2. The operating documents of a medical cannabidiol
- 26 dispensary shall include all of the following:

- 27 a. Procedures for the oversight of the medical cannabidiol
- 28 dispensary and procedures to ensure accurate recordkeeping.

- 29 b. Procedures for the implementation of appropriate security
- 30 measures to deter and prevent the theft of medical cannabidiol
- 31 and unauthorized entrance into areas containing medical
- 32 cannabidiol.

- 33 3. A medical cannabidiol dispensary shall implement
- 34 security requirements, including requirements for protection
- 35 by a fully operational security alarm system, facility

1 access controls, perimeter intrusion detection systems, and a
2 personnel identification system.

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

6 5. A medical cannabidiol dispensary shall not permit any
7 person to consume medical cannabidiol on the property of the
8 medical cannabidiol dispensary.

9 6. A medical cannabidiol dispensary is subject to
10 reasonable inspection by the department.

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

18 8. A medical cannabidiol dispensary owner shall not have
19 been convicted of a disqualifying felony offense and shall be
20 subject to a background investigation conducted by the division
21 of criminal investigation of the department of public safety
22 and a national criminal history background check.

23 9. A medical cannabidiol dispensary shall not operate at the
24 same physical location as a medical cannabidiol manufacturer.

25 10. A medical cannabidiol dispensary shall not operate in
26 any location within one thousand feet of a public or private
27 school existing before the date of the medical cannabidiol
28 dispensary's licensure by the department.

29 11. A medical cannabidiol dispensary shall comply with
30 reasonable restrictions set by the department relating to
31 signage, marketing, display, and advertising of medical
32 cannabidiol.

33 12. Prior to dispensing of any medical cannabidiol, a
34 medical cannabidiol dispensary shall do all of the following:

35 a. Verify that the medical cannabidiol dispensary has

1 received a valid medical cannabidiol registration card from a
2 patient or a patient's primary caregiver, if applicable.

3 b. Assign a tracking number to any medical cannabidiol
4 dispensed from the medical cannabidiol dispensary.

5 c. Properly package medical cannabidiol in compliance
6 with federal law regarding child resistant packaging and
7 exemptions for packaging for elderly patients, and label
8 medical cannabidiol with a list of all active ingredients and
9 individually identifying information.

10 Sec. 13. NEW SECTION. 124E.9 Fees.

11 Medical cannabidiol registration card fees and medical
12 cannabidiol manufacturer and medical cannabidiol dispensary
13 application and annual fees collected by the department
14 pursuant to this chapter shall be retained by the department,
15 shall be considered repayment receipts as defined in section
16 8.2, and shall be used for the purpose of regulating medical
17 cannabidiol manufacturers and medical cannabidiol dispensaries,
18 for the cost of salaries for two agents of the division of
19 criminal investigation of the department of public safety
20 to inspect medical cannabidiol manufacturers and medical
21 cannabidiol dispensaries, and for other expenses necessary for
22 the administration of this chapter.

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

24 1. a. The department shall maintain a confidential file
25 of the names of each patient to or for whom the department
26 issues a medical cannabidiol registration card and the name of
27 each primary caregiver to whom the department issues a medical
28 cannabidiol registration card under section 124E.4.

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

32 (1) Information in the confidential file maintained
33 pursuant to paragraph "a" may be released on an individual basis
34 to the following persons under the following circumstances:

35 (a) To authorized employees or agents of the department and

1 the department of transportation as necessary to perform the
2 duties of the department and the department of transportation
3 pursuant to this chapter.

4 (b) To authorized employees of law enforcement agencies
5 of a state or political subdivision thereof, but only for the
6 purpose of verifying that a person is lawfully in possession
7 of a medical cannabidiol registration card issued pursuant to
8 this chapter.

9 (c) To authorized employees of a medical cannabidiol
10 dispensary, but only for the purpose of verifying that a person
11 is lawfully in possession of a medical cannabidiol registration
12 card issued pursuant to this chapter.

13 (d) To any other authorized persons recognized by the
14 department by rule, but only for the purpose of verifying that
15 a person is lawfully in possession of a medical cannabidiol
16 registration card issued pursuant to this chapter.

17 (2) Release of information pursuant to subparagraph
18 (1) shall be consistent with the federal Health Insurance
19 Portability and Accountability Act of 1996, Pub. L. No.
20 104-191.

21 2. The department shall adopt rules pursuant to chapter
22 17A to administer this chapter which shall include but not be
23 limited to rules to do all of the following:

24 a. Govern the manner in which the department shall
25 consider applications for new and renewal medical cannabidiol
26 registration cards.

27 b. Ensure that the medical cannabidiol registration card
28 program operates on a self-sustaining basis.

29 c. Establish the form and quantity of medical cannabidiol
30 allowed to be dispensed to a patient or primary caregiver
31 pursuant to this chapter as appropriate to serve the medical
32 needs of patients with debilitating medical conditions, subject
33 to recommendation by the medical cannabidiol board and approval
34 by the board of medicine.

35 d. Establish requirements for the licensure of medical

1 cannabidiol manufacturers and medical cannabidiol dispensaries
2 and set forth procedures for medical cannabidiol manufacturers
3 and medical cannabidiol dispensaries to obtain licenses.

4 e. Develop a dispensing system for medical cannabidiol
5 within this state that provides for all of the following:

6 (1) Medical cannabidiol dispensaries within this state
7 housed on secured grounds and operated by licensed medical
8 cannabidiol dispensaries.

9 (2) The dispensing of medical cannabidiol to patients and
10 their primary caregivers to occur at locations designated by
11 the department.

12 f. Establish and collect annual fees from medical
13 cannabidiol manufacturers and medical cannabidiol dispensaries
14 to cover the costs associated with regulating and inspecting
15 medical cannabidiol manufacturers and medical cannabidiol
16 dispensaries.

17 g. Specify and implement procedures that address public
18 safety including security procedures and product quality
19 including measures to ensure contaminant-free cultivation of
20 medical cannabidiol, safety, and labeling.

21 h. Establish and implement a real-time, statewide
22 medical cannabidiol registry management sale tracking system
23 that is available to medical cannabidiol dispensaries on a
24 twenty-four-hour-a-day, seven-day-a-week basis for the purpose
25 of verifying that a person is lawfully in possession of a
26 medical cannabidiol registration card issued pursuant to this
27 chapter and for tracking the date of the sale and quantity
28 of medical cannabidiol purchased by a patient or a primary
29 caregiver.

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

34 Sec. 15. NEW SECTION. 124E.11 Use of medical cannabidiol
35 ---- affirmative defenses.

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

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

14 3. A medical cannabidiol dispensary, including any
15 authorized agent or employee thereof, shall not be subject to
16 prosecution for dispensing medical cannabidiol pursuant to this
17 chapter.

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

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

1 is in possession of a valid medical cannabidiol registration
2 card issued pursuant to this chapter, and where the primary
3 caregiver's possession of the medical cannabidiol is on behalf
4 of the patient and for the patient's use only as authorized
5 under this chapter.

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

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

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

32 7. Notwithstanding any law to the contrary, the department,
33 the department of transportation, the governor, or any employee
34 of any state agency shall not be held civilly or criminally
35 liable for any injury, loss of property, personal injury, or

1 death caused by any act or omission while acting within the
2 scope of office or employment as authorized under this chapter.

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

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

17 Sec. 16. NEW SECTION. 12E.12 Medical cannabidiol source.

18 Medical cannabidiol provided exclusively pursuant to a
19 written certification of a health care practitioner, if not
20 legally available in this state or from any other bordering
21 state, shall be obtained from an out-of-state source.

22 Sec. 17. NEW SECTION. 124E.13 Out-of-state medical
23 cannabidiol dispensaries.

24 The department of public health shall utilize a request for
25 proposals process to select and license by December 1, 2017,
26 up to two out-of-state medical cannabidiol dispensaries from a
27 bordering state to sell and dispense medical cannabidiol to a
28 patient or primary caregiver in possession of a valid medical
29 cannabidiol registration card issued under this chapter.

30 Sec. 18. NEW SECTION. 124E.14 Iowa patients and primary
31 caregivers registering in the state of Minnesota.

32 A patient or a primary caregiver with a valid medical
33 cannabidiol registration card issued pursuant to this chapter
34 may register in the state of Minnesota as a visiting qualified
35 patient or primary caregiver and may register with one or more

1 medical cannabis manufacturers registered under the laws of
2 Minnesota.

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

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

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

12 Sec. 20. NEW SECTION. 124E.16 Use of medical cannabidiol ----
13 smoking prohibited.

14 A patient shall not consume medical cannabidiol possessed
15 or used as authorized under this chapter by smoking medical
16 cannabidiol.

17 Sec. 21. NEW SECTION. 124E.17 Reciprocity.

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

26 Sec. 22. Section 730.5, subsection 11, Code 2017, is amended
27 by adding the following new paragraph:

28 NEW PARAGRAPH. f. Testing or taking action against an
29 individual with a confirmed positive test result due to the
30 individual's use of medical cannabidiol as authorized under
31 chapter 124E.

32 Sec. 23. REPEAL. Chapter 124D, Code 2017, is repealed.

33 Sec. 24. TRANSITION PROVISIONS. A medical cannabidiol
34 registration card issued under chapter 124D prior to the
35 effective date of this Act, remains effective and continues

1 in effect as issued for the twelve-month period following its
2 issuance. This Act does not preclude the medical cannabidiol
3 registration cardholder from seeking to renew the holder's
4 medical cannabidiol registration card under this Act prior to
5 the expiration of the twelve-month period.

6 Sec. 25. EFFECTIVE UPON ENACTMENT. This Act, being of
7 immediate importance, takes effect upon enactment.>

8 2. Title page, by striking lines 1 through 3 and inserting
9 <An Act relating to medical cannabidiol and prescription drugs,
10 including the establishment of the medical cannabidiol Act, the
11 federal scheduling of a cannabidiol investigational product,
12 and the exchange of prescription drug information, providing
13 for civil and criminal penalties and fees, and including
14 effective date provisions.>>

By KLEIN of Washington

HOUSE FILE 573

H-1454

1 Amend the Senate amendment, H-1443, to House File 573, as
2 passed by the House, as follows:

3 1. Page 1, after line 18 by inserting:

4 <Sec. _____. Section 423.2, subsection 11, paragraph b,
5 subparagraph (3), Code 2017, is amended to read as follows:

6 (3) Transfer one-sixth of the remaining revenues to the
7 secure an advanced vision for education fund created in section
8 423F.2. This subparagraph (3) is repealed ~~December 31, 2029~~
9 January 1, 2050.

10 Sec. _____. Section 423.2, subsection 14, Code 2017, is
11 amended to read as follows:

12 14. The sales tax rate of six percent is reduced to five
13 percent on January 1, ~~2030~~ 2050.

14 Sec. _____. Section 423.5, subsection 5, Code 2017, is amended
15 to read as follows:

16 5. The use tax rate of six percent is reduced to five
17 percent on January 1, ~~2030~~ 2050.

18 Sec. _____. Section 423.43, subsection 1, paragraph b, Code
19 2017, is amended to read as follows:

20 b. Subsequent to the deposit into the general fund of
21 the state and after the transfer of such revenues collected
22 under chapter 423B, the department shall transfer one-sixth of
23 such remaining revenues to the secure an advanced vision for
24 education fund created in section 423F.2. This paragraph is
25 repealed ~~December 31, 2029~~ January 1, 2050.

26 Sec. _____. Section 423F.6, Code 2017, is amended to read as
27 follows:

28 423F.6 Repeal.

29 This chapter is repealed ~~December 31, 2029~~ January 1, 2050.

30 _____. Title page, line 3, after <assembly,> by inserting
31 <to related sales taxes devoted for school infrastructure
32 purposes,>>

33 2. By renumbering as necessary.

By NIELSEN of Johnson

H-1454 FILED APRIL 25, 2017

HOUSE FILE 655

H-1455

1 Amend House File 655 as follows:

2 1. Page 1, before line 1 by inserting:

3 <Section 1. Section 423.2, subsection 11, paragraph b,
4 subparagraph (3), Code 2017, is amended to read as follows:

5 (3) Transfer one-sixth of the remaining revenues to the
6 secure an advanced vision for education fund created in section
7 423F.2. This subparagraph (3) is repealed ~~December 31, 2029~~
8 January 1, 2050.

9 Sec. _____. Section 423.2, subsection 14, Code 2017, is
10 amended to read as follows:

11 14. The sales tax rate of six percent is reduced to five
12 percent on January 1, ~~2030~~ 2050.

13 Sec. _____. Section 423.5, subsection 5, Code 2017, is amended
14 to read as follows:

15 5. The use tax rate of six percent is reduced to five
16 percent on January 1, ~~2030~~ 2050.

17 Sec. _____. Section 423.43, subsection 1, paragraph b, Code
18 2017, is amended to read as follows:

19 b. Subsequent to the deposit into the general fund of
20 the state and after the transfer of such revenues collected
21 under chapter 423B, the department shall transfer one-sixth of
22 such remaining revenues to the secure an advanced vision for
23 education fund created in section 423F.2. This paragraph is
24 repealed ~~December 31, 2029~~ January 1, 2050.>

25 2. Page 14, after line 4 by inserting:

26 <Sec. _____. Section 423F.6, Code 2017, is amended to read as
27 follows:

28 423F.6 Repeal.

29 This chapter is repealed ~~December 31, 2029~~ January 1, 2050.>

30 3. Title page, line 1, by striking <local option>

31 4. By renumbering as necessary.

By NIELSEN of Johnson	KURTH of Scott
ABDUL-SAMAD of Polk	LENSING of Johnson
ANDERSON of Polk	MASCHER of Johnson
BEARINGER of Fayette	McCONKEY of Pottawattamie
BENNETT of Linn	MEYER of Polk
BRECKENRIDGE of Jasper	MILLER of Webster
BROWN-POWERS of Black Hawk	OLDSON of Polk
COHOON of Des Moines	OLSON of Polk
FINKENAUER of Dubuque	OURTH of Warren
FORBES of Polk	PRICHARD of Floyd
GAINES of Polk	RUNNING-MARQUARDT of Linn
GASKILL of Wapello	M. SMITH of Marshall
HALL of Woodbury	R. SMITH of Black Hawk
HANSON of Jefferson	STAED of Linn
HEDDENS of Story	STECKMAN of Cerro Gordo
ISENHART of Dubuque	T. TAYLOR of Linn
JACOBY of Johnson	THEDE of Scott
KACENA of Woodbury	WESSEL-KROESCHELL of Story
KEARNS of Lee	WINCKLER of Scott
KRESSIG of Black Hawk	WOLFE of Clinton

HOUSE FILE 655

H-1457

1 Amend House File 655 as follows:

2 1. Page 1, before line 1 by inserting:

3 <DIVISION
4 LOCAL OPTION SALES AND SERVICES TAXES>

5 2. Page 13, line 23, after <this> by inserting <division of
6 this>

7 3. Page 14, line 5, after <This> by inserting <division of
8 this>

9 4. Page 14, line 7, after <this> by inserting <division of
10 this>

11 5. Page 14, after line 10 by inserting:

12 <DIVISION
13 GOVERNANCE OF CERTAIN WATER UTILITIES

14 Sec. ____ . NEW SECTION. 388.12 Water utility board
15 discontinuance and dissolution ---- governing body provisions.

16 1. Notwithstanding the provisions of section 388.2 to the
17 contrary, upon the effective date of this division of this
18 Act, the board of water works trustees of a water utility
19 in cities in a statistical area described in subsection
20 5, with a population greater than thirty-nine thousand as
21 determined by the most recent federal decennial census, shall
22 be discontinued, dissolved, and shall cease to be the governing
23 body of the water utility and the city councils of the cities
24 described in this subsection shall thereafter be the governing
25 bodies of the water utilities and the city councils of the
26 cities shall have all the powers and authorities of the city
27 with respect to the acquisition by purchase, condemnation, or
28 otherwise lease, sale, or other disposition of the property and
29 facilities of the water utility, and the management, control,
30 and operation of all facets of the water utility, subject to
31 the requirements, terms, covenants, conditions, and provisions
32 of any resolutions authorizing the issuance of revenue bonds,
33 pledge orders, or other obligations which are payable from the
34 revenues of the water utility which are then outstanding. Any
35 property not held in the name of the city as required under

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1 section 388.4, subsection 2, shall be retitled in the name of
2 the appropriate city as soon as legally practicable.

3 2. The city managers employed by the city councils that
4 set the compensation of the members of a board of a water
5 utility under this section shall designate the administrator
6 of a department or administrative division of that city to be
7 the manager of the water supply system in that city subject
8 to the approval of the city council. The administrator
9 designated under this subsection shall not be considered a
10 civil service employee under section 400.17 and shall serve
11 under the control and direction of the city manager of that
12 city. The administrator may be terminated at will, subject to
13 any contract in place on the effective date of this division
14 of this Act.

15 3. On and after the effective date of this division of this
16 Act and continuing until January 1, 2018, a water utility of
17 any city subject to this section is prohibited from expending
18 any moneys or staff time to plan, design, or construct any
19 new water plant or other water-producing facility other than
20 a facility currently under contract for construction or a
21 distribution facility that will transport or store treated
22 water but not produce water.

23 4. Notwithstanding any provision of this section to the
24 contrary, no provision or application of this section shall
25 in any manner restrict or otherwise impair a water utility
26 from performing its obligations and complying with the terms,
27 conditions, covenants, requirements, restrictions of federal
28 or state laws, regulations, or rules, bond resolutions,
29 obligations, or agreements relating to outstanding indebtedness
30 of the water utility, existing chapter 28E agreements and
31 contracts, including without limitation contracts related to
32 the operations, maintenance, repair, or improvements of the
33 water utility.

34 5. The city councils described in this section shall honor
35 all existing water purchase arrangements with the cities and

1 rural water districts which are purchasing water from the water
2 utility prior to the effective date of this division of this
3 Act.

4 6. For the purposes of this section, "water utility" means
5 a city utility that provides water services, that is located in
6 a federally designated standard metropolitan statistical area
7 that has a population greater than five hundred thousand, as
8 shown by the most recent federal decennial census, and that is
9 located entirely within the state.

10 Sec. _____. REGIONAL WATER PRODUCTION UTILITY STUDY
11 COMMITTEE.

12 1. A regional water production utility study committee
13 shall be convened on or before May 1, 2017, to begin
14 discussions regarding the potential for creating a regional
15 water production utility.

16 2. a. The committee shall be comprised of the following
17 members:

18 (1) The mayor of each city that is a member of a waste water
19 reclamation authority.

20 (2) The city manager or city administrator of each city that
21 is a member of a waste water reclamation authority.

22 (3) The general manager of each rural water district that,
23 as of the effective date of this Act, purchases bulk water from
24 water utilities impacted by the Act.

25 (4) The mayor and city manager of a city, if the city's
26 sanitary sewer district is a member of a waste water
27 reclamation authority.

28 b. For the purposes of this subsection, "waste water
29 reclamation authority" shall refer to a waste water reclamation
30 authority that is located in a federally designated standard
31 metropolitan statistical area that has a population greater
32 than five hundred thousand, as shown by the most recent federal
33 decennial census, and that is located entirely within the
34 state.

35 3. An executive committee consisting of one member from each

1 city serving on the study committee with a population in excess
2 of thirty-nine thousand, as determined by the most recent
3 federal decennial census, shall be responsible for developing
4 recommendations on the governance structure and operations of
5 a regional water production utility for consideration by the
6 study committee.

7 4. The study committee shall use all good faith efforts to
8 agree on the governance structure and operation of a potential
9 regional water production utility by December 31, 2017.

10 5. If a city council described in this Act determines that
11 a rate increase is required after the effective date of this
12 Act but before a regional water production utility has been
13 formed and is operating, any such rate increase which is not
14 the same percentage increase for all cities and rural water
15 districts with purchase arrangements shall be calculated by the
16 executive committee prior to presentation to the city council
17 for approval.

18 6. The executive committee of the study committee shall
19 submit a report to the general assembly and the legislative
20 council by January 15, 2018, regarding the status of agreeing
21 to a governance structure and the operation of a potential
22 regional water production utility.

23 7. If a regional water production utility has not been
24 established by the cities described in this Act prior to
25 January 1, 2019, the water production assets of the water
26 utility shall revert to the water utility governance and
27 operation structure in existence prior to the effective date
28 of this Act.

29 Sec. ____ . SEVERABILITY. If any word, phrase, clause,
30 sentence, paragraph, or provision of this division of
31 this Act or the application of such to any person or
32 circumstance is declared invalid, illegal, or unenforceable, or
33 unconstitutional for any reason, the remaining provisions or
34 applications of this division of this Act shall not be affected
35 by such declaration and to this end, the provisions of this

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Page 5

1 division of this Act are severable.
2 Sec. _____. EFFECTIVE UPON ENACTMENT. This division of this
3 Act, being deemed of immediate importance, takes effect upon
4 enactment.>

5 6. Title page, line 1, after <to> by inserting <local
6 government matters, including>

7 7. Title page, line 2, after <taxes> by inserting <and the
8 governance of certain water utilities, and including effective
9 date provisions>

10 8. By renumbering, redesignating, and correcting internal
11 references as necessary.

By KLEIN of Washington	DEYOE of Story
PAUSTIAN of Scott	WHEELER of Sioux
HOLZ of Plymouth	MAXWELL of Poweshiek
MOMMSEN of Clinton	BEST of Carroll
HEIN of Jones	SIECK of Mills
WILLS of Dickinson	MOHR of Scott
KERR of Louisa	ZUMBACH of Linn
BAUDLER of Adair	KAUFMANN of Cedar
WORTHAN of Buena Vista	

H-1457 FILED APRIL 25, 2017

SENATE FILE 415

H-1449

1 Amend Senate File 415, as passed by the Senate, as follows:

2 1. Page 1, after line 19 by inserting:

3 <Sec. _____. Section 124.401, Code 2017, is amended by adding
4 the following new subsection:

5 NEW SUBSECTION. 6. A person shall not be charged or
6 prosecuted for a violation of subsection 5 if the person is
7 immune from charge or prosecution pursuant to section 701.12.

8 Sec. _____. Section 124.414, Code 2017, is amended by adding
9 the following new subsection:

10 NEW SUBSECTION. 4. A person shall not be charged or
11 prosecuted for a violation of this section if the person is
12 immune from charge or prosecution pursuant to section 701.12.>

13 2. Page 2, line 27, after <alcohol> by inserting <or
14 opioid-related>

15 3. Page 2, after line 31 by inserting:

16 <_____. Section 124.401, subsection 5.
17 _____. Section 124.414.>

18 4. Title page, line 3, after <alcohol> by inserting <or
19 opioid-related>

20 5. By renumbering, redesignating, and correcting internal
21 references as necessary.

By ISENHART of Dubuque
ABDUL-SAMAD of Polk

H-1449 FILED APRIL 25, 2017

SENATE FILE 475

H-1450

1 Amend Senate File 475, as amended, passed, and reprinted by
2 the Senate, as follows:

3 1. Page 13, after line 16 by inserting:

4 <DIVISION _____
5 SECURE AN ADVANCED VISION FOR EDUCATION ---- FUND AND SALES
6 TAX-RELATED PROVISIONS

7 Sec. _____. Section 423.2, subsection 11, paragraph b,
8 subparagraph (3), Code 2017, is amended to read as follows:

9 (3) Transfer one-sixth of the remaining revenues to the
10 secure an advanced vision for education fund created in section
11 423F.2. This subparagraph (3) is repealed ~~December 31, 2029~~
12 January 1, 2050.

13 Sec. _____. Section 423.2, subsection 14, Code 2017, is
14 amended to read as follows:

15 14. The sales tax rate of six percent is reduced to five
16 percent on January 1, ~~2030~~ 2050.

17 Sec. _____. Section 423.5, subsection 5, Code 2017, is amended
18 to read as follows:

19 5. The use tax rate of six percent is reduced to five
20 percent on January 1, ~~2030~~ 2050.

21 Sec. _____. Section 423.43, subsection 1, paragraph b, Code
22 2017, is amended to read as follows:

23 b. Subsequent to the deposit into the general fund of
24 the state and after the transfer of such revenues collected
25 under chapter 423B, the department shall transfer one-sixth of
26 such remaining revenues to the secure an advanced vision for
27 education fund created in section 423F.2. This paragraph is
28 repealed ~~December 31, 2029~~ January 1, 2050.

29 Sec. _____. Section 423F.6, Code 2017, is amended to read as
30 follows:

31 423F.6 Repeal.

32 This chapter is repealed ~~December 31, 2029~~ January 1, 2050.

33 2. Title page, line 3, by striking <and>

34 3. Title page, line 4, after <screenings,> by inserting <and
35 to extending the period of time for collecting sales tax for

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1 deposit in the secure an advanced vision for education fund,>
2 4. By renumbering as necessary.

By NIELSEN of Johnson	KURTH of Scott
ABDUL-SAMAD of Polk	LENSING of Johnson
ANDERSON of Polk	MASCHER of Johnson
BENNETT of Linn	McCONKEY of Pottawattamie
BRECKENRIDGE of Jasper	MEYER of Polk
BROWN-POWERS of Black Hawk	MILLER of Webster
COHOON of Des Moines	OLDSON of Polk
FINKENAUER of Dubuque	OLSON of Polk
FORBES of Polk	OURTH of Warren
GAINES of Polk	PRICHARD of Floyd
GASKILL of Wapello	RUNNING-MARQUARDT of Linn
HALL of Woodbury	M. SMITH of Marshall
HANSON of Jefferson	R. SMITH of Black Hawk
HEDDENS of Story	STAED of Linn
HUNTER of Polk	STECKMAN of Cerro Gordo
ISENHART of Dubuque	T. TAYLOR of Linn
JACOBY of Johnson	THEDE of Scott
KACENA of Woodbury	WESSEL-KROESCHELL of Story
KEARNS of Lee	WINCKLER of Scott
KRESSIG of Black Hawk	WOLFE of Clinton

SENATE FILE 516

H-1452

1 Amend the amendment, H-1448, to Senate File 516, as amended,
2 passed, and reprinted by the Senate, as follows:

3 1. By striking page 1, line 1, through page 25, line 29, and
4 inserting:

5 <Amend Senate File 516, as amended, passed, and reprinted by
6 the Senate, as follows:

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

9 <DIVISION I

10 STANDING APPROPRIATIONS AND RELATED MATTERS

11 Section 1. BUDGET PROCESS FOR FISCAL YEAR 2018-2019.

12 1. For the budget process applicable to the fiscal year
13 beginning July 1, 2018, on or before October 1, 2017, in lieu
14 of the information specified in section 8.23, subsection
15 1, unnumbered paragraph 1, and section 8.23, subsection 1,
16 paragraph "a", all departments and establishments of the
17 government shall transmit to the director of the department
18 of management, on blanks to be furnished by the director,
19 estimates of their expenditure requirements, including every
20 proposed expenditure, for the ensuing fiscal year, together
21 with supporting data and explanations as called for by the
22 director of the department of management after consultation
23 with the legislative services agency.

24 2. The estimates of expenditure requirements shall be
25 in a form specified by the director of the department of
26 management, and the expenditure requirements shall include all
27 proposed expenditures and shall be prioritized by program or
28 the results to be achieved. The estimates shall be accompanied
29 by performance measures for evaluating the effectiveness of the
30 programs or results.

31 Sec. 2. BUDGET PROCESS FOR FISCAL YEAR 2019-2020.

32 1. For the budget process applicable to the fiscal year
33 beginning July 1, 2019, on or before October 1, 2018, in lieu
34 of the information specified in section 8.23, subsection
35 1, unnumbered paragraph 1, and section 8.23, subsection 1,

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1 paragraph "a", all departments and establishments of the
2 government shall transmit to the director of the department
3 of management, on blanks to be furnished by the director,
4 estimates of their expenditure requirements, including every
5 proposed expenditure, for the ensuing fiscal year, together
6 with supporting data and explanations as called for by the
7 director of the department of management after consultation
8 with the legislative services agency.

9 2. The estimates of expenditure requirements shall be
10 in a form specified by the director of the department of
11 management, and the expenditure requirements shall include all
12 proposed expenditures and shall be prioritized by program or
13 the results to be achieved. The estimates shall be accompanied
14 by performance measures for evaluating the effectiveness of the
15 programs or results.

16 Sec. 3. LIMITATIONS OF STANDING APPROPRIATIONS ---- FY
17 2017-2018. Notwithstanding the standing appropriations
18 in the following designated sections for the fiscal year
19 beginning July 1, 2017, and ending June 30, 2018, the amounts
20 appropriated from the general fund of the state pursuant to
21 these sections for the following designated purposes shall not
22 exceed the following amounts:

23 1. For payment of claims for nonpublic school
24 transportation under section 285.2:
25 \$ 8,197,091

26 If total approved claims for reimbursement for nonpublic
27 school pupil transportation exceed the amount appropriated in
28 accordance with this subsection, the department of education
29 shall prorate the amount of each approved claim.

30 2. For distribution for the tribal council of the Sac and
31 Fox Indian settlement for educating American Indian children
32 under section 256.30:
33 \$ 95,750

34 Sec. 4. LIMITATIONS OF STANDING APPROPRIATIONS ---- FY
35 2018-2019. Notwithstanding the standing appropriations

1 in the following designated sections for the fiscal year
2 beginning July 1, 2018, and ending June 30, 2019, the amounts
3 appropriated from the general fund of the state pursuant to
4 these sections for the following designated purposes shall not
5 exceed the following amounts:

6 1. For payment of claims for nonpublic school
7 transportation under section 285.2:
8 \$ 8,197,091

9 If total approved claims for reimbursement for nonpublic
10 school pupil transportation exceed the amount appropriated in
11 accordance with this subsection, the department of education
12 shall prorate the amount of each approved claim.

13 2. For distribution for the tribal council of the Sac and
14 Fox Indian settlement for educating American Indian children
15 under section 256.30:
16 \$ 95,750

17 Sec. 5. GENERAL ASSEMBLY.

18 1. The appropriations made pursuant to section 2.12 for the
19 expenses of the general assembly and legislative agencies for
20 the fiscal year beginning July 1, 2017, and ending June 30,
21 2018, are reduced by the following amount:
22 \$ 400,000

23 2. The budgeted amounts for the general assembly and
24 legislative agencies for the fiscal year beginning July 1,
25 2017, may be adjusted to reflect the unexpended budgeted
26 amounts from the previous fiscal year.

27 3. Annual membership dues for organizations, associations,
28 and conferences shall not be paid from moneys appropriated
29 pursuant to section 2.12.

30 4. Costs for out-of-state travel and per diems for
31 out-of-state travel shall not be paid from moneys appropriated
32 pursuant to section 2.12.

33 Sec. 6. INSTRUCTIONAL SUPPORT STATE AID ---- FY 2017-2018. In
34 lieu of the appropriation provided in section 257.20,
35 subsection 2, the appropriation for the fiscal year

1 beginning July 1, 2017, and ending June 30, 2018, for paying
2 instructional support state aid under section 257.20 for such
3 fiscal years is zero.

4 Sec. 7. SPECIAL FUNDS ---- SALARY ADJUSTMENTS ---- FY 2017-2018
5 ---- FY 2018-2019. For the fiscal year beginning July 1, 2017,
6 and ending June 30, 2018, and for the fiscal year beginning
7 July 1, 2018, and ending June 30, 2019, salary adjustments may
8 be funded using departmental revolving, trust, or special funds
9 for which the general assembly has established an operating
10 budget, provided that doing so does not exceed the operating
11 budget established by the general assembly.

12 Sec. 8. OPERATIONAL APPROPRIATIONS ---- REVERSION ---- FY
13 2016-2017. Notwithstanding section 8.62, at the close of
14 the fiscal year beginning July 1, 2016, and ending June 30,
15 2017, any balance of an operational appropriation that remains
16 unexpended or unencumbered shall not be encumbered or deposited
17 in the cash reserve fund as provided in section 8.62, but shall
18 instead revert to the general fund of the state at the close of
19 the fiscal year as provided in section 8.33.

20 Sec. 9. SPECIAL FUNDS ---- SALARY ADJUSTMENTS ----
21 UNAPPROPRIATED MONEYS ---- FY 2017-2018 ---- FY 2018-2019. For the
22 fiscal year beginning July 1, 2017, and ending June 30, 2018,
23 and for the fiscal year beginning July 1, 2018, and ending
24 June 30, 2019, salary adjustments otherwise provided may be
25 funded as determined by the department of management using
26 unappropriated moneys remaining in the department of commerce
27 revolving fund, the gaming enforcement revolving fund, the
28 gaming regulatory revolving fund, the primary road fund, the
29 road use tax fund, the fish and game protection fund, the Iowa
30 public employees' retirement fund, and in other departmental
31 revolving, trust, or special funds for which the general
32 assembly has not made an operating budget appropriation.

33 Sec. 10. SALARY MODEL ADMINISTRATOR. The salary model
34 administrator shall work in conjunction with the legislative
35 services agency to maintain the state's salary model used for

1 analyzing, comparing, and projecting state employee salary
2 and benefit information, including information relating to
3 employees of the state board of regents. The department of
4 revenue, the department of administrative services, the five
5 institutions under the jurisdiction of the state board of
6 regents, the judicial district departments of correctional
7 services, and the state department of transportation shall
8 provide salary data to the department of management and the
9 legislative services agency to operate the state's salary
10 model. The format and frequency of provision of the salary
11 data shall be determined by the department of management and
12 the legislative services agency. The information shall be
13 used in collective bargaining processes under chapter 20 and
14 in calculating the funding needs contained within the annual
15 salary adjustment legislation. A state employee organization
16 as defined in section 20.3, subsection 4, may request
17 information produced by the model, but the information provided
18 shall not contain information attributable to individual
19 employees.

20 Sec. 11. Section 257.35, Code 2017, is amended by adding the
21 following new subsection:

22 NEW SUBSECTION. 11A. Notwithstanding subsection 1, and in
23 addition to the reduction applicable pursuant to subsection
24 2, the state aid for area education agencies and the portion
25 of the combined district cost calculated for these agencies
26 for the fiscal year beginning July 1, 2017, and ending June
27 30, 2018, shall be reduced by the department of management by
28 fifteen million dollars. The reduction for each area education
29 agency shall be prorated based on the reduction that the agency
30 received in the fiscal year beginning July 1, 2003.

31 Sec. 12. EFFECTIVE UPON ENACTMENT. The following provision
32 or provisions of this division of this Act, being deemed of
33 immediate importance, take effect upon enactment:

34 1. The section of this division of this Act reverting to
35 the general fund any unexpended or unencumbered moneys from

1 operational appropriations.

2 DIVISION II

3 MISCELLANEOUS PROVISIONS

4 Sec. 13. VICTIM ASSISTANCE GRANTS. There is appropriated
5 from the general fund of the state to the department of justice
6 for the fiscal year beginning July 1, 2017, and ending June 30,
7 2018, the following amount, or so much thereof as is necessary,
8 to be used for the purposes designated:

9 For victim assistance grants:

10 \$ 150,000

11 Sec. 14. Section 2.43, unnumbered paragraph 1, Code 2017,
12 is amended to read as follows:

13 The legislative council in cooperation with the officers of
14 the senate and house shall have the duty and responsibility for
15 preparing for each session of the general assembly. Pursuant
16 to such duty and responsibility, the legislative council
17 shall assign the use of areas in the state capitol except for
18 the areas used by the governor as of January 1, 1986, ~~and by~~
19 ~~the courts as of July 1, 2003,~~ and, in consultation with the
20 director of the department of administrative services and the
21 capitol planning commission, may assign areas in other state
22 office buildings for use of the general assembly or legislative
23 agencies. The legislative council shall provide the courts
24 with use of space in the state capitol for ceremonial purposes.

25 The legislative council may authorize the renovation,
26 remodeling and preparation of the physical facilities used or
27 to be used by the general assembly or legislative agencies
28 subject to the jurisdiction of the legislative council and
29 award contracts pursuant to such authority to carry out such
30 preparation. The legislative council may purchase supplies and
31 equipment deemed necessary for the proper functioning of the
32 legislative branch of government.

33 Sec. 15. Section 8A.322, subsection 2, Code 2017, is amended
34 to read as follows:

35 2. Except for buildings and grounds described in section

1 216B.3, subsection 6; section 2.43, unnumbered paragraph 1; and
2 any buildings under the custody and control of the Iowa public
3 employees' retirement system, the director shall assign office
4 space at the capitol, other state buildings, and elsewhere in
5 the city of Des Moines, and the state laboratories facility
6 in Ankeny, for all executive and judicial state agencies.
7 Assignments may be changed at any time. The various officers
8 to whom rooms have been so assigned may control the same while
9 the assignment to them is in force. Official apartments shall
10 be used only for the purpose of conducting the business of the
11 state. The term "capitol" or "capitol building" as used in the
12 Code shall be descriptive of all buildings upon the capitol
13 grounds. The capitol building itself is reserved for the
14 operations of the general assembly, and the governor, and, for
15 ceremonial purposes, for the courts and the. The assignment
16 and use of physical facilities for the general assembly shall
17 be pursuant to section 2.43.

18 Sec. 16. Section 8C.7A, subsection 3, paragraph b,
19 unnumbered paragraph 1, if enacted by 2017 Iowa Acts, Senate
20 File 431, is amended to read as follows:

21 An authority shall not require a person to apply for or
22 enter into an individual license, franchise, or other agreement
23 with the authority or any other entity for the siting of
24 a small wireless facility on a utility pole located in a
25 public right-of-way. However, an authority may, through the
26 conditions set forth in a ~~building~~ permit obtained pursuant to
27 this subsection, do any of the following:

28 Sec. 17. Section 321N.4, subsection 6, Code 2017, is amended
29 to read as follows:

30 6. Insurance maintained under this chapter shall be
31 provided by an insurer governed by chapter 515 ~~or 518~~, or by
32 a surplus lines insurer governed by chapter 515I. ~~A surplus~~
33 ~~lines insurer that issues a policy pursuant to this section~~
34 ~~shall be considered an insurance carrier duly authorized to~~
35 ~~transact business in this state for the purposes of chapter~~

1 ~~321A.~~

2 Sec. 18. SMOKING AND USE OF CERTAIN PRODUCTS ---- CAPITOL
3 COMPLEX.

4 1. Pursuant to section 8A.322 and chapter 142D, the
5 department of administrative services shall adopt rules
6 prohibiting smoking and the use of alternative nicotine
7 products, tobacco products, and vapor products in the public
8 buildings and on the grounds of the capitol complex as follows:

9 a. Smoking shall be prohibited within the confines of all
10 buildings operated or owned by the state.

11 b. Smoking shall be prohibited on the grounds of any public
12 building on the capitol complex.

13 c. The use of alternative nicotine products, tobacco
14 products, and vapor products shall be prohibited in all spaces
15 in capitol complex buildings including tunnels and enclosures.

16 d. Use of alternative nicotine products, tobacco products,
17 and vapor products shall be prohibited on the grounds of the
18 capitol complex.

19 2. For the purposes of this section:

20 a. "Alternative nicotine product" means as defined in
21 section 453A.1.

22 b. "Grounds" means an outdoor area of a public building
23 that is used in connection with the building, including but not
24 limited to a sidewalk immediately adjacent to the building, a
25 sitting or standing area immediately adjacent to the building,
26 a patio, a deck, a curtilage or courtyard, or any other outdoor
27 area as designated by the person having custody or control of
28 the public building.

29 c. "Smoking" means as defined in section 142D.2 and also
30 includes but is not limited to burning or vaporizing tobacco
31 or other products in a cigarette, cigar, pipe, electronic
32 cigarette, or any noncombustible product, which may or may
33 not contain nicotine, that employs a heating element, power
34 source, electronic circuit, or other electronic, chemical, or
35 mechanical means, regardless of shape or size, that can be used

1 to produce vapor from a solution or other substance.

2 d. "Tobacco products" means as defined in section 453A.1.

3 e. "Vapor product" means as defined in section 453A.1.

4 Sec. 19. TAX CREDIT INTERIM STUDY COMMITTEE. The
5 legislative council is requested to appoint an interim
6 study committee for purposes of studying tax credits and
7 the contingent liability report issued by the department of
8 revenue. The committee shall study the ability to refund and
9 transfer tax credits, the fiscal impact ratio of tax credits,
10 the rate of growth of tax credits, and the impact tax credits
11 have on general fund revenue. The committee shall submit a
12 report that includes recommendations to the members of the
13 general assembly by December 29, 2017.

14 DIVISION III

15 CORRECTIVE PROVISIONS

16 Sec. 20. Section 22.13A, subsection 5, paragraph b, as
17 enacted by 2017 Iowa Acts, [House File 291](#), section 51, is
18 amended to read as follows:

19 b. If paragraph "a", subparagraph (1) or (2) is not
20 consistent with the provision of a collective bargaining
21 agreement, a state agency shall provide the individuals
22 referenced in this subsection, as applicable, with regular
23 reports regarding any personnel settlement agreements entered
24 into with state employees by the state agency.

25 Sec. 21. Section 27.1, as enacted by 2017 Iowa Acts, Senate
26 File 499, section 1, is amended to read as follows:

27 27.1 Definitions.

28 ~~1.~~ For purposes of this ~~section~~ chapter:

29 ~~a.~~ 1. "Monitoring device" means a digital video or audio
30 streaming or recording device that is part of a system of
31 monitoring activity in an area or building using a system in
32 which signals are transmitted from a video camera or microphone
33 to the receivers by cables or wirelessly, forming a closed
34 circuit.

35 ~~b.~~ 2. "Public hospital" means a hospital licensed pursuant

1 to chapter 135B and governed pursuant to chapter 145A, 263,
2 347, 347A, or 392.

3 ~~e.~~ 3. "Public library" means a library district as
4 described in chapter 336.

5 ~~d.~~ 4. "Public school" means a school district as described
6 in chapter 274.

7 ~~e.~~ 5. "Reasonable expectation of privacy" means a person's
8 reasonable belief, under the circumstances, that the person can
9 disrobe or partially disrobe in privacy without being concerned
10 that the person is being viewed, photographed, or filmed when
11 doing so.

12 Sec. 22. Section 73A.26, as enacted by 2017 Iowa Acts,
13 [Senate File 438](#), section 6, is amended to read as follows:

14 73A.26 Purpose.

15 The purpose of this ~~chapter~~ subchapter is to provide for
16 more economical, nondiscriminatory, neutral, and efficient
17 procurement of construction-related goods and services by this
18 state and political subdivisions of this state.

19 Sec. 23. Section 80B.19, subsection 2, if enacted by 2017
20 Iowa Acts, [Senate File 509](#), section 22, is amended to read as
21 follows:

22 2. Internal training funds in the internal training
23 clearing fund shall be administered by the academy and shall
24 consist of moneys collected by the academy from billings issued
25 in accordance with this chapter ~~80B~~, and any other moneys
26 obtained or accepted by the academy, including but not limited
27 to gifts, loans, donations, grants, and contributions, which
28 are obtained or designated to support the activities of the
29 academy.

30 Sec. 24. Section 84A.1A, subsection 1, paragraph a,
31 subparagraph (8), subparagraph division (b), subparagraph
32 subdivision (iii), as enacted by 2017 Iowa Acts, House File
33 572, section 1, is amended to read as follows:

34 (iii) Two representatives of community-based organizations
35 that have demonstrated experience and expertise in addressing

1 the employment, training, or education needs of individuals
2 with barriers to employment as defined in the federal Workforce
3 Innovation and Opportunity Act, Pub. L. No. 113-128, {3(24),
4 including but not limited to organizations that serve veterans,
5 or that provide or support competitive, integrated employment
6 for individuals with disabilities; or that serve eligible
7 youth, as defined in the federal Workforce Innovation and
8 Opportunity Act, Pub. L. No. 113-128, {3(18), including
9 representatives of organizations that serve out-of-school
10 youth, as defined in the federal Workforce Innovation and
11 Opportunity Act, Pub. L. No. 113-128, {129(a)(1)(B).

12 Sec. 25. Section 225D.1, subsection 8, Code 2017, as amended
13 by 2017 Iowa Acts, [House File 215](#), section 1, is amended to
14 read as follows:

15 8. "Eligible individual" means a child less than fourteen
16 years of age who has been diagnosed with autism based on a
17 diagnostic assessment of autism, is not otherwise eligible for
18 coverage for applied behavioral analysis treatment or applied
19 behavior analysis treatment under the medical assistance
20 program, section 514C.28, 514C.31, or other private insurance
21 coverage, and whose household income does not exceed five
22 hundred percent of the federal poverty level.

23 Sec. 26. Section 261.9, subsection 2A, paragraph b, if
24 enacted by 2017 Iowa Acts, [House File 642](#), section 15, is
25 amended to read as follows:

26 b. Is a barber school licensed under section 158.7 or
27 a school of cosmetology arts and sciences licensed under
28 chapter 157 and is accredited by a national accrediting agency
29 recognized by the United States department of education. For
30 the fiscal year beginning July 1, 2017, an eligible institution
31 under this paragraph shall provide a matching aggregate amount
32 of institutional financial aid equal to at least seventy-five
33 percent of the amount received by the institution's students
34 for Iowa tuition grant assistance under section 261.16A.

35 For the fiscal year beginning July 1, 2018, the institution

1 shall provide a matching aggregate amount of institutional
2 financial aid equal to at least eighty-five percent of the
3 amount received in that fiscal year. Commencing with the
4 fiscal year beginning July 1, 2019, and each succeeding fiscal
5 year, the matching aggregate amount of institutional financial
6 aid shall be at least equal to the match provided by eligible
7 institutions under ~~section 261.16A, subsection 2 paragraph "a"~~.

8 Sec. 27. 2017 Iowa Acts, House File 488, section 57, as
9 enacted, is amended by striking the section and inserting in
10 lieu thereof the following:

11 SEC. 57. Section 455B.474, subsection 2, paragraph a,
12 subparagraph (1), Code 2017, is amended to read as follows:

13 (1) (a) Financial responsibility required by this
14 subsection may be established in accordance with rules adopted
15 by the commission by any one, or any combination, of the
16 following methods: ~~insurance, guarantee, surety bond, letter~~

17 (i) Insurance.

18 (ii) Guarantee.

19 (iii) Surety bond.

20 (iv) Letter of credit, or qualification.

21 (v) Qualification as a self-insurer.

22 (b) In adopting requirements under this subsection, the
23 commission may specify policy or other contractual terms,
24 conditions, or defenses which are necessary or are unacceptable
25 in establishing the evidence of financial responsibility.

26 Sec. 28. 2017 Iowa Acts, House File 642, section 44,
27 subsection 1, paragraph f, unnumbered paragraph 2, if enacted,
28 is amended to read as follows:

29 From the moneys appropriated in this lettered paragraph
30 "f", not more than \$50,000 shall be used by the department ~~for~~
31 ~~expenses associated with the activities of the secondary career~~
32 ~~and technical programming task force convened pursuant to this~~
33 Act to provide statewide support for work-based learning.

34 Sec. 29. 2017 Iowa Acts, House File 642, section 52,
35 subsection 4, paragraph c, subparagraph (4), is amended to read

1 as follows:

2 (4) Notwithstanding section 8.33, of the moneys
3 appropriated in this paragraph "c" that remain unencumbered
4 or unobligated at the close of the fiscal year, an amount
5 equivalent to not more than 5 percent of the amount
6 appropriated in this paragraph "c" shall not revert ~~by~~ but
7 shall remain available for expenditure for summer programs for
8 students until the close of the succeeding fiscal year.

9 Sec. 30. 2017 Iowa Acts, House File 642, section 55,
10 subsection 1, paragraph f, unnumbered paragraph 2, if enacted,
11 is amended to read as follows:

12 From the moneys appropriated in this lettered paragraph
13 "f", not more than \$25,000 shall be used by the department ~~for~~
14 ~~expenses associated with the activities of the secondary career~~
15 ~~and technical programming task force convened pursuant to this~~
16 ~~Act to provide statewide support for work-based learning.~~

17 Sec. 31. 2017 Iowa Acts, Senate File 510, section 22,
18 subsection 1, if enacted, is amended to read as follows:

19 1. Notwithstanding section 466A.2, and the repeal of
20 chapter 466A as provided in this division of this Act, on and
21 after December 31, 2017, the department of agriculture and
22 land stewardship shall manage moneys credited to the watershed
23 improvement fund in the same manner as required in 2016
24 Acts, chapter 1134, section 35, including by making necessary
25 payments to satisfy any outstanding obligations incurred by the
26 watershed improvement review board prior to December 31, 2017.

27 Sec. 32. EFFECTIVE UPON ENACTMENT. The following sections
28 of this division of this Act, being deemed of immediate
29 importance, take effect upon enactment:

30 1. The section of this division of this Act amending section
31 22.13A, subsection 5, paragraph "b".

32 2. The section of this division of this Act amending section
33 73A.26.

34 3. The section of this division of this Act amending
35 section 84A.1A, subsection 1, paragraph "a", subparagraph (8),

1 subparagraph division (b), subparagraph subdivision (iii).
2 Sec. 33. EFFECTIVE DATE. The section of this division of
3 this Act amending section 225D.1, subsection 8, takes effect
4 January 1, 2018.

5 DIVISION IV
6 WEAPONS

7 Sec. 34. Section 724.2A, as enacted by 2017 Iowa Acts, House
8 File 517, section 5, is amended to read as follows:

9 724.2A Peace officer and reserve peace officer ---- defined.

10 As used in sections 724.4, 724.6, and 724.11, "peace officer"
11 ~~means a certified "peace officer" and~~ includes a reserve peace
12 officer as defined in section 80D.1A.

13 Sec. 35. Section 724.4C, subsection 1, unnumbered paragraph
14 1, as enacted by 2017 Iowa Acts, [House File 517](#), section 8, is
15 amended to read as follows:

16 Except as provided in subsection 2, a person commits a
17 serious misdemeanor if the person is intoxicated as provided
18 under the conditions set out in section 321J.2, subsection
19 1, paragraph "a", "b", or "c", and the person does any of the
20 following:

21 Sec. 36. Section 724.17, subsection 1, as enacted by 2017
22 Iowa Acts, [House File 517](#), section 22, is amended to read as
23 follows:

24 1. The application for a permit to acquire pistols or
25 revolvers may be made to the sheriff of the county of the
26 applicant's residence and shall be on a form prescribed
27 and published by the commissioner of public safety. The
28 application shall require only the full name of the applicant,
29 the driver's license or nonoperator's identification card
30 number of the applicant, the residence of the applicant, ~~and~~
31 the date and place of birth of the applicant, and whether the
32 applicant meets the criteria specified in section 724.15.

33 The applicant shall also display an identification card that
34 bears a distinguishing number assigned to the cardholder, the
35 full name, date of birth, sex, residence address, and brief

1 description and color photograph of the cardholder, or other
2 identification as specified by rule of the department of public
3 safety. The sheriff shall conduct a criminal history check
4 concerning each applicant by obtaining criminal history data
5 from the department of public safety which shall include an
6 inquiry of the national instant criminal background check
7 system maintained by the federal bureau of investigation or any
8 successor agency. A person who makes what the person knows
9 to be a false statement of material fact on an application
10 submitted under this section or who submits what the person
11 knows to be any materially falsified or forged documentation in
12 connection with such an application commits a class "D" felony.

13 Sec. 37. Section 724.22, subsection 9, as enacted by 2017
14 Iowa Acts, [House File 517](#), section 29, is amended to read as
15 follows:

16 9. A parent, guardian, spouse, or instructor, who knowingly
17 provides direct supervision under subsection 5, of a person
18 while intoxicated as provided under the conditions set out
19 in section 321J.2, subsection 1, ~~or under the influence of~~
20 ~~an illegal drug~~ paragraph "a", "b", or "c", commits child
21 endangerment in violation of section 726.6, subsection 1,
22 paragraph "i".

23 Sec. 38. Section 726.6, subsection 1, paragraph i, as
24 enacted by 2017 Iowa Acts, [House File 517](#), section 30, is
25 amended to read as follows:

26 i. Knowingly provides direct supervision of a person under
27 section 724.22, subsection 5, while intoxicated as provided
28 under the conditions set out in section 321J.2, subsection 1,
29 ~~or under the influence of an illegal drug~~ paragraph "a", "b",
30 ~~or "c"~~.

31 Sec. 39. 2017 Iowa Acts, [House File 517](#), section 50,
32 subsection 1, as enacted, is amended to read as follows:

33 1. The ~~section~~ sections of this Act amending ~~section~~
34 sections 724.22 and 726.6.

35 Sec. 40. REPEAL. 2017 Iowa Acts, [House File 517](#), section

1 16, as enacted, is repealed.

2 Sec. 41. EFFECTIVE UPON ENACTMENT. The section of this
3 division of this Act amending 2017 Iowa Acts, [House File 517](#),
4 section 50, subsection 1, being deemed of immediate importance,
5 takes effect upon enactment.

6 Sec. 42. RETROACTIVE APPLICABILITY. The section of this
7 division of this Act amending 2017 Iowa Acts, [House File 517](#),
8 section 50, subsection 1, applies retroactively to April 13,
9 2017.

10 DIVISION V

11 VAPOR AND ALTERNATIVE NICOTINE PRODUCTS ---- TAX

12 Sec. 43. Section 453A.1, Code 2017, is amended by adding the
13 following new subsection:

14 NEW SUBSECTION. 7A. "Delivery sale" means any sale of
15 an alternative nicotine product or a vapor product to a
16 purchaser in this state where the purchaser submits the order
17 for such sale by means of a telephonic or other method of
18 voice transmission, mail or any other delivery service, or the
19 internet or other online service and the alternative nicotine
20 product or vapor product is delivered by use of mail or a
21 delivery service. The sale of an alternative nicotine product
22 or vapor product shall constitute a delivery sale regardless of
23 whether the seller is located in this state. "Delivery sale"
24 does not include a sale to a distributor or retailer of any
25 alternative nicotine product or vapor product not for personal
26 consumption.

27 Sec. 44. Section 453A.1, subsection 20, Code 2017, is
28 amended to read as follows:

29 20. "Place of business" is construed to mean and include any
30 place where cigarettes are sold or where cigarettes are stored
31 within or without the state of Iowa by the holder of an Iowa
32 permit or kept for the purpose of sale or consumption; or if
33 sold from any vehicle or train, the vehicle or train on which
34 or from which such cigarettes are sold shall constitute a place
35 of business; or for a business within or without the state that

1 conducts delivery sales, any place where alternative nicotine
2 products or vapor products are sold or where alternative
3 nicotine products or vapor products are kept for the purpose
4 of sale.

5 Sec. 45. Section 453A.13, subsection 1, Code 2017, is
6 amended to read as follows:

7 1. Permits required. Every distributor, wholesaler,
8 cigarette vendor, and retailer, now engaged or who desires to
9 become engaged in the sale or use of cigarettes, upon which a
10 tax is required to be paid, and every retailer now engaged or
11 who desires to become engaged in selling, offering for sale, or
12 distributing alternative nicotine products or vapor products,
13 including through delivery sales, shall obtain a state or
14 retail permit as a distributor, wholesaler, cigarette vendor,
15 or retailer, as the case may be.

16 Sec. 46. Section 453A.13, subsection 2, paragraph a, Code
17 2017, is amended to read as follows:

18 a. The department shall issue state permits to distributors,
19 wholesalers, and cigarette vendors and retailers that make
20 delivery sales of alternative nicotine products and vapor
21 products subject to the conditions provided in this division.
22 If an out-of-state retailer makes delivery sales of alternative
23 nicotine products or vapor products, an application shall be
24 filed with the department and a permit shall be issued for the
25 out-of-state retailer's principal place of business. Cities
26 may issue retail permits to ~~dealers~~ retailers with a place of
27 business located within their respective limits. County boards
28 of supervisors may issue retail permits to ~~dealers~~ retailers
29 with a place of business in their respective counties, outside
30 of the corporate limits of cities.

31 Sec. 47. Section 453A.42, Code 2017, is amended by adding
32 the following new subsection:

33 NEW SUBSECTION. 2A. "Delivery sale" means any sale of
34 an alternative nicotine product or a vapor product to a
35 purchaser in this state where the purchaser submits the order

1 for such sale by means of a telephonic or other method of
2 voice transmission, mail or any other delivery service, or the
3 internet or other online service and the alternative nicotine
4 product or vapor product is delivered by use of mail or a
5 delivery service. The sale of an alternative nicotine product
6 or vapor product shall constitute a delivery sale regardless of
7 whether the seller is located in this state. "Delivery sale"
8 does not include a sale to a distributor or retailer of any
9 alternative nicotine product or vapor product not for personal
10 consumption.

11 Sec. 48. Section 453A.42, subsection 8, Code 2017, is
12 amended to read as follows:

13 8. "Place of business" means any place where tobacco
14 products are sold or where tobacco products are manufactured,
15 stored, or kept for the purpose of sale or consumption,
16 including any vessel, vehicle, airplane, train, or vending
17 machine; or for a business within or without the state that
18 conducts delivery sales, any place where alternative nicotine
19 products or vapor products are sold or where alternative
20 nicotine products or vapor products are kept for the purpose of
21 sale, including delivery sales.

22 Sec. 49. Section 453A.47A, subsections 1, 3, and 6, Code
23 2017, are amended to read as follows:

24 1. Permits required. A person shall not engage in
25 the business of a retailer of tobacco, tobacco products,
26 alternative nicotine products, or vapor products at any place
27 of business, or through delivery sales, without first having
28 received a permit as a retailer.

29 3. Number of permits. An application shall be filed and a
30 permit obtained for each place of business owned or operated by
31 a retailer located in the state. If an out-of-state retailer
32 makes delivery sales of alternative nicotine products or vapor
33 products, an application shall be filed with the department
34 and a permit shall be issued for the out-of-state retailer's
35 principal place of business.

1 6. Issuance. Cities ~~shall~~ may issue retail permits to
2 retailers located within their respective limits. County
3 boards of supervisors ~~shall~~ may issue retail permits to
4 retailers located in their respective counties, outside of the
5 corporate limits of cities. The city or county shall submit a
6 duplicate of any application for a retail permit and any retail
7 permit issued by the entity under this section to the alcoholic
8 beverages division of the department of commerce within thirty
9 days of issuance. The alcoholic beverages division of the
10 department of commerce shall submit the current list of all
11 retail permits issued to the Iowa department of public health
12 by the first day of each quarter of a state fiscal year.

13 Sec. 50. NEW SECTION. 453A.47B Requirements for mailing or
14 shipping ---- alternative nicotine products or vapor products.

15 A retailer shall not mail, ship, or otherwise cause to be
16 delivered any alternative nicotine product or vapor product in
17 connection with a delivery sale unless all of the following
18 apply:

19 1. Prior to sale to the purchaser, the retailer verifies
20 that the purchaser is at least eighteen years of age through or
21 by one of the following:

22 a. A commercially available database, or aggregate of
23 databases, that is regularly used by government and businesses
24 for the purpose of age and identity verification.

25 b. Obtaining a copy of a valid government-issued document
26 that provides the name, address, and date of birth of the
27 purchaser.

28 2. The retailer uses a method of mailing, shipping, or
29 delivery that requires the signature of a person who is at
30 least eighteen years of age before the shipping package is
31 released to the purchaser.

32 Sec. 51. NEW SECTION. 453A.47C Sales and use tax on
33 delivery sales ---- alternative nicotine products or vapor
34 products.

35 1. A delivery sale of alternative nicotine products or vapor

1 products within this state shall be subject to the sales tax
2 provided in chapter 423, subchapter II.

3 2. The use in this state of alternative nicotine products
4 or vapor products purchased for use in this state through a
5 delivery sale shall be subject to the use tax provided in
6 chapter 423, subchapter III.

7 3. A retailer required to possess or possessing a permit
8 under section 453A.13 or 453A.47A to make delivery sales of
9 alternative nicotine products or vapor products within this
10 state shall be deemed to have waived all claims that such
11 retailer lacks physical presence within this state for purposes
12 of collecting and remitting sales and use tax.

13 4. A retailer making taxable delivery sales of alternative
14 nicotine products or vapor products within this state shall
15 remit to the department all sales and use tax due on such sales
16 at the times and in the manner provided by chapter 423.

17 5. The director shall adopt rules pursuant to chapter 17A to
18 administer this section.

19 DIVISION VI

20 SECURE AN ADVANCED VISION FOR EDUCATION FUND

21 Sec. 52. Section 423.2, subsection 11, paragraph b,
22 subparagraph (3), Code 2017, is amended to read as follows:

23 (3) Transfer one-sixth of the remaining revenues to the
24 secure an advanced vision for education fund created in section
25 423F.2. This subparagraph (3) is repealed ~~December 31, 2029~~
26 effective January 1, 2050.

27 Sec. 53. Section 423.2, subsection 14, Code 2017, is amended
28 to read as follows:

29 14. The sales tax rate of six percent is reduced to five
30 percent on January 1, ~~2030~~ 2050.

31 Sec. 54. Section 423.5, subsection 5, Code 2017, is amended
32 to read as follows:

33 5. The use tax rate of six percent is reduced to five
34 percent on January 1, ~~2030~~ 2050.

35 Sec. 55. Section 423.43, subsection 1, paragraph b, Code

1 2017, is amended to read as follows:

2 b. Subsequent to the deposit into the general fund of
3 the state and after the transfer of such revenues collected
4 under chapter 423B, the department shall transfer one-sixth of
5 such remaining revenues to the secure an advanced vision for
6 education fund created in section 423F.2. This paragraph is
7 repealed ~~December 31, 2029~~ effective January 1, 2050.

8 Sec. 56. Section 423F.6, Code 2017, is amended to read as
9 follows:

10 423F.6 Repeal.

11 This chapter is repealed ~~December 31, 2029~~ effective January
12 1, 2050.

13 DIVISION VII

14 MEDICAID MANAGED CARE CONTRACTS

15 Sec. 57. TERMINATION OF MEDICAID MANAGED CARE CONTRACTS ----
16 TRANSITION TO ALTERNATIVES FOR HEALTH CARE DELIVERY AND PAYMENT
17 REFORM.

18 1. The department of human services shall, upon the
19 effective date of this Act, provide thirty days' written notice
20 in accordance with the termination provisions of the contract
21 to each managed care organization with whom the department
22 executed a contract to administer the Medicaid managed care
23 program, to terminate all such contracts effective six months
24 from the effective date of this Act.

25 2. The department shall pursue initiatives to transition
26 the Medicaid program from the managed care model, effective
27 upon the date of termination of the Medicaid managed care
28 contracts, to a health care delivery system and value-based
29 model of payment that provides holistic, integrated,
30 patient-centered care, best meets the needs of the specific
31 Medicaid population, ensures sufficient access by members to
32 providers and services, provides adequate reimbursement to
33 providers of services and supports, improves each member's
34 experience of care, and ensures positive outcomes.

35 Sec. 58. EFFECTIVE UPON ENACTMENT. This division of this

1 Act, being deemed of immediate importance, takes effect upon
2 enactment.

3 DIVISION VIII
4 MEDICAL CANNABIS

5 Sec. 59. Section 124.204, subsection 4, paragraphs m and u,
6 Code 2017, are amended by striking the paragraphs.

7 Sec. 60. Section 124.204, subsection 7, Code 2017, is
8 amended by striking the subsection.

9 Sec. 61. Section 124.206, subsection 7, Code 2017, is
10 amended to read as follows:

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

20 a. ~~Marijuana when used for medicinal purposes pursuant to~~
21 ~~rules of the board.~~

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

30 (1) 1 cis or trans tetrahydrocannabinol, and their optical
31 isomers.

32 (2) 6 cis or trans tetrahydrocannabinol, and their optical
33 isomers.

34 (3) 3,4 cis or trans tetrahydrocannabinol, and their
35 optical isomers. (Since nomenclature of these substances

1 is not internationally standardized, compounds of these
2 structures, regardless of numerical designation of atomic
3 positions covered.)

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

7 Sec. 62. Section 124.401, subsection 5, unnumbered
8 paragraph 3, Code 2017, is amended to read as follows:

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

16 Sec. 63. NEW SECTION. 124E.1 Short title.

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

19 Sec. 64. NEW SECTION. 124E.2 Definitions.

20 As used in this chapter:

21 1. "Debilitating medical condition" means any of the
22 following:

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

- 25 (1) Intractable pain.
- 26 (2) Nausea or severe vomiting.
- 27 (3) Cachexia or severe wasting.

28 b. Multiple sclerosis.

29 c. Epilepsy or seizure disorders.

30 d. AIDS or HIV as defined in section 141A.1.

31 e. Glaucoma.

32 f. Hepatitis C.

33 g. Crohn's disease or ulcerative colitis.

34 h. Amyotrophic lateral sclerosis.

35 i. Ehlers-Danlos syndrome.

- 1 j. Post-traumatic stress disorder.
- 2 k. Tourette's syndrome.
- 3 l. Any terminal illness, with a probable life expectancy of
- 4 under one year, if the illness or its treatment produces one or
- 5 more of the following:
 - 6 (1) Intractable pain.
 - 7 (2) Nausea or severe vomiting.
 - 8 (3) Cachexia or severe wasting.
- 9 m. Intractable pain.
- 10 n. Parkinson's disease.
- 11 o. Muscular dystrophy.
- 12 p. Huntington's disease.
- 13 q. Alzheimer's disease.
- 14 r. Complex regional pain syndrome, type I and II.
- 15 s. Rheumatoid arthritis.
- 16 t. Polyarteritis nodosa.
- 17 u. Any other chronic or debilitating disease or medical
- 18 condition or its medical treatment approved by the department
- 19 pursuant to rule.
- 20 2. "Department" means the department of public health.
- 21 3. "Disqualifying felony offense" means a violation under
- 22 federal or state law of a felony offense, which has as an
- 23 element the possession, use, or distribution of a controlled
- 24 substance, as defined in 21 U.S.C. {802(6)}.
- 25 4. "Enclosed, locked facility" means a closet, room,
- 26 greenhouse, or other enclosed area equipped with locks or
- 27 other security devices that permit access only by authorized
- 28 personnel.
- 29 5. "Health care practitioner" means an individual licensed
- 30 under chapter 148 to practice medicine and surgery or
- 31 osteopathic medicine and surgery or an individual licensed to
- 32 practice medicine in any other state who provides specialty
- 33 care for an Iowa resident for one or more of the debilitating
- 34 medical conditions provided in this chapter.
- 35 6. "Intractable pain" means a pain in which the cause of the

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

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

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

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

21 8. "Medical cannabis dispensary" means an entity licensed
22 under section 124E.8 that acquires medical cannabis from a
23 medical cannabis manufacturer in this state for the purpose
24 of dispensing medical cannabis in this state pursuant to this
25 chapter.

26 9. "Medical cannabis manufacturer" means an entity licensed
27 under section 124E.6 to manufacture and to possess, cultivate,
28 transport, or supply medical cannabis pursuant to the
29 provisions of this chapter.

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

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

6 Sec. 65. NEW SECTION. 124E.3 Health care practitioner
7 certification ---- duties.

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

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

17 b. Provide explanatory information as provided by the
18 department to the patient about the therapeutic use of medical
19 cannabis.

20 c. Determine, on an annual basis, if the patient continues
21 to suffer from a debilitating medical condition and, if so,
22 issue the patient a new certification of that diagnosis. This
23 paragraph shall not apply if the patient is suffering from an
24 incurable debilitating medical condition.

25 d. Otherwise comply with all requirements established by the
26 department pursuant to rule.

27 2. A health care practitioner may provide, but has no duty
28 to provide, a written certification pursuant to this section.

29 Sec. 66. NEW SECTION. 124E.4 Medical cannabis registration
30 card.

31 1. Issuance to patient. The department may approve the
32 issuance of a medical cannabis registration card by the
33 department of transportation to a patient who:

34 a. Is at least eighteen years of age.

35 b. Is a permanent resident of this state.

1 c. Submits a written certification to the department signed
2 by the patient's health care practitioner that the patient is
3 suffering from a debilitating medical condition.

4 d. Submits an application to the department, on a form
5 created by the department, in consultation with the department
6 of transportation, that contains all of the following:

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

9 (2) A copy of the patient's valid photograph
10 identification.

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

13 (4) Full name, residence address, date of birth, and
14 telephone number of each primary caregiver of the patient, if
15 any.

16 (5) Any other information required by rule.

17 e. Submits a medical cannabis registration card fee of one
18 hundred dollars to the department. If the patient attests to
19 receiving social security disability benefits, supplemental
20 security insurance payments, or being enrolled in the medical
21 assistance program, the fee shall be twenty-five dollars.

22 2. Patient card contents. A medical cannabis registration
23 card issued to a patient by the department of transportation
24 pursuant to subsection 1 shall contain, at a minimum, all of
25 the following:

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

28 b. The patient's photograph.

29 c. The date of issuance and expiration of the registration
30 card.

31 d. Any other information required by rule.

32 3. Issuance to primary caregiver. For a patient in a
33 primary caregiver's care, the department may approve the
34 issuance of a medical cannabis registration card by the
35 department of transportation to the primary caregiver who:

1 a. Submits a written certification to the department signed
2 by the patient's health care practitioner that the patient in
3 the primary caregiver's care is suffering from a debilitating
4 medical condition.

5 b. Submits an application to the department, on a form
6 created by the department, in consultation with the department
7 of transportation, that contains all of the following:

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

10 (2) The patient's full name.

11 (3) A copy of the primary caregiver's valid photograph
12 identification.

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

15 (5) Any other information required by rule.

16 c. Submits a medical cannabis registration card fee of
17 twenty-five dollars to the department.

18 4. Primary caregiver card contents. A medical cannabis
19 registration card issued by the department of transportation to
20 a primary caregiver pursuant to subsection 3 shall contain, at
21 a minimum, all of the following:

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

24 b. The primary caregiver's photograph.

25 c. The date of issuance and expiration of the registration
26 card.

27 d. The registration card number of each patient in the
28 primary caregiver's care. If the patient in the primary
29 caregiver's care is under the age of eighteen, the full name of
30 the patient's parent or legal guardian.

31 e. Any other information required by rule.

32 5. Expiration date of card. A medical cannabis registration
33 card issued pursuant to this section shall expire one year
34 after the date of issuance and may be renewed.

35 6. Card issuance ---- department of transportation.

1 a. The department may enter into a chapter 28E agreement
2 with the department of transportation to facilitate the
3 issuance of medical cannabis registration cards pursuant to
4 subsections 1 and 3.

5 b. The department of transportation may issue renewal
6 medical cannabis registration cards through an online or
7 in-person process.

8 Sec. 67. NEW SECTION. 124E.5 Medical advisory board ----
9 duties.

10 1. No later than August 15, 2017, the director of public
11 health shall establish a medical advisory board consisting of
12 nine practitioners representing the fields of neurology, pain
13 management, gastroenterology, oncology, psychiatry, pediatrics,
14 infectious disease, family medicine, and pharmacy, and three
15 patients or primary caregivers with valid medical cannabis
16 registration cards. The practitioners shall be nationally
17 board-certified in their area of specialty and knowledgeable
18 about the use of medical cannabis.

19 2. A quorum of the advisory board shall consist of seven
20 members.

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

23 a. Reviewing and recommending to the department for
24 approval additional chronic or debilitating diseases or
25 medical conditions or their treatments as debilitating medical
26 conditions that qualify for the use of medical cannabis under
27 this chapter.

28 b. Accepting and reviewing petitions to add chronic or
29 debilitating diseases or medical conditions or their medical
30 treatments to the list of debilitating medical conditions that
31 qualify for the use of medical cannabis under this chapter.

32 c. Working with the department regarding the requirements
33 for the licensure of medical cannabis manufacturers and medical
34 cannabis dispensaries, including licensure procedures.

35 d. Advising the department regarding the location of

1 medical cannabis dispensaries throughout the state, the form
2 and quantity of allowable medical cannabis to be dispensed
3 to a patient or primary caregiver, and the general oversight
4 of medical cannabis manufacturers and medical cannabis
5 dispensaries in this state.

6 e. Convening at least twice per year to conduct public
7 hearings and to review and recommend for approval petitions,
8 which shall be maintained as confidential personal health
9 information, to add chronic or debilitating diseases or
10 medical conditions or their medical treatments to the list of
11 debilitating medical conditions that qualify for the use of
12 medical cannabis under this chapter.

13 f. Recommending improvements relating to the effectiveness
14 of the provisions of this chapter.

15 g. In making recommendations pursuant to this section,
16 consideration of the economic and financial impacts on patients
17 and the medical cannabis industry, and making recommendations
18 that minimize the extent of such impacts to the greatest extent
19 practicable.

20 Sec. 68. NEW SECTION. 124E.6 Medical cannabis manufacturer
21 licensure.

22 1. a. The department shall license up to four medical
23 cannabis manufacturers to manufacture medical cannabis within
24 this state consistent with the provisions of this chapter by
25 December 1, 2017. The department shall license new medical
26 cannabis manufacturers or relicense the existing medical
27 cannabis manufacturers by December 1 of each year.

28 b. Information submitted during the application process
29 shall be confidential until the medical cannabis manufacturer
30 is licensed by the department unless otherwise protected from
31 disclosure under state or federal law.

32 2. As a condition for licensure, a medical cannabis
33 manufacturer must agree to begin supplying medical cannabis to
34 medical cannabis dispensaries in this state by July 2, 2018.

35 3. The department shall consider the following factors in

1 determining whether to license a medical cannabis manufacturer:

2 a. The technical expertise of the medical cannabis

3 manufacturer regarding medical cannabis.

4 b. The qualifications of the medical cannabis manufacturer's

5 ownership and management team.

6 c. The long-term financial stability of the medical cannabis

7 manufacturer.

8 d. The ability to provide appropriate security measures on

9 the premises of the medical cannabis manufacturer.

10 e. Whether the medical cannabis manufacturer has

11 demonstrated an ability to meet certain medical cannabis

12 production needs for medical use regarding the range of

13 recommended dosages for each debilitating medical condition,

14 the range of chemical compositions of any plant of the genus

15 cannabis that will likely be medically beneficial for each

16 of the debilitating medical conditions, and the form of the

17 medical cannabis in the manner determined by the department

18 pursuant to rule.

19 f. The medical cannabis manufacturer's projection of and

20 ongoing assessment of fees on patients with debilitating

21 medical conditions.

22 g. The medical cannabis manufacturer's experience in medical

23 cannabis production, plant extraction, and pharmaceutical

24 formulations.

25 4. The department shall require each medical cannabis

26 manufacturer to contract with a laboratory approved by the

27 department to test the medical cannabis produced by the

28 manufacturer. The department shall require that the laboratory

29 report testing results to the manufacturer in a manner

30 determined by the department pursuant to rule.

31 5. Each entity submitting an application for licensure

32 as a medical cannabis manufacturer shall pay a nonrefundable

33 application fee of fifteen thousand dollars to the department.

34 Sec. 69. NEW SECTION. 124E.7 Medical cannabis

35 manufacturers.

1 1. A medical cannabis manufacturer shall contract with a
2 laboratory approved by the department for purposes of testing
3 the medical cannabis manufactured by the medical cannabis
4 manufacturer as to content, contamination, and consistency.
5 The cost of all laboratory testing shall be paid by the medical
6 cannabis manufacturer.

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

9 a. Procedures for the oversight of the medical cannabis
10 manufacturer and procedures to ensure accurate recordkeeping.

11 b. Procedures for the implementation of appropriate security
12 measures to deter and prevent the theft of medical cannabis and
13 unauthorized entrance into areas containing medical cannabis.

14 3. A medical cannabis manufacturer shall implement security
15 requirements, including requirements for protection of each
16 location by a fully operational security alarm system, facility
17 access controls, perimeter intrusion detection systems, and a
18 personnel identification system.

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

22 5. A medical cannabis manufacturer shall not permit any
23 person to consume medical cannabis on the property of the
24 medical cannabis manufacturer.

25 6. A medical cannabis manufacturer is subject to reasonable
26 inspection by the department.

27 7. A medical cannabis manufacturer shall not employ a
28 person who is under eighteen years of age or who has been
29 convicted of a disqualifying felony offense. An employee
30 of a medical cannabis manufacturer shall be subject to a
31 background investigation conducted by the division of criminal
32 investigation of the department of public safety and a national
33 criminal history background check.

34 8. A medical cannabis manufacturer shall not operate in any
35 location, whether for manufacturing, cultivating, harvesting,

1 packaging, or processing, within one thousand feet of a public
2 or private school existing before the date of the medical
3 cannabis manufacturer's licensure by the department.

4 9. A medical cannabis manufacturer shall comply with
5 reasonable restrictions set by the department relating to
6 signage, marketing, display, and advertising of medical
7 cannabis.

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

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

15 c. A medical cannabis manufacturer shall not manufacture
16 edible medical cannabis products utilizing food coloring.

17 d. A medical cannabis manufacturer shall manufacture a
18 reliable and ongoing supply of medical cannabis to treat every
19 debilitating medical condition listed in this chapter.

20 11. The department shall establish and collect an annual
21 fee from a medical cannabis manufacturer not to exceed the cost
22 of regulating and inspecting the manufacturer in the calendar
23 year.

24 Sec. 70. NEW SECTION. 124E.8 Medical cannabis dispensary
25 licensure.

26 1. a. The department shall license by April 2, 2018, twelve
27 medical cannabis dispensaries to dispense medical cannabis
28 within this state consistent with the provisions of this
29 chapter. The department shall license new medical cannabis
30 dispensaries or relicense the existing medical cannabis
31 dispensaries by December 1 of each year.

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

1 2. As a condition for licensure, a medical cannabis
2 dispensary must agree to begin supplying medical cannabis to
3 patients by July 16, 2018.

4 3. The department shall consider the following factors in
5 determining whether to license a medical cannabis dispensary:

6 a. The technical expertise of the medical cannabis
7 dispensary regarding medical cannabis.

8 b. The qualifications of the medical cannabis dispensary's
9 owners and management team.

10 c. The long-term financial stability of the medical cannabis
11 dispensary.

12 d. The ability to provide appropriate security measures on
13 the premises of the medical cannabis dispensary.

14 e. The medical cannabis dispensary's projection and ongoing
15 assessment of fees for the purchase of medical cannabis on
16 patients with debilitating medical conditions.

17 4. Each entity submitting an application for licensure
18 as a medical cannabis dispensary shall pay a nonrefundable
19 application fee of fifteen thousand dollars to the department.

20 Sec. 71. NEW SECTION. 124E.9 Medical cannabis dispensaries.

21 1. a. Medical cannabis dispensaries shall be located based
22 on geographical need throughout the state to improve patient
23 access.

24 b. A medical cannabis dispensary may dispense medical
25 cannabis pursuant to the provisions of this chapter but shall
26 not dispense any medical cannabis in a form or quantity other
27 than the form or quantity allowed by the department pursuant
28 to rule.

29 2. The operating documents of a medical cannabis dispensary
30 shall include all of the following:

31 a. Procedures for the oversight of the medical cannabis
32 dispensary and procedures to ensure accurate recordkeeping.

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

1 3. A medical cannabis dispensary shall implement security
2 requirements, including requirements for protection by a fully
3 operational security alarm system, facility access controls,
4 perimeter intrusion detection systems, and a personnel
5 identification system.

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

9 5. A medical cannabis dispensary shall not permit any person
10 to consume medical cannabis on the property of the medical
11 cannabis dispensary.

12 6. A medical cannabis dispensary is subject to reasonable
13 inspection by the department.

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

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

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

29 10. Prior to dispensing of any medical cannabis, a medical
30 cannabis dispensary shall do all of the following:

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

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

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

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

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

10 (c) The chemical composition of the medical cannabis.

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

13 (a) Warning labels regarding the use of medical cannabis by
14 a woman during pregnancy and while breastfeeding.

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

19 Sec. 72. NEW SECTION. 124E.10 Fees.

20 Medical cannabis registration card fees and medical cannabis
21 manufacturer and medical cannabis dispensary application
22 and annual fees collected by the department pursuant to
23 this chapter shall be retained by the department, shall be
24 considered repayment receipts as defined in section 8.2, and
25 shall be used for the purpose of regulating medical cannabis
26 manufacturers and medical cannabis dispensaries and for other
27 expenses necessary for the administration of this chapter.

28 Sec. 73. NEW SECTION. 124E.11 Department duties ---- rules.

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

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

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

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

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

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

19 (d) To any other authorized persons recognized by the
20 department by rule, but only for the purpose of verifying
21 that a person is lawfully in possession of a medical cannabis
22 registration card issued pursuant to this chapter.

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

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

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

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

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

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

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

17 e. Establish, in conjunction with the medical advisory
18 board, requirements for the licensure of medical cannabis
19 manufacturers and medical cannabis dispensaries and set forth
20 procedures for medical cannabis manufacturers and medical
21 cannabis dispensaries to obtain licenses.

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

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

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

30 g. Establish and collect annual fees from medical cannabis
31 manufacturers and medical cannabis dispensaries to cover
32 the costs associated with regulating and inspecting medical
33 cannabis manufacturers and medical cannabis dispensaries.

34 h. Specify and implement procedures that address public
35 safety including security procedures and product quality

1 including measures to ensure contaminant-free cultivation of
2 medical cannabis, safety, and labeling.

3 i. Establish and implement a medical cannabis inventory
4 and delivery tracking system to track medical cannabis
5 from production by a medical cannabis manufacturer through
6 dispensing at a medical cannabis dispensary.

7 Sec. 74. NEW SECTION. 124E.12 Reciprocity.

8 A valid medical cannabis registration card, or its
9 equivalent, issued under the laws of another state that allows
10 an out-of-state patient to possess or use medical cannabis in
11 the jurisdiction of issuance shall have the same force and
12 effect as a valid medical cannabis registration card issued
13 pursuant to this chapter, except that an out-of-state patient
14 in this state shall not obtain medical cannabis from a medical
15 cannabis dispensary in this state and an out-of-state patient
16 shall not smoke medical cannabis.

17 Sec. 75. NEW SECTION. 124E.13 Use of medical cannabis ----
18 affirmative defenses.

19 1. A health care practitioner, including any authorized
20 agent or employee thereof, shall not be subject to
21 prosecution for the unlawful certification, possession, or
22 administration of marijuana under the laws of this state for
23 activities arising directly out of or directly related to the
24 certification or use of medical cannabis in the treatment of
25 a patient diagnosed with a debilitating medical condition as
26 authorized by this chapter.

27 2. A medical cannabis manufacturer, including any
28 authorized agent or employee thereof, shall not be subject
29 to prosecution for manufacturing, possessing, cultivating,
30 harvesting, packaging, processing, transporting, or supplying
31 medical cannabis pursuant to this chapter.

32 3. A medical cannabis dispensary, including any authorized
33 agent or employee thereof, shall not be subject to prosecution
34 for transporting, supplying, or dispensing medical cannabis
35 pursuant to this chapter.

1 a. In a prosecution for the unlawful possession of marijuana
2 under the laws of this state, including but not limited to
3 chapters 124 and 453B, it is an affirmative and complete
4 defense to the prosecution that the patient has been diagnosed
5 with a debilitating medical condition, used or possessed
6 medical cannabis pursuant to a certification by a health care
7 practitioner as authorized under this chapter, and, for a
8 patient eighteen years of age or older, is in possession of a
9 valid medical cannabis registration card.

10 b. In a prosecution for the unlawful possession of marijuana
11 under the laws of this state, including but not limited to
12 chapters 124 and 453B, it is an affirmative and complete
13 defense to the prosecution that the person possessed medical
14 cannabis because the person is a primary caregiver of a patient
15 who has been diagnosed with a debilitating medical condition
16 and is in possession of a valid medical cannabis registration
17 card, and where the primary caregiver's possession of the
18 medical cannabis is on behalf of the patient and for the
19 patient's use only as authorized under this chapter.

20 c. If a patient or primary caregiver is charged with the
21 commission of a crime and is not in possession of the person's
22 medical cannabis registration card, any charge or charges filed
23 against the person shall be dismissed by the court if the
24 person produces to the court prior to or at the person's trial
25 a medical cannabis registration card issued to that person and
26 valid at the time the person was charged.

27 4. An agency of this state or a political subdivision
28 thereof, including any law enforcement agency, shall not remove
29 or initiate proceedings to remove a patient under the age
30 of eighteen from the home of a parent based solely upon the
31 parent's or patient's possession or use of medical cannabis as
32 authorized under this chapter.

33 Sec. 76. NEW SECTION. 124E.14 Penalties.

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

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

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

7 Sec. 77. NEW SECTION. 124E.15 Use of medical cannabis ----
8 smoking prohibited.

9 A patient shall not consume medical cannabis possessed
10 or used as authorized under this chapter by smoking medical
11 cannabis.

12 Sec. 78. NEW SECTION. 124E.16 Employment.

13 1. An employer in this state may retain, create, reinstate,
14 or enforce a written zero tolerance policy prohibiting the
15 possession or use of medical cannabis or any derivative
16 thereof including cannabidiol by an employee in the employer's
17 workplace, including but not limited to a policy prohibiting
18 an employee from having any detectable amount of medical
19 cannabis or any derivative thereof including cannabidiol in the
20 employee's body while at work.

21 2. An employer's prohibition of the possession or use
22 of medical cannabis or any derivative thereof including
23 cannabidiol under this section shall not be considered to be
24 an unfair or discriminatory employment practice under section
25 216.6.

26 Sec. 79. Section 730.5, subsection 11, Code 2017, is amended
27 by adding the following new paragraph:

28 NEW PARAGRAPH. f. Testing or taking action against an
29 individual with a confirmed positive test result due to the
30 individual's use of medical cannabis as authorized under
31 chapter 124E.

32 Sec. 80. REPEAL. Chapter 124D, Code 2017, is repealed.

33 Sec. 81. EMERGENCY RULES. The department may adopt
34 emergency rules under section 17A.4, subsection 3, and section
35 17A.5, subsection 2, paragraph "b", to implement the provisions

1 of this division of this Act and the rules shall be effective
2 immediately upon filing unless a later date is specified in the
3 rules. Any rules adopted in accordance with this section shall
4 also be published as a notice of intended action as provided
5 in section 17A.4.

6 Sec. 82. TRANSITION PROVISIONS. A medical cannabidiol
7 registration card issued under chapter 124D prior to the
8 effective date of this division of this Act, remains effective
9 and continues in effect as issued for the twelve-month period
10 following its issuance. This division of this Act does not
11 preclude a medical cannabidiol registration card holder from
12 seeking to renew the registration card under this division of
13 this Act prior to the expiration of the twelve-month period.

14 Sec. 83. EFFECTIVE UPON ENACTMENT. This division of this
15 Act, being deemed of immediate importance, takes effect upon
16 enactment.

17 DIVISION IX

18 DEPARTMENT OF TRANSPORTATION ---- BIDDING PREQUALIFICATION

19 Sec. 84. Section 26.16, as enacted by 2017 Iowa Acts, Senate
20 File 438, section 2, is amended to read as follows:

21 26.16 Prequalification requirements prohibited ---- exception.

22 1. A governmental entity shall not by ordinance, rule, or
23 any other action relating to contracts for public improvements
24 for which competitive bids are required by this chapter
25 impose any requirement that directly or indirectly restricts
26 potential bidders to any predetermined class of bidders defined
27 by experience on similar projects, size of company, union
28 membership, or any other criteria. However, a governmental
29 entity shall require nonresident bidders to comply with section
30 73A.21, subsection 4.

31 2. Notwithstanding subsection 1, a governmental entity may
32 require that each bidder for a public improvement for which
33 competitive bids are required by this chapter to file with the
34 governmental entity a statement showing the bidder's financial
35 standing, equipment, and experience in the execution of like

1 or similar work. The statement shall be filed with the agency
2 prior to the letting at which the bidder expects to bid. The
3 governmental entity may, in advance of the letting, notify
4 the bidder as to the amount and the nature of the work for
5 which the bidder is deemed qualified to bid. A bidder who is
6 prequalified under this subsection by the governmental entity
7 shall be deemed qualified for any public improvement by the
8 governmental entity for which competitive bids are required by
9 this chapter and shall submit proof of the prequalification in
10 a manner determined by the governmental entity if required to
11 do so by the governmental entity.>>

By HALL of Woodbury

SENATE FILE 516

H-1453

1 Amend the amendment, [H-1448](#), to [Senate File 516](#), as amended,
2 passed, and reprinted by the Senate, as follows:

3 1. Page 9, after line 21 by inserting:

4 <Sec. _____. NEW SECTION. 20.27A Transit employee exclusion
5 when federal funding at risk.

6 1. If the director of the department of transportation
7 determines that a public employer who employs a public employee
8 would likely lose federal funding under 49 U.S.C. {5333(b) if
9 such public employee is not declared a transit employee, the
10 director shall declare such public employee a transit employee.

11 2. The provisions of this chapter shall not be applicable
12 to a public employee declared a transit employee pursuant to
13 subsection 1. The provisions of chapter 20, Code 2017, shall
14 instead be applicable to such public employee.

15 3. The department of transportation and the board may adopt
16 rules pursuant to chapter 17A to provide for procedures as
17 deemed necessary to implement this section. The rules may
18 include but are not limited to any procedures the department
19 or board may deem necessary to avoid or minimize any loss of
20 federal funding under 49 U.S.C. {5333(b) by a public employer
21 in this state.

22 Sec. _____. Section 70A.19, Code 2017, as amended by 2017
23 Iowa Acts, [House File 291](#), section 22, is amended to read as
24 follows:

25 70A.19 Payroll deduction for employee organization dues
26 prohibited.

27 The state, a state agency, a regents institution, a board of
28 directors of a school district, a community college, or an area
29 education agency, a county board of supervisors, a governing
30 body of a city, or any other public employer as defined in
31 section 20.3 shall not authorize or administer a deduction from
32 the salaries or wages of its employees for membership dues to
33 an employee organization as defined in section 20.3, unless
34 such employees have been declared transit employees pursuant
35 to section 20.27A.>

H-1453

-1-

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Page 2

1 2. Page 13, before line 17 by inserting:

2 <Sec. _____. REPEAL. Section 20.32, as enacted by 2017 Iowa
3 Acts, [House File 291](#), section 18, is repealed.

4 Sec. _____. EFFECTIVE UPON ENACTMENT. The following
5 provisions of this division of this Act, being deemed of
6 immediate importance, take effect upon enactment:

7 1. The section of this division of this Act enacting section
8 20.27A.

9 2. The section of this division of this Act amending section
10 70A.19.

11 3. The section of this division of this Act repealing
12 section 20.32.>

13 3. By renumbering as necessary.

By HUNTER of Polk
HALL of Woodbury

SENATE FILE 516

H-1456

1 Amend the amendment, H-1448, to Senate File 516, as amended,
2 passed, and reprinted by the Senate, as follows:

3 1. Page 13, after line 15 by inserting:

4 <Sec. ____ . PROFESSIONAL LICENSING BOARD INVESTIGATION.

5 1. The ombudsman shall conduct a three-year investigation
6 of the complaint handling procedures of professional licensing
7 boards regulated under chapters 272 and 272C.

8 2. The ombudsman shall investigate and assess the
9 sufficiency of each professional licensing board's internal
10 processes for investigating, responding to, and ruling
11 on complaints filed against persons licensed, registered,
12 or certified by the board. Notwithstanding section 21.5,
13 subsection 5, paragraph "b", subparagraph (2), as part of
14 the investigation authorized pursuant to this section, the
15 ombudsman may review investigative files and closed session
16 records.

17 3. The ombudsman shall be reimbursed by each licensing
18 board, or by the department or agency that provides
19 administrative support to the licensing board, for the cost
20 of the investigation. The ombudsman shall submit quarterly
21 statements of costs for purposes of reimbursement.

22 4. The legislative council is requested to authorize the
23 ombudsman to hire one additional staff person for purposes of
24 the investigation.

25 5. By October 1, 2020, the ombudsman shall submit a report
26 to the general assembly documenting the findings of the study
27 and any related recommendations.>

28 2. By renumbering as necessary.

By ISENHART of Dubuque
LENSING of Johnson

H-1456 FILED APRIL 25, 2017

SENATE FILE 516

H-1458

1 Amend the amendment, H-1448, to Senate File 516, as amended,
2 passed, and reprinted by the Senate, as follows:

3 1. By striking page 1, line 1, through page 25, line 29, and
4 inserting:

5 <Amend Senate File 516, as amended, passed, and reprinted by
6 the Senate, as follows:

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

9 <DIVISION I

10 STANDING APPROPRIATIONS AND RELATED MATTERS

11 Section 1. BUDGET PROCESS FOR FISCAL YEAR 2018-2019.

12 1. For the budget process applicable to the fiscal year
13 beginning July 1, 2018, on or before October 1, 2017, in lieu
14 of the information specified in section 8.23, subsection
15 1, unnumbered paragraph 1, and section 8.23, subsection 1,
16 paragraph "a", all departments and establishments of the
17 government shall transmit to the director of the department
18 of management, on blanks to be furnished by the director,
19 estimates of their expenditure requirements, including every
20 proposed expenditure, for the ensuing fiscal year, together
21 with supporting data and explanations as called for by the
22 director of the department of management after consultation
23 with the legislative services agency.

24 2. The estimates of expenditure requirements shall be
25 in a form specified by the director of the department of
26 management, and the expenditure requirements shall include all
27 proposed expenditures and shall be prioritized by program or
28 the results to be achieved. The estimates shall be accompanied
29 by performance measures for evaluating the effectiveness of the
30 programs or results.

31 Sec. 2. BUDGET PROCESS FOR FISCAL YEAR 2019-2020.

32 1. For the budget process applicable to the fiscal year
33 beginning July 1, 2019, on or before October 1, 2018, in lieu
34 of the information specified in section 8.23, subsection
35 1, unnumbered paragraph 1, and section 8.23, subsection 1,

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1 paragraph "a", all departments and establishments of the
2 government shall transmit to the director of the department
3 of management, on blanks to be furnished by the director,
4 estimates of their expenditure requirements, including every
5 proposed expenditure, for the ensuing fiscal year, together
6 with supporting data and explanations as called for by the
7 director of the department of management after consultation
8 with the legislative services agency.

9 2. The estimates of expenditure requirements shall be
10 in a form specified by the director of the department of
11 management, and the expenditure requirements shall include all
12 proposed expenditures and shall be prioritized by program or
13 the results to be achieved. The estimates shall be accompanied
14 by performance measures for evaluating the effectiveness of the
15 programs or results.

16 Sec. 3. LIMITATIONS OF STANDING APPROPRIATIONS ---- FY
17 2017-2018. Notwithstanding the standing appropriations
18 in the following designated sections for the fiscal year
19 beginning July 1, 2017, and ending June 30, 2018, the amounts
20 appropriated from the general fund of the state pursuant to
21 these sections for the following designated purposes shall not
22 exceed the following amounts:

23 1. For payment of claims for nonpublic school
24 transportation under section 285.2:
25 \$ 8,197,091

26 If total approved claims for reimbursement for nonpublic
27 school pupil transportation exceed the amount appropriated in
28 accordance with this subsection, the department of education
29 shall prorate the amount of each approved claim.

30 2. For distribution for the tribal council of the Sac and
31 Fox Indian settlement for educating American Indian children
32 under section 256.30:
33 \$ 95,750

34 Sec. 4. LIMITATIONS OF STANDING APPROPRIATIONS ---- FY
35 2018-2019. Notwithstanding the standing appropriations

1 in the following designated sections for the fiscal year
2 beginning July 1, 2018, and ending June 30, 2019, the amounts
3 appropriated from the general fund of the state pursuant to
4 these sections for the following designated purposes shall not
5 exceed the following amounts:

6 1. For payment of claims for nonpublic school
7 transportation under section 285.2:
8 \$ 8,197,091

9 If total approved claims for reimbursement for nonpublic
10 school pupil transportation exceed the amount appropriated in
11 accordance with this subsection, the department of education
12 shall prorate the amount of each approved claim.

13 2. For distribution for the tribal council of the Sac and
14 Fox Indian settlement for educating American Indian children
15 under section 256.30:
16 \$ 95,750

17 Sec. 5. GENERAL ASSEMBLY.

18 1. The appropriations made pursuant to section 2.12 for the
19 expenses of the general assembly and legislative agencies for
20 the fiscal year beginning July 1, 2017, and ending June 30,
21 2018, are reduced by the following amount:
22 \$ 400,000

23 2. The budgeted amounts for the general assembly and
24 legislative agencies for the fiscal year beginning July 1,
25 2017, may be adjusted to reflect the unexpended budgeted
26 amounts from the previous fiscal year.

27 3. Annual membership dues for organizations, associations,
28 and conferences shall not be paid from moneys appropriated
29 pursuant to section 2.12.

30 4. Costs for out-of-state travel and per diems for
31 out-of-state travel shall not be paid from moneys appropriated
32 pursuant to section 2.12.

33 Sec. 6. INSTRUCTIONAL SUPPORT STATE AID ---- FY 2017-2018. In
34 lieu of the appropriation provided in section 257.20,
35 subsection 2, the appropriation for the fiscal year

1 beginning July 1, 2017, and ending June 30, 2018, for paying
2 instructional support state aid under section 257.20 for such
3 fiscal years is zero.

4 Sec. 7. SPECIAL FUNDS ---- SALARY ADJUSTMENTS ---- FY 2017-2018
5 ---- FY 2018-2019. For the fiscal year beginning July 1, 2017,
6 and ending June 30, 2018, and for the fiscal year beginning
7 July 1, 2018, and ending June 30, 2019, salary adjustments may
8 be funded using departmental revolving, trust, or special funds
9 for which the general assembly has established an operating
10 budget, provided that doing so does not exceed the operating
11 budget established by the general assembly.

12 Sec. 8. OPERATIONAL APPROPRIATIONS ---- REVERSION ---- FY
13 2016-2017. Notwithstanding section 8.62, at the close of
14 the fiscal year beginning July 1, 2016, and ending June 30,
15 2017, any balance of an operational appropriation that remains
16 unexpended or unencumbered shall not be encumbered or deposited
17 in the cash reserve fund as provided in section 8.62, but shall
18 instead revert to the general fund of the state at the close of
19 the fiscal year as provided in section 8.33.

20 Sec. 9. SPECIAL FUNDS ---- SALARY ADJUSTMENTS ----
21 UNAPPROPRIATED MONEYS ---- FY 2017-2018 ---- FY 2018-2019. For the
22 fiscal year beginning July 1, 2017, and ending June 30, 2018,
23 and for the fiscal year beginning July 1, 2018, and ending
24 June 30, 2019, salary adjustments otherwise provided may be
25 funded as determined by the department of management using
26 unappropriated moneys remaining in the department of commerce
27 revolving fund, the gaming enforcement revolving fund, the
28 gaming regulatory revolving fund, the primary road fund, the
29 road use tax fund, the fish and game protection fund, the Iowa
30 public employees' retirement fund, and in other departmental
31 revolving, trust, or special funds for which the general
32 assembly has not made an operating budget appropriation.

33 Sec. 10. SALARY MODEL ADMINISTRATOR. The salary model
34 administrator shall work in conjunction with the legislative
35 services agency to maintain the state's salary model used for

1 analyzing, comparing, and projecting state employee salary
2 and benefit information, including information relating to
3 employees of the state board of regents. The department of
4 revenue, the department of administrative services, the five
5 institutions under the jurisdiction of the state board of
6 regents, the judicial district departments of correctional
7 services, and the state department of transportation shall
8 provide salary data to the department of management and the
9 legislative services agency to operate the state's salary
10 model. The format and frequency of provision of the salary
11 data shall be determined by the department of management and
12 the legislative services agency. The information shall be
13 used in collective bargaining processes under chapter 20 and
14 in calculating the funding needs contained within the annual
15 salary adjustment legislation. A state employee organization
16 as defined in section 20.3, subsection 4, may request
17 information produced by the model, but the information provided
18 shall not contain information attributable to individual
19 employees.

20 Sec. 11. Section 257.35, Code 2017, is amended by adding the
21 following new subsection:

22 NEW SUBSECTION. 11A. Notwithstanding subsection 1, and in
23 addition to the reduction applicable pursuant to subsection
24 2, the state aid for area education agencies and the portion
25 of the combined district cost calculated for these agencies
26 for the fiscal year beginning July 1, 2017, and ending June
27 30, 2018, shall be reduced by the department of management by
28 fifteen million dollars. The reduction for each area education
29 agency shall be prorated based on the reduction that the agency
30 received in the fiscal year beginning July 1, 2003.

31 Sec. 12. EFFECTIVE UPON ENACTMENT. The following provision
32 or provisions of this division of this Act, being deemed of
33 immediate importance, take effect upon enactment:

34 1. The section of this division of this Act reverting to
35 the general fund any unexpended or unencumbered moneys from

1 operational appropriations.

2 DIVISION II

3 MISCELLANEOUS PROVISIONS

4 Sec. 13. VICTIM ASSISTANCE GRANTS. There is appropriated
5 from the general fund of the state to the department of justice
6 for the fiscal year beginning July 1, 2017, and ending June 30,
7 2018, the following amount, or so much thereof as is necessary,
8 to be used for the purposes designated:

9 For victim assistance grants:

10 \$ 150,000

11 Sec. 14. Section 2.43, unnumbered paragraph 1, Code 2017,
12 is amended to read as follows:

13 The legislative council in cooperation with the officers of
14 the senate and house shall have the duty and responsibility for
15 preparing for each session of the general assembly. Pursuant
16 to such duty and responsibility, the legislative council
17 shall assign the use of areas in the state capitol except for
18 the areas used by the governor as of January 1, 1986, ~~and by~~
19 ~~the courts as of July 1, 2003,~~ and, in consultation with the
20 director of the department of administrative services and the
21 capitol planning commission, may assign areas in other state
22 office buildings for use of the general assembly or legislative
23 agencies. The legislative council shall provide the courts
24 with use of space in the state capitol for ceremonial purposes.

25 The legislative council may authorize the renovation,
26 remodeling and preparation of the physical facilities used or
27 to be used by the general assembly or legislative agencies
28 subject to the jurisdiction of the legislative council and
29 award contracts pursuant to such authority to carry out such
30 preparation. The legislative council may purchase supplies and
31 equipment deemed necessary for the proper functioning of the
32 legislative branch of government.

33 Sec. 15. Section 8A.322, subsection 2, Code 2017, is amended
34 to read as follows:

35 2. Except for buildings and grounds described in section

1 216B.3, subsection 6; section 2.43, unnumbered paragraph 1; and
2 any buildings under the custody and control of the Iowa public
3 employees' retirement system, the director shall assign office
4 space at the capitol, other state buildings, and elsewhere in
5 the city of Des Moines, and the state laboratories facility
6 in Ankeny, for all executive and judicial state agencies.
7 Assignments may be changed at any time. The various officers
8 to whom rooms have been so assigned may control the same while
9 the assignment to them is in force. Official apartments shall
10 be used only for the purpose of conducting the business of the
11 state. The term "capitol" or "capitol building" as used in the
12 Code shall be descriptive of all buildings upon the capitol
13 grounds. The capitol building itself is reserved for the
14 operations of the general assembly, and the governor, and, for
15 ceremonial purposes, for the courts and the. The assignment
16 and use of physical facilities for the general assembly shall
17 be pursuant to section 2.43.

18 Sec. 16. Section 8C.7A, subsection 3, paragraph b,
19 unnumbered paragraph 1, if enacted by 2017 Iowa Acts, Senate
20 File 431, is amended to read as follows:

21 An authority shall not require a person to apply for or
22 enter into an individual license, franchise, or other agreement
23 with the authority or any other entity for the siting of
24 a small wireless facility on a utility pole located in a
25 public right-of-way. However, an authority may, through the
26 conditions set forth in a ~~building~~ permit obtained pursuant to
27 this subsection, do any of the following:

28 Sec. 17. Section 321N.4, subsection 6, Code 2017, is amended
29 to read as follows:

30 6. Insurance maintained under this chapter shall be
31 provided by an insurer governed by chapter 515 ~~or 518~~, or by
32 a surplus lines insurer governed by chapter 515I. ~~A surplus~~
33 ~~lines insurer that issues a policy pursuant to this section~~
34 ~~shall be considered an insurance carrier duly authorized to~~
35 ~~transact business in this state for the purposes of chapter~~

1 ~~321A.~~

2 Sec. 18. SMOKING AND USE OF CERTAIN PRODUCTS ---- CAPITOL
3 COMPLEX.

4 1. Pursuant to section 8A.322 and chapter 142D, the
5 department of administrative services shall adopt rules
6 prohibiting smoking and the use of alternative nicotine
7 products, tobacco products, and vapor products in the public
8 buildings and on the grounds of the capitol complex as follows:

9 a. Smoking shall be prohibited within the confines of all
10 buildings operated or owned by the state.

11 b. Smoking shall be prohibited on the grounds of any public
12 building on the capitol complex.

13 c. The use of alternative nicotine products, tobacco
14 products, and vapor products shall be prohibited in all spaces
15 in capitol complex buildings including tunnels and enclosures.

16 d. Use of alternative nicotine products, tobacco products,
17 and vapor products shall be prohibited on the grounds of the
18 capitol complex.

19 2. For the purposes of this section:

20 a. "Alternative nicotine product" means as defined in
21 section 453A.1.

22 b. "Grounds" means an outdoor area of a public building
23 that is used in connection with the building, including but not
24 limited to a sidewalk immediately adjacent to the building, a
25 sitting or standing area immediately adjacent to the building,
26 a patio, a deck, a curtilage or courtyard, or any other outdoor
27 area as designated by the person having custody or control of
28 the public building.

29 c. "Smoking" means as defined in section 142D.2 and also
30 includes but is not limited to burning or vaporizing tobacco
31 or other products in a cigarette, cigar, pipe, electronic
32 cigarette, or any noncombustible product, which may or may
33 not contain nicotine, that employs a heating element, power
34 source, electronic circuit, or other electronic, chemical, or
35 mechanical means, regardless of shape or size, that can be used

1 to produce vapor from a solution or other substance.

2 d. "Tobacco products" means as defined in section 453A.1.

3 e. "Vapor product" means as defined in section 453A.1.

4 Sec. 19. TAX CREDIT INTERIM STUDY COMMITTEE. The
5 legislative council is requested to appoint an interim
6 study committee for purposes of studying tax credits and
7 the contingent liability report issued by the department of
8 revenue. The committee shall study the ability to refund and
9 transfer tax credits, the fiscal impact ratio of tax credits,
10 the rate of growth of tax credits, and the impact tax credits
11 have on general fund revenue. The committee shall submit a
12 report that includes recommendations to the members of the
13 general assembly by December 29, 2017.

14 Sec. 20. REPEAL. Chapter 304A, Code 2017, is repealed.

15 DIVISION III
16 CORRECTIVE PROVISIONS

17 Sec. 21. Section 22.13A, subsection 5, paragraph b, as
18 enacted by 2017 Iowa Acts, [House File 291](#), section 51, is
19 amended to read as follows:

20 b. If paragraph "a", subparagraph (1) or (2) is not
21 consistent with the provision of a collective bargaining
22 agreement, a state agency shall provide the individuals
23 referenced in this subsection, as applicable, with regular
24 reports regarding any personnel settlement agreements entered
25 into with state employees by the state agency.

26 Sec. 22. Section 27.1, as enacted by 2017 Iowa Acts, Senate
27 File 499, section 1, is amended to read as follows:

28 27.1 Definitions.

29 ~~1.~~ For purposes of this ~~section~~ chapter:

30 a. 1. "Monitoring device" means a digital video or audio
31 streaming or recording device that is part of a system of
32 monitoring activity in an area or building using a system in
33 which signals are transmitted from a video camera or microphone
34 to the receivers by cables or wirelessly, forming a closed
35 circuit.

1 ~~b.~~ 2. "Public hospital" means a hospital licensed pursuant
2 to chapter 135B and governed pursuant to chapter 145A, 263,
3 347, 347A, or 392.

4 ~~e.~~ 3. "Public library" means a library district as
5 described in chapter 336.

6 ~~d.~~ 4. "Public school" means a school district as described
7 in chapter 274.

8 ~~e.~~ 5. "Reasonable expectation of privacy" means a person's
9 reasonable belief, under the circumstances, that the person can
10 disrobe or partially disrobe in privacy without being concerned
11 that the person is being viewed, photographed, or filmed when
12 doing so.

13 Sec. 23. Section 73A.26, as enacted by 2017 Iowa Acts,
14 [Senate File 438](#), section 6, is amended to read as follows:

15 73A.26 Purpose.

16 The purpose of this ~~chapter~~ subchapter is to provide for
17 more economical, nondiscriminatory, neutral, and efficient
18 procurement of construction-related goods and services by this
19 state and political subdivisions of this state.

20 Sec. 24. Section 80B.19, subsection 2, if enacted by 2017
21 Iowa Acts, [Senate File 509](#), section 22, is amended to read as
22 follows:

23 2. Internal training funds in the internal training
24 clearing fund shall be administered by the academy and shall
25 consist of moneys collected by the academy from billings issued
26 in accordance with this chapter ~~80B~~, and any other moneys
27 obtained or accepted by the academy, including but not limited
28 to gifts, loans, donations, grants, and contributions, which
29 are obtained or designated to support the activities of the
30 academy.

31 Sec. 25. Section 84A.1A, subsection 1, paragraph a,
32 subparagraph (8), subparagraph division (b), subparagraph
33 subdivision (iii), as enacted by 2017 Iowa Acts, House File
34 572, section 1, is amended to read as follows:

35 (iii) Two representatives of community-based organizations

1 that have demonstrated experience and expertise in addressing
2 the employment, training, or education needs of individuals
3 with barriers to employment as defined in the federal Workforce
4 Innovation and Opportunity Act, Pub. L. No. 113-128, {3(24),
5 including but not limited to organizations that serve veterans,
6 or that provide or support competitive, integrated employment
7 for individuals with disabilities; or that serve eligible
8 youth, as defined in the federal Workforce Innovation and
9 Opportunity Act, Pub. L. No. 113-128, {3(18), including
10 representatives of organizations that serve out-of-school
11 youth, as defined in the federal Workforce Innovation and
12 Opportunity Act, Pub. L. No. 113-128, {129(a)(1)(B).

13 Sec. 26. Section 225D.1, subsection 8, Code 2017, as amended
14 by 2017 Iowa Acts, House File 215, section 1, is amended to
15 read as follows:

16 8. "Eligible individual" means a child less than fourteen
17 years of age who has been diagnosed with autism based on a
18 diagnostic assessment of autism, is not otherwise eligible for
19 coverage for applied behavioral analysis treatment or applied
20 behavior analysis treatment under the medical assistance
21 program, section 514C.28, 514C.31, or other private insurance
22 coverage, and whose household income does not exceed five
23 hundred percent of the federal poverty level.

24 Sec. 27. Section 261.9, subsection 2A, paragraph b, if
25 enacted by 2017 Iowa Acts, House File 642, section 15, is
26 amended to read as follows:

27 b. Is a barber school licensed under section 158.7 or
28 a school of cosmetology arts and sciences licensed under
29 chapter 157 and is accredited by a national accrediting agency
30 recognized by the United States department of education. For
31 the fiscal year beginning July 1, 2017, an eligible institution
32 under this paragraph shall provide a matching aggregate amount
33 of institutional financial aid equal to at least seventy-five
34 percent of the amount received by the institution's students
35 for Iowa tuition grant assistance under section 261.16A.

1 For the fiscal year beginning July 1, 2018, the institution
2 shall provide a matching aggregate amount of institutional
3 financial aid equal to at least eighty-five percent of the
4 amount received in that fiscal year. Commencing with the
5 fiscal year beginning July 1, 2019, and each succeeding fiscal
6 year, the matching aggregate amount of institutional financial
7 aid shall be at least equal to the match provided by eligible
8 institutions under ~~section 261.16A, subsection 2 paragraph "a".~~

9 Sec. 28. 2017 Iowa Acts, [House File 488](#), section 57, as
10 enacted, is amended by striking the section and inserting in
11 lieu thereof the following:

12 SEC. 57. Section 455B.474, subsection 2, paragraph a,
13 subparagraph (1), Code 2017, is amended to read as follows:

14 (1) (a) Financial responsibility required by this
15 subsection may be established in accordance with rules adopted
16 by the commission by any one, or any combination, of the
17 following methods: ~~insurance, guarantee, surety bond, letter~~

18 (i) Insurance.

19 (ii) Guarantee.

20 (iii) Surety bond.

21 (iv) Letter of credit, or qualification.

22 (v) Qualification as a self-insurer.

23 (b) In adopting requirements under this subsection, the
24 commission may specify policy or other contractual terms,
25 conditions, or defenses which are necessary or are unacceptable
26 in establishing the evidence of financial responsibility.

27 Sec. 29. 2017 Iowa Acts, [House File 642](#), section 44,
28 subsection 1, paragraph f, unnumbered paragraph 2, if enacted,
29 is amended to read as follows:

30 From the moneys appropriated in this lettered paragraph
31 "f", not more than \$50,000 shall be used by the department ~~for~~
32 ~~expenses associated with the activities of the secondary career~~
33 ~~and technical programming task force convened pursuant to this~~
34 ~~Act to provide statewide support for work-based learning.~~

35 Sec. 30. 2017 Iowa Acts, [House File 642](#), section 52,

1 subsection 4, paragraph c, subparagraph (4), is amended to read
2 as follows:

3 (4) Notwithstanding section 8.33, of the moneys
4 appropriated in this paragraph "c" that remain unencumbered
5 or unobligated at the close of the fiscal year, an amount
6 equivalent to not more than 5 percent of the amount
7 appropriated in this paragraph "c" shall not revert ~~by~~ but
8 shall remain available for expenditure for summer programs for
9 students until the close of the succeeding fiscal year.

10 Sec. 31. 2017 Iowa Acts, [House File 642](#), section 55,
11 subsection 1, paragraph f, unnumbered paragraph 2, if enacted,
12 is amended to read as follows:

13 From the moneys appropriated in this lettered paragraph
14 "f", not more than \$25,000 shall be used by the department ~~for~~
15 ~~expenses associated with the activities of the secondary career~~
16 ~~and technical programming task force convened pursuant to this~~
17 ~~Act~~ to provide statewide support for work-based learning.

18 Sec. 32. 2017 Iowa Acts, [Senate File 510](#), section 22,
19 subsection 1, if enacted, is amended to read as follows:

20 1. Notwithstanding section 466A.2, and the repeal of
21 chapter 466A as provided in this division of this Act, on and
22 after December 31, 2017, the department of agriculture and
23 land stewardship shall manage moneys credited to the watershed
24 improvement fund in the same manner as required in 2016
25 Acts, chapter 1134, section 35, including by making necessary
26 payments to satisfy any outstanding obligations incurred by the
27 watershed improvement review board prior to December 31, 2017.

28 Sec. 33. EFFECTIVE UPON ENACTMENT. The following sections
29 of this division of this Act, being deemed of immediate
30 importance, take effect upon enactment:

31 1. The section of this division of this Act amending section
32 22.13A, subsection 5, paragraph "b".

33 2. The section of this division of this Act amending section
34 73A.26.

35 3. The section of this division of this Act amending

1 section 84A.1A, subsection 1, paragraph "a", subparagraph (8),
2 subparagraph division (b), subparagraph subdivision (iii).
3 Sec. 34. EFFECTIVE DATE. The section of this division of
4 this Act amending section 225D.1, subsection 8, takes effect
5 January 1, 2018.

6 DIVISION IV
7 WEAPONS

8 Sec. 35. Section 724.2A, as enacted by 2017 Iowa Acts, House
9 File 517, section 5, is amended to read as follows:

10 724.2A Peace officer and reserve peace officer ---- defined.
11 As used in sections 724.4, 724.6, and 724.11, "peace officer"
12 ~~means a certified "peace officer" and~~ includes a reserve peace
13 officer as defined in section 80D.1A.

14 Sec. 36. Section 724.4C, subsection 1, unnumbered paragraph
15 1, as enacted by 2017 Iowa Acts, House File 517, section 8, is
16 amended to read as follows:

17 Except as provided in subsection 2, a person commits a
18 serious misdemeanor if the person is intoxicated as provided
19 under the conditions set out in section 321J.2, subsection
20 1, paragraph "a", "b", or "c", and the person does any of the
21 following:

22 Sec. 37. Section 724.17, subsection 1, as enacted by 2017
23 Iowa Acts, House File 517, section 22, is amended to read as
24 follows:

25 1. The application for a permit to acquire pistols or
26 revolvers may be made to the sheriff of the county of the
27 applicant's residence and shall be on a form prescribed
28 and published by the commissioner of public safety. The
29 application shall require only the full name of the applicant,
30 the driver's license or nonoperator's identification card
31 number of the applicant, the residence of the applicant, ~~and~~
32 the date and place of birth of the applicant, and whether the
33 applicant meets the criteria specified in section 724.15.
34 The applicant shall also display an identification card that
35 bears a distinguishing number assigned to the cardholder, the

1 full name, date of birth, sex, residence address, and brief
2 description and color photograph of the cardholder, or other
3 identification as specified by rule of the department of public
4 safety. The sheriff shall conduct a criminal history check
5 concerning each applicant by obtaining criminal history data
6 from the department of public safety which shall include an
7 inquiry of the national instant criminal background check
8 system maintained by the federal bureau of investigation or any
9 successor agency. A person who makes what the person knows
10 to be a false statement of material fact on an application
11 submitted under this section or who submits what the person
12 knows to be any materially falsified or forged documentation in
13 connection with such an application commits a class "D" felony.

14 Sec. 38. Section 724.22, subsection 9, as enacted by 2017
15 Iowa Acts, [House File 517](#), section 29, is amended to read as
16 follows:

17 9. A parent, guardian, spouse, or instructor, who knowingly
18 provides direct supervision under subsection 5, of a person
19 while intoxicated as provided under the conditions set out
20 in section 321J.2, subsection 1, ~~or under the influence of~~
21 ~~an illegal drug~~ paragraph "a", "b", or "c", commits child
22 endangerment in violation of section 726.6, subsection 1,
23 paragraph "i".

24 Sec. 39. Section 726.6, subsection 1, paragraph i, as
25 enacted by 2017 Iowa Acts, [House File 517](#), section 30, is
26 amended to read as follows:

27 i. Knowingly provides direct supervision of a person under
28 section 724.22, subsection 5, while intoxicated as provided
29 under the conditions set out in section 321J.2, subsection 1,
30 ~~or under the influence of an illegal drug~~ paragraph "a", "b",
31 or "c".

32 Sec. 40. 2017 Iowa Acts, [House File 517](#), section 50,
33 subsection 1, as enacted, is amended to read as follows:

34 1. The ~~section~~ sections of this Act amending ~~section~~
35 sections 724.22 and 726.6.

1 Sec. 41. REPEAL. 2017 Iowa Acts, [House File 517](#), section
2 16, as enacted, is repealed.

3 Sec. 42. EFFECTIVE UPON ENACTMENT. The section of this
4 division of this Act amending 2017 Iowa Acts, [House File 517](#),
5 section 50, subsection 1, being deemed of immediate importance,
6 takes effect upon enactment.

7 Sec. 43. RETROACTIVE APPLICABILITY. The section of this
8 division of this Act amending 2017 Iowa Acts, [House File 517](#),
9 section 50, subsection 1, applies retroactively to April 13,
10 2017.

11 DIVISION V

12 VAPOR AND ALTERNATIVE NICOTINE PRODUCTS ---- TAX

13 Sec. 44. Section 453A.1, Code 2017, is amended by adding the
14 following new subsection:

15 NEW SUBSECTION. 7A. "Delivery sale" means any sale of
16 an alternative nicotine product or a vapor product to a
17 purchaser in this state where the purchaser submits the order
18 for such sale by means of a telephonic or other method of
19 voice transmission, mail or any other delivery service, or the
20 internet or other online service and the alternative nicotine
21 product or vapor product is delivered by use of mail or a
22 delivery service. The sale of an alternative nicotine product
23 or vapor product shall constitute a delivery sale regardless of
24 whether the seller is located in this state. "Delivery sale"
25 does not include a sale to a distributor or retailer of any
26 alternative nicotine product or vapor product not for personal
27 consumption.

28 Sec. 45. Section 453A.1, subsection 20, Code 2017, is
29 amended to read as follows:

30 20. "Place of business" is construed to mean and include any
31 place where cigarettes are sold or where cigarettes are stored
32 within or without the state of Iowa by the holder of an Iowa
33 permit or kept for the purpose of sale or consumption; or if
34 sold from any vehicle or train, the vehicle or train on which
35 or from which such cigarettes are sold shall constitute a place

1 of business; or for a business within or without the state that
2 conducts delivery sales, any place where alternative nicotine
3 products or vapor products are sold or where alternative
4 nicotine products or vapor products are kept for the purpose
5 of sale.

6 Sec. 46. Section 453A.13, subsection 1, Code 2017, is
7 amended to read as follows:

8 1. Permits required. Every distributor, wholesaler,
9 cigarette vendor, and retailer, now engaged or who desires to
10 become engaged in the sale or use of cigarettes, upon which a
11 tax is required to be paid, and every retailer now engaged or
12 who desires to become engaged in selling, offering for sale, or
13 distributing alternative nicotine products or vapor products,
14 including through delivery sales, shall obtain a state or
15 retail permit as a distributor, wholesaler, cigarette vendor,
16 or retailer, as the case may be.

17 Sec. 47. Section 453A.13, subsection 2, paragraph a, Code
18 2017, is amended to read as follows:

19 a. The department shall issue state permits to distributors,
20 wholesalers, and cigarette vendors and retailers that make
21 delivery sales of alternative nicotine products and vapor
22 products subject to the conditions provided in this division.
23 If an out-of-state retailer makes delivery sales of alternative
24 nicotine products or vapor products, an application shall be
25 filed with the department and a permit shall be issued for the
26 out-of-state retailer's principal place of business. Cities
27 may issue retail permits to ~~dealers~~ retailers with a place of
28 business located within their respective limits. County boards
29 of supervisors may issue retail permits to ~~dealers~~ retailers
30 with a place of business in their respective counties, outside
31 of the corporate limits of cities.

32 Sec. 48. Section 453A.42, Code 2017, is amended by adding
33 the following new subsection:

34 NEW SUBSECTION. 2A. "Delivery sale" means any sale of
35 an alternative nicotine product or a vapor product to a

1 purchaser in this state where the purchaser submits the order
2 for such sale by means of a telephonic or other method of
3 voice transmission, mail or any other delivery service, or the
4 internet or other online service and the alternative nicotine
5 product or vapor product is delivered by use of mail or a
6 delivery service. The sale of an alternative nicotine product
7 or vapor product shall constitute a delivery sale regardless of
8 whether the seller is located in this state. "Delivery sale"
9 does not include a sale to a distributor or retailer of any
10 alternative nicotine product or vapor product not for personal
11 consumption.

12 Sec. 49. Section 453A.42, subsection 8, Code 2017, is
13 amended to read as follows:

14 8. "Place of business" means any place where tobacco
15 products are sold or where tobacco products are manufactured,
16 stored, or kept for the purpose of sale or consumption,
17 including any vessel, vehicle, airplane, train, or vending
18 machine; or for a business within or without the state that
19 conducts delivery sales, any place where alternative nicotine
20 products or vapor products are sold or where alternative
21 nicotine products or vapor products are kept for the purpose of
22 sale, including delivery sales.

23 Sec. 50. Section 453A.47A, subsections 1, 3, and 6, Code
24 2017, are amended to read as follows:

25 1. Permits required. A person shall not engage in
26 the business of a retailer of tobacco, tobacco products,
27 alternative nicotine products, or vapor products at any place
28 of business, or through delivery sales, without first having
29 received a permit as a retailer.

30 3. Number of permits. An application shall be filed and a
31 permit obtained for each place of business owned or operated by
32 a retailer located in the state. If an out-of-state retailer
33 makes delivery sales of alternative nicotine products or vapor
34 products, an application shall be filed with the department
35 and a permit shall be issued for the out-of-state retailer's

1 principal place of business.

2 6. Issuance. Cities ~~shall~~ may issue retail permits to
3 retailers located within their respective limits. County
4 boards of supervisors ~~shall~~ may issue retail permits to
5 retailers located in their respective counties, outside of the
6 corporate limits of cities. The city or county shall submit a
7 duplicate of any application for a retail permit and any retail
8 permit issued by the entity under this section to the alcoholic
9 beverages division of the department of commerce within thirty
10 days of issuance. The alcoholic beverages division of the
11 department of commerce shall submit the current list of all
12 retail permits issued to the Iowa department of public health
13 by the first day of each quarter of a state fiscal year.

14 Sec. 51. NEW SECTION. 453A.47B Requirements for mailing or
15 shipping ---- alternative nicotine products or vapor products.

16 A retailer shall not mail, ship, or otherwise cause to be
17 delivered any alternative nicotine product or vapor product in
18 connection with a delivery sale unless all of the following
19 apply:

20 1. Prior to sale to the purchaser, the retailer verifies
21 that the purchaser is at least eighteen years of age through or
22 by one of the following:

23 a. A commercially available database, or aggregate of
24 databases, that is regularly used by government and businesses
25 for the purpose of age and identity verification.

26 b. Obtaining a copy of a valid government-issued document
27 that provides the name, address, and date of birth of the
28 purchaser.

29 2. The retailer uses a method of mailing, shipping, or
30 delivery that requires the signature of a person who is at
31 least eighteen years of age before the shipping package is
32 released to the purchaser.

33 Sec. 52. NEW SECTION. 453A.47C Sales and use tax on
34 delivery sales ---- alternative nicotine products or vapor
35 products.

1 1. A delivery sale of alternative nicotine products or vapor
2 products within this state shall be subject to the sales tax
3 provided in chapter 423, subchapter II.

4 2. The use in this state of alternative nicotine products
5 or vapor products purchased for use in this state through a
6 delivery sale shall be subject to the use tax provided in
7 chapter 423, subchapter III.

8 3. A retailer required to possess or possessing a permit
9 under section 453A.13 or 453A.47A to make delivery sales of
10 alternative nicotine products or vapor products within this
11 state shall be deemed to have waived all claims that such
12 retailer lacks physical presence within this state for purposes
13 of collecting and remitting sales and use tax.

14 4. A retailer making taxable delivery sales of alternative
15 nicotine products or vapor products within this state shall
16 remit to the department all sales and use tax due on such sales
17 at the times and in the manner provided by chapter 423.

18 5. The director shall adopt rules pursuant to chapter 17A to
19 administer this section.

20 DIVISION VI

21 SECURE AN ADVANCED VISION FOR EDUCATION FUND

22 Sec. 53. Section 423.2, subsection 11, paragraph b,
23 subparagraph (3), Code 2017, is amended to read as follows:

24 (3) Transfer one-sixth of the remaining revenues to the
25 secure an advanced vision for education fund created in section
26 423F.2. This subparagraph (3) is repealed ~~December 31, 2029~~
27 effective January 1, 2050.

28 Sec. 54. Section 423.2, subsection 14, Code 2017, is amended
29 to read as follows:

30 14. The sales tax rate of six percent is reduced to five
31 percent on January 1, ~~2030~~ 2050.

32 Sec. 55. Section 423.5, subsection 5, Code 2017, is amended
33 to read as follows:

34 5. The use tax rate of six percent is reduced to five
35 percent on January 1, ~~2030~~ 2050.

1 Sec. 56. Section 423.43, subsection 1, paragraph b, Code
2 2017, is amended to read as follows:

3 b. Subsequent to the deposit into the general fund of
4 the state and after the transfer of such revenues collected
5 under chapter 423B, the department shall transfer one-sixth of
6 such remaining revenues to the secure an advanced vision for
7 education fund created in section 423F.2. This paragraph is
8 repealed ~~December 31, 2029~~ effective January 1, 2050.

9 Sec. 57. Section 423F.6, Code 2017, is amended to read as
10 follows:

11 423F.6 Repeal.

12 This chapter is repealed ~~December 31, 2029~~ effective January
13 1, 2050.

14 DIVISION VII

15 MEDICAID MANAGED CARE CONTRACTS

16 Sec. 58. TERMINATION OF MEDICAID MANAGED CARE CONTRACTS ----
17 TRANSITION TO ALTERNATIVES FOR HEALTH CARE DELIVERY AND PAYMENT
18 REFORM.

19 1. The department of human services shall, upon the
20 effective date of this Act, provide thirty days' written notice
21 in accordance with the termination provisions of the contract
22 to each managed care organization with whom the department
23 executed a contract to administer the Medicaid managed care
24 program, to terminate all such contracts effective six months
25 from the effective date of this Act.

26 2. The department shall pursue initiatives to transition
27 the Medicaid program from the managed care model, effective
28 upon the date of termination of the Medicaid managed care
29 contracts, to a health care delivery system and value-based
30 model of payment that provides holistic, integrated,
31 patient-centered care, best meets the needs of the specific
32 Medicaid population, ensures sufficient access by members to
33 providers and services, provides adequate reimbursement to
34 providers of services and supports, improves each member's
35 experience of care, and ensures positive outcomes.

1 Sec. 59. EFFECTIVE UPON ENACTMENT. This division of this
2 Act, being deemed of immediate importance, takes effect upon
3 enactment.

4 DIVISION VIII
5 MEDICAL CANNABIS

6 Sec. 60. Section 124.204, subsection 4, paragraphs m and u,
7 Code 2017, are amended by striking the paragraphs.

8 Sec. 61. Section 124.204, subsection 7, Code 2017, is
9 amended by striking the subsection.

10 Sec. 62. Section 124.206, subsection 7, Code 2017, is
11 amended to read as follows:

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

21 a. ~~Marijuana when used for medicinal purposes pursuant to~~
22 ~~rules of the board.~~

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

31 (1) 1 cis or trans tetrahydrocannabinol, and their optical
32 isomers.

33 (2) 6 cis or trans tetrahydrocannabinol, and their optical
34 isomers.

35 (3) 3,4 cis or trans tetrahydrocannabinol, and their

1 optical isomers. (Since nomenclature of these substances
2 is not internationally standardized, compounds of these
3 structures, regardless of numerical designation of atomic
4 positions covered.)

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

8 Sec. 63. Section 124.401, subsection 5, unnumbered
9 paragraph 3, Code 2017, is amended to read as follows:

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

17 Sec. 64. NEW SECTION. 124E.1 Short title.

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

20 Sec. 65. NEW SECTION. 124E.2 Definitions.

21 As used in this chapter:

22 1. "Debilitating medical condition" means any of the
23 following:

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

- 26 (1) Intractable pain.
- 27 (2) Nausea or severe vomiting.
- 28 (3) Cachexia or severe wasting.

29 b. Multiple sclerosis.

30 c. Epilepsy or seizure disorders.

31 d. AIDS or HIV as defined in section 141A.1.

32 e. Glaucoma.

33 f. Hepatitis C.

34 g. Crohn's disease or ulcerative colitis.

35 h. Amyotrophic lateral sclerosis.

- 1 i. Ehlers-Danlos syndrome.
- 2 j. Post-traumatic stress disorder.
- 3 k. Tourette's syndrome.
- 4 l. Any terminal illness, with a probable life expectancy of
- 5 under one year, if the illness or its treatment produces one or
- 6 more of the following:
 - 7 (1) Intractable pain.
 - 8 (2) Nausea or severe vomiting.
 - 9 (3) Cachexia or severe wasting.
- 10 m. Intractable pain.
- 11 n. Parkinson's disease.
- 12 o. Muscular dystrophy.
- 13 p. Huntington's disease.
- 14 q. Alzheimer's disease.
- 15 r. Complex regional pain syndrome, type I and II.
- 16 s. Rheumatoid arthritis.
- 17 t. Polyarteritis nodosa.
- 18 u. Any other chronic or debilitating disease or medical
- 19 condition or its medical treatment approved by the department
- 20 pursuant to rule.
- 21 2. "Department" means the department of public health.
- 22 3. "Disqualifying felony offense" means a violation under
- 23 federal or state law of a felony offense, which has as an
- 24 element the possession, use, or distribution of a controlled
- 25 substance, as defined in 21 U.S.C. {802(6)}.
- 26 4. "Enclosed, locked facility" means a closet, room,
- 27 greenhouse, or other enclosed area equipped with locks or
- 28 other security devices that permit access only by authorized
- 29 personnel.
- 30 5. "Health care practitioner" means an individual licensed
- 31 under chapter 148 to practice medicine and surgery or
- 32 osteopathic medicine and surgery or an individual licensed to
- 33 practice medicine in any other state who provides specialty
- 34 care for an Iowa resident for one or more of the debilitating
- 35 medical conditions provided in this chapter.

1 6. "Intractable pain" means a pain in which the cause of the
2 pain cannot be removed or otherwise treated with the consent
3 of the patient and which, in the generally accepted course of
4 medical practice, no relief or cure of the cause of the pain
5 is possible, or none has been found after reasonable efforts.
6 Reasonable efforts for relieving or curing the cause of the
7 pain may be determined on the basis of but are not limited to
8 any of the following:

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

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

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

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

27 9. "Medical cannabis manufacturer" means an entity licensed
28 under section 124E.6 to manufacture and to possess, cultivate,
29 transport, or supply medical cannabis pursuant to the
30 provisions of this chapter.

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

1 cannabis pursuant to the provisions of this chapter.

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

7 Sec. 66. NEW SECTION. 124E.3 Health care practitioner
8 certification ---- duties.

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

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

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

21 c. Determine, on an annual basis, if the patient continues
22 to suffer from a debilitating medical condition and, if so,
23 issue the patient a new certification of that diagnosis. This
24 paragraph shall not apply if the patient is suffering from an
25 incurable debilitating medical condition.

26 d. Otherwise comply with all requirements established by the
27 department pursuant to rule.

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

30 Sec. 67. NEW SECTION. 124E.4 Medical cannabis registration
31 card.

32 1. Issuance to patient. The department may approve the
33 issuance of a medical cannabis registration card by the
34 department of transportation to a patient who:

35 a. Is at least eighteen years of age.

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

1 department of transportation to the primary caregiver who:
2 a. Submits a written certification to the department signed
3 by the patient's health care practitioner that the patient in
4 the primary caregiver's care is suffering from a debilitating
5 medical condition.
6 b. Submits an application to the department, on a form
7 created by the department, in consultation with the department
8 of transportation, that contains all of the following:
9 (1) The primary caregiver's full name, residence address,
10 date of birth, and telephone number.
11 (2) The patient's full name.
12 (3) A copy of the primary caregiver's valid photograph
13 identification.
14 (4) Full name, address, and telephone number of the
15 patient's health care practitioner.
16 (5) Any other information required by rule.
17 c. Submits a medical cannabis registration card fee of
18 twenty-five dollars to the department.
19 4. Primary caregiver card contents. A medical cannabis
20 registration card issued by the department of transportation to
21 a primary caregiver pursuant to subsection 3 shall contain, at
22 a minimum, all of the following:
23 a. The primary caregiver's full name, residence address, and
24 date of birth.
25 b. The primary caregiver's photograph.
26 c. The date of issuance and expiration of the registration
27 card.
28 d. The registration card number of each patient in the
29 primary caregiver's care. If the patient in the primary
30 caregiver's care is under the age of eighteen, the full name of
31 the patient's parent or legal guardian.
32 e. Any other information required by rule.
33 5. Expiration date of card. A medical cannabis registration
34 card issued pursuant to this section shall expire one year
35 after the date of issuance and may be renewed.

1 6. Card issuance ---- department of transportation.

2 a. The department may enter into a chapter 28E agreement
3 with the department of transportation to facilitate the
4 issuance of medical cannabis registration cards pursuant to
5 subsections 1 and 3.

6 b. The department of transportation may issue renewal
7 medical cannabis registration cards through an online or
8 in-person process.

9 Sec. 68. NEW SECTION. 124E.5 Medical advisory board ----
10 duties.

11 1. No later than August 15, 2017, the director of public
12 health shall establish a medical advisory board consisting of
13 nine practitioners representing the fields of neurology, pain
14 management, gastroenterology, oncology, psychiatry, pediatrics,
15 infectious disease, family medicine, and pharmacy, and three
16 patients or primary caregivers with valid medical cannabis
17 registration cards. The practitioners shall be nationally
18 board-certified in their area of specialty and knowledgeable
19 about the use of medical cannabis.

20 2. A quorum of the advisory board shall consist of seven
21 members.

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

24 a. Reviewing and recommending to the department for
25 approval additional chronic or debilitating diseases or
26 medical conditions or their treatments as debilitating medical
27 conditions that qualify for the use of medical cannabis under
28 this chapter.

29 b. Accepting and reviewing petitions to add chronic or
30 debilitating diseases or medical conditions or their medical
31 treatments to the list of debilitating medical conditions that
32 qualify for the use of medical cannabis under this chapter.

33 c. Working with the department regarding the requirements
34 for the licensure of medical cannabis manufacturers and medical
35 cannabis dispensaries, including licensure procedures.

1 d. Advising the department regarding the location of
2 medical cannabis dispensaries throughout the state, the form
3 and quantity of allowable medical cannabis to be dispensed
4 to a patient or primary caregiver, and the general oversight
5 of medical cannabis manufacturers and medical cannabis
6 dispensaries in this state.

7 e. Convening at least twice per year to conduct public
8 hearings and to review and recommend for approval petitions,
9 which shall be maintained as confidential personal health
10 information, to add chronic or debilitating diseases or
11 medical conditions or their medical treatments to the list of
12 debilitating medical conditions that qualify for the use of
13 medical cannabis under this chapter.

14 f. Recommending improvements relating to the effectiveness
15 of the provisions of this chapter.

16 g. In making recommendations pursuant to this section,
17 consideration of the economic and financial impacts on patients
18 and the medical cannabis industry, and making recommendations
19 that minimize the extent of such impacts to the greatest extent
20 practicable.

21 Sec. 69. NEW SECTION. 124E.6 Medical cannabis manufacturer
22 licensure.

23 1. a. The department shall license up to four medical
24 cannabis manufacturers to manufacture medical cannabis within
25 this state consistent with the provisions of this chapter by
26 December 1, 2017. The department shall license new medical
27 cannabis manufacturers or relicense the existing medical
28 cannabis manufacturers by December 1 of each year.

29 b. Information submitted during the application process
30 shall be confidential until the medical cannabis manufacturer
31 is licensed by the department unless otherwise protected from
32 disclosure under state or federal law.

33 2. As a condition for licensure, a medical cannabis
34 manufacturer must agree to begin supplying medical cannabis to
35 medical cannabis dispensaries in this state by July 2, 2018.

1 3. The department shall consider the following factors in
2 determining whether to license a medical cannabis manufacturer:

3 a. The technical expertise of the medical cannabis
4 manufacturer regarding medical cannabis.

5 b. The qualifications of the medical cannabis manufacturer's
6 ownership and management team.

7 c. The long-term financial stability of the medical cannabis
8 manufacturer.

9 d. The ability to provide appropriate security measures on
10 the premises of the medical cannabis manufacturer.

11 e. Whether the medical cannabis manufacturer has
12 demonstrated an ability to meet certain medical cannabis
13 production needs for medical use regarding the range of
14 recommended dosages for each debilitating medical condition,
15 the range of chemical compositions of any plant of the genus
16 cannabis that will likely be medically beneficial for each
17 of the debilitating medical conditions, and the form of the
18 medical cannabis in the manner determined by the department
19 pursuant to rule.

20 f. The medical cannabis manufacturer's projection of and
21 ongoing assessment of fees on patients with debilitating
22 medical conditions.

23 g. The medical cannabis manufacturer's experience in medical
24 cannabis production, plant extraction, and pharmaceutical
25 formulations.

26 4. The department shall require each medical cannabis
27 manufacturer to contract with a laboratory approved by the
28 department to test the medical cannabis produced by the
29 manufacturer. The department shall require that the laboratory
30 report testing results to the manufacturer in a manner
31 determined by the department pursuant to rule.

32 5. Each entity submitting an application for licensure
33 as a medical cannabis manufacturer shall pay a nonrefundable
34 application fee of fifteen thousand dollars to the department.

35 Sec. 70. NEW SECTION. 124E.7 Medical cannabis

1 manufacturers.

2 1. A medical cannabis manufacturer shall contract with a
3 laboratory approved by the department for purposes of testing
4 the medical cannabis manufactured by the medical cannabis
5 manufacturer as to content, contamination, and consistency.
6 The cost of all laboratory testing shall be paid by the medical
7 cannabis manufacturer.

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

10 a. Procedures for the oversight of the medical cannabis
11 manufacturer and procedures to ensure accurate recordkeeping.

12 b. Procedures for the implementation of appropriate security
13 measures to deter and prevent the theft of medical cannabis and
14 unauthorized entrance into areas containing medical cannabis.

15 3. A medical cannabis manufacturer shall implement security
16 requirements, including requirements for protection of each
17 location by a fully operational security alarm system, facility
18 access controls, perimeter intrusion detection systems, and a
19 personnel identification system.

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

23 5. A medical cannabis manufacturer shall not permit any
24 person to consume medical cannabis on the property of the
25 medical cannabis manufacturer.

26 6. A medical cannabis manufacturer is subject to reasonable
27 inspection by the department.

28 7. A medical cannabis manufacturer shall not employ a
29 person who is under eighteen years of age or who has been
30 convicted of a disqualifying felony offense. An employee
31 of a medical cannabis manufacturer shall be subject to a
32 background investigation conducted by the division of criminal
33 investigation of the department of public safety and a national
34 criminal history background check.

35 8. A medical cannabis manufacturer shall not operate in any

1 location, whether for manufacturing, cultivating, harvesting,
2 packaging, or processing, within one thousand feet of a public
3 or private school existing before the date of the medical
4 cannabis manufacturer's licensure by the department.

5 9. A medical cannabis manufacturer shall comply with
6 reasonable restrictions set by the department relating to
7 signage, marketing, display, and advertising of medical
8 cannabis.

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

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

16 c. A medical cannabis manufacturer shall not manufacture
17 edible medical cannabis products utilizing food coloring.

18 d. A medical cannabis manufacturer shall manufacture a
19 reliable and ongoing supply of medical cannabis to treat every
20 debilitating medical condition listed in this chapter.

21 11. The department shall establish and collect an annual
22 fee from a medical cannabis manufacturer not to exceed the cost
23 of regulating and inspecting the manufacturer in the calendar
24 year.

25 Sec. 71. NEW SECTION. 124E.8 Medical cannabis dispensary
26 licensure.

27 1. a. The department shall license by April 2, 2018, twelve
28 medical cannabis dispensaries to dispense medical cannabis
29 within this state consistent with the provisions of this
30 chapter. The department shall license new medical cannabis
31 dispensaries or relicense the existing medical cannabis
32 dispensaries by December 1 of each year.

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

1 disclosure under state or federal law.

2 2. As a condition for licensure, a medical cannabis
3 dispensary must agree to begin supplying medical cannabis to
4 patients by July 16, 2018.

5 3. The department shall consider the following factors in
6 determining whether to license a medical cannabis dispensary:

7 a. The technical expertise of the medical cannabis
8 dispensary regarding medical cannabis.

9 b. The qualifications of the medical cannabis dispensary's
10 owners and management team.

11 c. The long-term financial stability of the medical cannabis
12 dispensary.

13 d. The ability to provide appropriate security measures on
14 the premises of the medical cannabis dispensary.

15 e. The medical cannabis dispensary's projection and ongoing
16 assessment of fees for the purchase of medical cannabis on
17 patients with debilitating medical conditions.

18 4. Each entity submitting an application for licensure
19 as a medical cannabis dispensary shall pay a nonrefundable
20 application fee of fifteen thousand dollars to the department.

21 Sec. 72. NEW SECTION. 124E.9 Medical cannabis dispensaries.

22 1. a. Medical cannabis dispensaries shall be located based
23 on geographical need throughout the state to improve patient
24 access.

25 b. A medical cannabis dispensary may dispense medical
26 cannabis pursuant to the provisions of this chapter but shall
27 not dispense any medical cannabis in a form or quantity other
28 than the form or quantity allowed by the department pursuant
29 to rule.

30 2. The operating documents of a medical cannabis dispensary
31 shall include all of the following:

32 a. Procedures for the oversight of the medical cannabis
33 dispensary and procedures to ensure accurate recordkeeping.

34 b. Procedures for the implementation of appropriate security
35 measures to deter and prevent the theft of medical cannabis and

1 unauthorized entrance into areas containing medical cannabis.

2 3. A medical cannabis dispensary shall implement security
3 requirements, including requirements for protection by a fully
4 operational security alarm system, facility access controls,
5 perimeter intrusion detection systems, and a personnel
6 identification system.

7 4. A medical cannabis dispensary shall not share office
8 space with, refer patients to, or have any financial
9 relationship with a health care practitioner.

10 5. A medical cannabis dispensary shall not permit any person
11 to consume medical cannabis on the property of the medical
12 cannabis dispensary.

13 6. A medical cannabis dispensary is subject to reasonable
14 inspection by the department.

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

22 8. A medical cannabis dispensary shall not operate in any
23 location within one thousand feet of a public or private school
24 existing before the date of the medical cannabis dispensary's
25 licensure by the department.

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

30 10. Prior to dispensing of any medical cannabis, a medical
31 cannabis dispensary shall do all of the following:

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

35 b. Assign a tracking number to any medical cannabis

1 dispensed from the medical cannabis dispensary.

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

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

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

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

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

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

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

20 Sec. 73. NEW SECTION. 124E.10 Fees.

21 Medical cannabis registration card fees and medical cannabis
22 manufacturer and medical cannabis dispensary application
23 and annual fees collected by the department pursuant to
24 this chapter shall be retained by the department, shall be
25 considered repayment receipts as defined in section 8.2, and
26 shall be used for the purpose of regulating medical cannabis
27 manufacturers and medical cannabis dispensaries and for other
28 expenses necessary for the administration of this chapter.

29 Sec. 74. NEW SECTION. 124E.11 Department duties ---- rules.

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

1 for medical cannabis pursuant to this chapter.

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

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

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

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

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

20 (d) To any other authorized persons recognized by the
21 department by rule, but only for the purpose of verifying
22 that a person is lawfully in possession of a medical cannabis
23 registration card issued pursuant to this chapter.

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

28 2. The department shall adopt rules pursuant to chapter
29 17A to administer this chapter which shall include but not be
30 limited to rules to do all of the following:

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

34 b. Identify criteria and set forth procedures for
35 including additional chronic or debilitating diseases or

1 medical conditions or their medical treatments on the list of
2 debilitating medical conditions that qualify for the use of
3 medical cannabis. Procedures shall include a petition process
4 and shall allow for public comment and public hearings before
5 the medical advisory board.

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

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

18 e. Establish, in conjunction with the medical advisory
19 board, requirements for the licensure of medical cannabis
20 manufacturers and medical cannabis dispensaries and set forth
21 procedures for medical cannabis manufacturers and medical
22 cannabis dispensaries to obtain licenses.

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

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

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

31 g. Establish and collect annual fees from medical cannabis
32 manufacturers and medical cannabis dispensaries to cover
33 the costs associated with regulating and inspecting medical
34 cannabis manufacturers and medical cannabis dispensaries.

35 h. Specify and implement procedures that address public

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

4 i. Establish and implement a medical cannabis inventory
5 and delivery tracking system to track medical cannabis
6 from production by a medical cannabis manufacturer through
7 dispensing at a medical cannabis dispensary.

8 Sec. 75. NEW SECTION. 124E.12 Reciprocity.

9 A valid medical cannabis registration card, or its
10 equivalent, issued under the laws of another state that allows
11 an out-of-state patient to possess or use medical cannabis in
12 the jurisdiction of issuance shall have the same force and
13 effect as a valid medical cannabis registration card issued
14 pursuant to this chapter, except that an out-of-state patient
15 in this state shall not obtain medical cannabis from a medical
16 cannabis dispensary in this state and an out-of-state patient
17 shall not smoke medical cannabis.

18 Sec. 76. NEW SECTION. 124E.13 Use of medical cannabis ----
19 affirmative defenses.

20 1. A health care practitioner, including any authorized
21 agent or employee thereof, shall not be subject to
22 prosecution for the unlawful certification, possession, or
23 administration of marijuana under the laws of this state for
24 activities arising directly out of or directly related to the
25 certification or use of medical cannabis in the treatment of
26 a patient diagnosed with a debilitating medical condition as
27 authorized by this chapter.

28 2. A medical cannabis manufacturer, including any
29 authorized agent or employee thereof, shall not be subject
30 to prosecution for manufacturing, possessing, cultivating,
31 harvesting, packaging, processing, transporting, or supplying
32 medical cannabis pursuant to this chapter.

33 3. A medical cannabis dispensary, including any authorized
34 agent or employee thereof, shall not be subject to prosecution
35 for transporting, supplying, or dispensing medical cannabis

1 pursuant to this chapter.

2 a. In a prosecution for the unlawful possession of marijuana
3 under the laws of this state, including but not limited to
4 chapters 124 and 453B, it is an affirmative and complete
5 defense to the prosecution that the patient has been diagnosed
6 with a debilitating medical condition, used or possessed
7 medical cannabis pursuant to a certification by a health care
8 practitioner as authorized under this chapter, and, for a
9 patient eighteen years of age or older, is in possession of a
10 valid medical cannabis registration card.

11 b. In a prosecution for the unlawful possession of marijuana
12 under the laws of this state, including but not limited to
13 chapters 124 and 453B, it is an affirmative and complete
14 defense to the prosecution that the person possessed medical
15 cannabis because the person is a primary caregiver of a patient
16 who has been diagnosed with a debilitating medical condition
17 and is in possession of a valid medical cannabis registration
18 card, and where the primary caregiver's possession of the
19 medical cannabis is on behalf of the patient and for the
20 patient's use only as authorized under this chapter.

21 c. If a patient or primary caregiver is charged with the
22 commission of a crime and is not in possession of the person's
23 medical cannabis registration card, any charge or charges filed
24 against the person shall be dismissed by the court if the
25 person produces to the court prior to or at the person's trial
26 a medical cannabis registration card issued to that person and
27 valid at the time the person was charged.

28 4. An agency of this state or a political subdivision
29 thereof, including any law enforcement agency, shall not remove
30 or initiate proceedings to remove a patient under the age
31 of eighteen from the home of a parent based solely upon the
32 parent's or patient's possession or use of medical cannabis as
33 authorized under this chapter.

34 Sec. 77. NEW SECTION. 124E.14 Penalties.

35 1. A person who knowingly or intentionally possesses or

1 uses medical cannabis in violation of the requirements of this
2 chapter is subject to the penalties provided under chapters 124
3 and 453B.

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

8 Sec. 78. NEW SECTION. 124E.15 Use of medical cannabis ----
9 smoking prohibited.

10 A patient shall not consume medical cannabis possessed
11 or used as authorized under this chapter by smoking medical
12 cannabis.

13 Sec. 79. NEW SECTION. 124E.16 Employment.

14 1. An employer in this state may retain, create, reinstate,
15 or enforce a written zero tolerance policy prohibiting the
16 possession or use of medical cannabis or any derivative
17 thereof including cannabidiol by an employee in the employer's
18 workplace, including but not limited to a policy prohibiting
19 an employee from having any detectable amount of medical
20 cannabis or any derivative thereof including cannabidiol in the
21 employee's body while at work.

22 2. An employer's prohibition of the possession or use
23 of medical cannabis or any derivative thereof including
24 cannabidiol under this section shall not be considered to be
25 an unfair or discriminatory employment practice under section
26 216.6.

27 Sec. 80. Section 730.5, subsection 11, Code 2017, is amended
28 by adding the following new paragraph:

29 NEW PARAGRAPH. f. Testing or taking action against an
30 individual with a confirmed positive test result due to the
31 individual's use of medical cannabis as authorized under
32 chapter 124E.

33 Sec. 81. REPEAL. Chapter 124D, Code 2017, is repealed.

34 Sec. 82. EMERGENCY RULES. The department may adopt
35 emergency rules under section 17A.4, subsection 3, and section

1 17A.5, subsection 2, paragraph "b", to implement the provisions
2 of this division of this Act and the rules shall be effective
3 immediately upon filing unless a later date is specified in the
4 rules. Any rules adopted in accordance with this section shall
5 also be published as a notice of intended action as provided
6 in section 17A.4.

7 Sec. 83. TRANSITION PROVISIONS. A medical cannabidiol
8 registration card issued under chapter 124D prior to the
9 effective date of this division of this Act, remains effective
10 and continues in effect as issued for the twelve-month period
11 following its issuance. This division of this Act does not
12 preclude a medical cannabidiol registration card holder from
13 seeking to renew the registration card under this division of
14 this Act prior to the expiration of the twelve-month period.

15 Sec. 84. EFFECTIVE UPON ENACTMENT. This division of this
16 Act, being deemed of immediate importance, takes effect upon
17 enactment.

18 DIVISION IX

19 DEPARTMENT OF TRANSPORTATION ---- BIDDING PREQUALIFICATION

20 Sec. 85. Section 26.16, as enacted by 2017 Iowa Acts, Senate
21 File 438, section 2, is amended to read as follows:

22 26.16 Prequalification requirements prohibited ---- exception.

23 1. A governmental entity shall not by ordinance, rule, or
24 any other action relating to contracts for public improvements
25 for which competitive bids are required by this chapter
26 impose any requirement that directly or indirectly restricts
27 potential bidders to any predetermined class of bidders defined
28 by experience on similar projects, size of company, union
29 membership, or any other criteria. However, a governmental
30 entity shall require nonresident bidders to comply with section
31 73A.21, subsection 4.

32 2. Notwithstanding subsection 1, a governmental entity may
33 require that each bidder for a public improvement for which
34 competitive bids are required by this chapter to file with the
35 governmental entity a statement showing the bidder's financial

1 standing, equipment, and experience in the execution of like
2 or similar work. The statement shall be filed with the agency
3 prior to the letting at which the bidder expects to bid. The
4 governmental entity may, in advance of the letting, notify
5 the bidder as to the amount and the nature of the work for
6 which the bidder is deemed qualified to bid. A bidder who is
7 prequalified under this subsection by the governmental entity
8 shall be deemed qualified for any public improvement by the
9 governmental entity for which competitive bids are required by
10 this chapter and shall submit proof of the prequalification in
11 a manner determined by the governmental entity if required to
12 do so by the governmental entity.>>

By HALL of Woodbury

SENATE FILE 516

H-1459

1 Amend the amendment, [H-1448](#), to [Senate File 516](#), as amended,
2 passed, and reprinted by the Senate, as follows:

3 1. Page 8, line 1, after <buildings> by inserting <except
4 for the judicial branch building,>

5 2. By striking page 10, line 30, through page 11, line 22.

6 3. Page 11, before line 23 by inserting:

7 <Sec. ____ . EFFECTIVENESS AND IMPLEMENTATION. The general
8 assembly declares that the appropriation from the general fund
9 of the state to the secretary of state, serving as the state
10 commissioner of elections, made pursuant to 2017 Iowa Acts,
11 [House File 640](#), section 21, subsection 1, is sufficient for the
12 implementation of section 48A.10A contained in 2017 Iowa Acts,
13 [House File 516](#).>

14 4. By striking page 12, line 25, through page 13, line 7.

15 5. Page 16, after line 10 by inserting:

16 <Sec. ____ . Section 422.7, subsection 41, paragraph a,
17 subparagraph (1), subparagraph division (b), as enacted by 2017
18 Iowa Acts, [Senate File 505](#), section 1, is amended to read as
19 follows:

20 (b) For the tax year beginning in the 2018 calendar year
21 and for each subsequent tax year, the director shall multiply
22 each dollar amount set forth in subparagraph division (a),
23 subparagraph subdivisions (i) and (ii) by the latest cumulative
24 inflation factor, shall round off the resulting product to
25 the nearest one dollar, and shall incorporate the result into
26 the income tax forms and instructions for each tax year. For
27 purposes of this subparagraph division, "cumulative inflation
28 factor" means the product of the annual inflation factor for
29 the 2018 calendar year and all annual inflation factors for
30 subsequent calendar years as determined by section 422.4,
31 subsection 1, paragraph "a". The cumulative inflation factor
32 applies to all tax years beginning on or after January 1 of
33 the calendar year for which the latest annual inflation factor
34 has been determined. Notwithstanding any other provision,
35 the annual inflation factor for the 2018 calendar year is one

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1 hundred percent.>

2 6. Page 18, after line 7 by inserting:

3 <Sec. _____. APPLICABILITY. The section of this division of
4 this Act amending section 422.7, subsection 41, paragraph a,
5 subparagraph (1), subparagraph division (b), applies to tax
6 years beginning on or after January 1, 2018.>

7 7. Page 25, after line 29 by inserting:

8 <DIVISION _____
9 NATIONAL JUNIOR ANGUS SHOW

10 Sec. _____. 2015 Iowa Acts, chapter 132, section 25, as
11 amended by 2016 Iowa Acts, chapter 1134, section 2, is amended
12 to read as follows:

13 SEC. 25. UNCLAIMED PARI-MUTUEL WAGERING WINNINGS ----
14 HORSE AND DOG RACING. There is appropriated from the moneys
15 available under section 99D.13 to the department of agriculture
16 and land stewardship for the fiscal year beginning July 1,
17 2016, and ending June 30, 2017, the following amount, or so
18 much thereof as is necessary, to be used for the purposes
19 designated:

20 1. For purposes of supporting the department's
21 administration and enforcement of horse and dog racing law
22 pursuant to section 99D.22, including for salaries, support,
23 maintenance, and miscellaneous purposes:

24 \$ 295,516

25 2. a. For allocation to the Iowa junior angus association
26 in connection with the ~~2016~~ 2017 national junior angus show:

27 \$ 10,000

28 b. Notwithstanding section 8.33, moneys appropriated in
29 this subsection that remain unencumbered or unobligated at the
30 close of the fiscal year shall not revert but shall remain
31 available to be used to support the purpose designated in
32 paragraph "a" until the close of the succeeding fiscal year.

33 Sec. _____. EFFECTIVE UPON ENACTMENT. This division of this
34 Act, being deemed of immediate importance, takes effect upon
35 enactment.>

1 8. By renumbering as necessary.

By GRASSLEY of Butler



HF 478 – Property Assessment Appeal Board Sunset (LSB1923HV.1)
Analyst: Christin Mechler (Phone: (515)281-6561) (christin.mechler@legis.iowa.gov)
Fiscal Note Version – As amended by **S-3364**

Description

House File 478, as amended by **S-3364**, which strikes everything after the enacting clause, strikes the future repeal date of the Property Assessment Appeal Board (PAAB), indefinitely extending the PAAB's operations. The Bill requires the Director of the Department of Revenue (IDR) to establish, per administrative rule, preliminary education requirements for property and deputy property assessors. Evidence of completion of such requirements must be provided to prior initial license approval.

House File 478 prohibits licensed property assessors to use certain financial disclosure documents in the determination of the value of a property that is classified as both commercial and industrial, and owned and used by the property's owner. The Bill also clarifies burden-of-proof requirements for individuals claiming excessive or inadequate property valuations. Such claims must be filed on specific forms provided by the IDR. Additionally, the Bill provides for electronic recording of appeal testimony given in front of the PAAB, strikes confidentiality provisions, and requires the PAAB to adopt rules establishing requirements for notices of voluntary settlements in appeals before the Board to be served upon affected tax districts.

The Bill, as amended, also requires the Director of the IDR to study the existing system of continuing education for assessors and deputy assessors pursuant to Iowa Code chapter **441**, and if necessary, make relevant recommendations. The IDR will prepare and file a report detailing such recommendations and submit it to the chairpersons and ranking members of the House and Senate Ways and Means committees and the Legislative Services Agency by December 15, 2017.

Background

Operating under the auspices of the IDR the PAAB was established in 2005 pursuant to **House File 847** (Property Tax Assessment Changes). The legislation included a future repeal of the PAAB effective July 1, 2013, which was amended in 2013 to extend the future repeal date to July 1, 2018. In 2015, the future repeal provision was again extended to July 1, 2021. The PAAB conducts administrative hearings on contested cases to review any final action of a local board of review relating to protests of real property assessment, valuation, or the application of an equalization order.

For FY 2017, the PAAB estimates staffing and operating costs will total approximately \$906,000. Board staffing includes three board members, two attorneys, and one administrative assistant. The PAAB receives funding as a part of the General Fund appropriation to the IDR.

Assumptions

- Under current law, the PAAB would not be replaced by any other body with a similar purpose upon the repeal of the sunset date. Operating costs for PAAB are presumed to continue indefinitely.

- This estimate does not account for continued administrative costs resulting from property assessment appeals pursued through other means. It is assumed that taxpayers will not pursue all of the same property assessment appeals in the court system.
- As a result of projected salary growth and changing technological needs, it is anticipated that PAAB operating costs will increase as well. Using projections provided by Moody's Analytics of the Consumer Price Index for Urban Consumers for January 2017, it is assumed that PAAB operating costs will increase by 11.6% by FY 2022.

Fiscal Impact

No fiscal impact to the State General Fund is projected for the remainder of FY 2017, and for FY 2018 through FY 2021. Beginning in FY 2022, it is estimated that HF 478, as amended, will increase General Fund expenditures by approximately \$1.0 million annually, as shown in **Table 1** below. The expenditure increase is due to the continued operation of the PAAB beyond its current sunset date.

Table 1: Estimated General Fund Impact for HF 478 as amended by S-3364						
	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>
Extension of PAAB						
Sunset	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,000,000
Continuing Education						
Study-IDR	0	10,000 - 25,000	0	0	0	0
TOTAL	<u>\$ 0</u>	<u>\$10,000 - \$25,000</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,000,000</u>

In addition to the increase in General Fund expenditures resulting from the repeal of the PAAB's sunset date, the IDR estimates that it will need additional funding to staff and complete the study of existing continuing education requirements for both property and deputy property assessors. According to the IDR, such a study may cost anywhere from \$10,000 to \$25,000. House File 478, as amended, will increase General Fund expenditures by approximately \$10,000 to \$25,000 in FY 2018. This represents a one-time expenditure increase.

Sources

Department of Revenue
Legislative Services Agency

/s/ Holly M. Lyons

April 20, 2017

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.
