

**House File 2384 - Introduced**

HOUSE FILE 2384  
BY COMMITTEE ON COMMERCE

(SUCCESSOR TO HSB 607)

**A BILL FOR**

1 An Act relating to the medical cannabidiol Act, making  
2 related modifications, and providing for civil and criminal  
3 penalties and fees.  
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 124D.2, Code 2016, is amended by striking  
2 the section and inserting in lieu thereof the following:

3 **124D.2 Definitions.**

4 As used in this chapter:

5 1. "*Cannabidiol*" means a nonpsychoactive cannabinoid found  
6 in the plant *Cannabis sativa* L. or *Cannabis indica* or any  
7 other preparation thereof that is essentially free from plant  
8 material, and has a tetrahydrocannabinol level of no more than  
9 three percent.

10 2. "*Debilitating medical condition*" means any of the  
11 following:

12 a. Intractable epilepsy.

13 b. Multiple sclerosis.

14 c. Cancer, if a health care practitioner has determined a  
15 prognosis for a patient of less than twelve months of life.

16 3. "*Department*" means the department of public health.

17 4. "*Health care practitioner*" means an individual licensed  
18 under chapter 148 to practice medicine and surgery or  
19 osteopathic medicine and surgery who provides specialty care  
20 for a resident of this state for one or more debilitating  
21 medical conditions.

22 5. "*Intractable epilepsy*" means an epileptic seizure  
23 disorder for which standard medical treatment does not prevent  
24 or significantly ameliorate recurring, uncontrolled seizures or  
25 for which standard medical treatment results in harmful side  
26 effects.

27 6. "*Medical cannabidiol manufacturer*" means an entity  
28 located in this state and licensed by the department to  
29 manufacture and to possess, cultivate, harvest, package,  
30 process, transport, supply, and dispense cannabidiol pursuant  
31 to the provisions of this chapter.

32 7. "*Primary caregiver*" means a person, at least eighteen  
33 years of age, who has been designated by a patient's health  
34 care practitioner or by a person having custody of a patient,  
35 as being necessary to take responsibility for managing the

1 well-being of the patient with respect to the medical use of  
2 cannabidiol pursuant to the provisions of this chapter.

3 Sec. 2. Section 124D.3, Code 2016, is amended to read as  
4 follows:

5 **124D.3 Neurologist Health care practitioner recommendation**  
6 **— medical use of cannabidiol.**

7 A neurologist health care practitioner who has examined  
8 and treated a patient suffering from ~~intractable epilepsy~~ a  
9 debilitating medical condition may provide but has no duty to  
10 provide a written recommendation for the patient's medical use  
11 of cannabidiol to treat or alleviate symptoms of ~~intractable~~  
12 epilepsy the debilitating medical condition

13 if no other satisfactory alternative treatment options exist  
14 for the patient and all of the following conditions apply:

15 1. The patient is a permanent resident of this state.

16 2. A neurologist health care practitioner has treated  
17 the patient for ~~intractable epilepsy~~ a debilitating medical  
18 condition for at least six months. For purposes of this  
19 treatment period, and notwithstanding section 124D.2,  
20 subsection 4, treatment provided by a neurologist health care  
21 practitioner may include treatment by an out-of-state licensed  
22 neurologist health care practitioner in good standing.

23 3. The neurologist health care practitioner has tried  
24 alternative treatment options that have not alleviated the  
25 patient's symptoms.

26 4. The neurologist health care practitioner determines  
27 the risks of recommending the medical use of cannabidiol are  
28 reasonable in light of the potential benefit for the patient.

29 5. The neurologist health care practitioner maintains a  
30 patient treatment plan.

31 Sec. 3. Section 124D.4, subsection 1, paragraph c, Code  
32 2016, is amended to read as follows:

33 c. Requests the patient's neurologist health care  
34 practitioner to submit a written recommendation to the  
35 department signed by the neurologist health care practitioner

1 that the patient may benefit from the medical use of  
2 cannabidiol pursuant to [section 124D.3](#).

3 Sec. 4. Section 124D.4, subsection 1, paragraph d,  
4 subparagraph (3), Code 2016, is amended to read as follows:

5 (3) Full name, address, and telephone number of the  
6 patient's ~~neurologist~~ health care practitioner.

7 Sec. 5. Section 124D.4, subsection 1, Code 2016, is amended  
8 by adding the following new paragraph:

9 NEW PARAGRAPH. e. Submits a cannabidiol registration card  
10 fee of one hundred dollars to the department. If the patient  
11 attests to receiving social security disability benefits,  
12 supplemental security insurance benefits, or being enrolled in  
13 the medical assistance program, the fee shall be twenty-five  
14 dollars.

15 Sec. 6. Section 124D.4, subsection 3, paragraph b, Code  
16 2016, is amended to read as follows:

17 b. Requests a patient's ~~neurologist~~ health care practitioner  
18 to submit a written recommendation to the department signed by  
19 the ~~neurologist~~ health care practitioner that a patient in the  
20 primary caregiver's care may benefit from the medical use of  
21 cannabidiol pursuant to [section 124D.3](#).

22 Sec. 7. Section 124D.4, subsection 3, paragraph c,  
23 subparagraph (4), Code 2016, is amended to read as follows:

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

26 Sec. 8. Section 124D.5, subsection 1, paragraph b,  
27 subparagraph (1), Code 2016, is amended by adding the following  
28 new subparagraph division:

29 NEW SUBPARAGRAPH DIVISION. (c) To authorized employees of  
30 a medical cannabidiol manufacturer, but only for the purpose  
31 of verifying that a person is lawfully in possession of a  
32 cannabidiol registration card issued pursuant to this chapter.

33 Sec. 9. Section 124D.5, subsection 2, Code 2016, is amended  
34 by striking the subsection and inserting in lieu thereof the  
35 following:

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

4     *a.* Govern the manner in which the department shall consider  
5 applications for new and renewal cannabidiol registration  
6 cards.

7     *b.* Establish requirements for the suspension and revocation  
8 of a cannabidiol registration card and a medical cannabidiol  
9 manufacturer license.

10    *c.* Establish requirements for the licensure of medical  
11 cannabidiol manufacturers and set forth procedures for medical  
12 cannabidiol manufacturers to obtain licenses.

13    *d.* Develop a dispensing system for medical cannabidiol  
14 manufacturers to dispense cannabidiol within this state that  
15 provides for all of the following:

16       (1) Medical cannabidiol manufacturers within this state  
17 housed on secured grounds.

18       (2) The dispensing of cannabidiol to patients and their  
19 primary caregivers in person to occur at medical cannabidiol  
20 manufacturer locations designated by the department.

21    *e.* Establish and collect annual fees from medical  
22 cannabidiol manufacturers to cover the costs associated with  
23 regulating and inspecting medical cannabidiol manufacturers.

24    *f.* Specify and implement procedures that address public  
25 safety including security procedures and product quality  
26 including measures to ensure contaminant-free cultivation of  
27 cannabidiol, safety, and appropriate labeling.

28    *g.* Establish and implement a real-time, statewide  
29 cannabidiol registry management sale tracking system that  
30 is available to medical cannabidiol manufacturers on a  
31 twenty-four-hour-day, seven-day-a-week basis for the purpose  
32 of verifying that a person is lawfully in possession of  
33 a cannabidiol registration card issued pursuant to this  
34 chapter and for tracking the date of the sale and quantity of  
35 cannabidiol purchased by a patient or a primary caregiver.

1     *h.* Establish and implement a cannabidiol inventory and  
2 delivery tracking system to track cannabidiol from production  
3 by a medical cannabidiol manufacturer through dispensing by a  
4 medical cannabidiol manufacturer.

5     Sec. 10. Section 124D.6, subsections 1 and 2, Code 2016, are  
6 amended to read as follows:

7     1. *a.* A recommendation for the possession or use of  
8 cannabidiol as authorized by **this chapter** shall be provided  
9 exclusively by a ~~neurologist~~ health care practitioner for a  
10 patient who has been diagnosed with ~~intractable epilepsy~~ a  
11 debilitating medical condition.

12     *b.* Cannabidiol provided exclusively pursuant to the  
13 recommendation of a ~~neurologist~~ health care practitioner shall only be  
14 ~~out-of-state source and~~ health care practitioner shall only be  
15 recommended for oral or transdermal administration.

16     *c.* A ~~neurologist~~ health care practitioner shall be the sole  
17 authorized recommender as part of the treatment plan by the  
18 ~~neurologist~~ health care practitioner of a patient diagnosed  
19 with ~~intractable epilepsy~~ a debilitating medical condition.  
20 A ~~neurologist~~ health care practitioner shall have the sole  
21 authority to recommend the use or amount of cannabidiol,  
22 if any, in the treatment plan of a patient diagnosed with  
23 ~~intractable epilepsy~~ a debilitating medical condition.

24     2. A ~~neurologist~~ health care practitioner, including  
25 any authorized agent thereof, shall not be subject to  
26 prosecution for the unlawful recommendation, possession, or  
27 administration of marijuana under the laws of this state for  
28 activities arising directly out of or directly related to  
29 the recommendation or use of cannabidiol in the treatment of  
30 a patient diagnosed with ~~intractable epilepsy~~ a debilitating  
31 medical condition.

32     Sec. 11. Section 124D.6, Code 2016, is amended by adding the  
33 following new subsection:

34     NEW SUBSECTION. 2A. A medical cannabidiol manufacturer,  
35 including any authorized agent or employee thereof, shall

1 not be subject to prosecution for manufacturing, possessing,  
2 cultivating, harvesting, packaging, processing, transporting,  
3 supplying, or dispensing cannabidiol pursuant to this chapter.

4 Sec. 12. Section 124D.6, subsection 3, paragraphs a and b,  
5 Code 2016, are amended to read as follows:

6 a. In a prosecution for the unlawful possession of marijuana  
7 under the laws of this state, including but not limited to  
8 chapters 124 and 453B, it is an affirmative and complete  
9 defense to the prosecution that the patient has been diagnosed  
10 with ~~intractable epilepsy~~ a debilitating medical condition,  
11 used or possessed cannabidiol pursuant to a recommendation by a  
12 ~~neurologist~~ health care practitioner as authorized under this  
13 chapter, and, for a patient eighteen years of age or older, is  
14 in possession of a valid cannabidiol registration card.

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

26 Sec. 13. NEW SECTION. 124D.9 **Medical cannabidiol**  
27 **manufacturer licensure.**

28 1. The department shall license two medical cannabidiol  
29 manufacturers by December 1, 2016, to manufacture and dispense  
30 cannabidiol within this state consistent with the provisions  
31 of this chapter. The department shall relicense the existing  
32 medical cannabidiol manufacturers by December 1 of each year.

33 2. As a condition for licensure, a medical cannabidiol  
34 manufacturer must agree to begin supplying and dispensing  
35 cannabidiol to patients in this state by July 1, 2017.

1 3. The department shall consider the following factors  
2 in determining whether to license a medical cannabidiol  
3 manufacturer:

4 a. The technical expertise of the medical cannabidiol  
5 manufacturer in cannabidiol.

6 b. The qualifications of the medical cannabidiol  
7 manufacturer's employees.

8 c. The long-term financial stability of the medical  
9 cannabidiol manufacturer.

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

12 e. The medical cannabidiol manufacturer's projection of  
13 and ongoing assessment of fees on patients with debilitating  
14 medical conditions.

15 4. The department shall require each medical cannabidiol  
16 manufacturer to contract with the state hygienic laboratory at  
17 the university of Iowa in Iowa City to test the cannabidiol  
18 produced by the medical cannabidiol manufacturer as to  
19 content, contamination, and consistency. The department shall  
20 require that the laboratory report testing results to the  
21 medical cannabidiol manufacturer in a manner determined by the  
22 department pursuant to rule.

23 5. Each entity submitting an application for licensure as  
24 a medical cannabidiol manufacturer shall pay a nonrefundable  
25 application fee of ten thousand dollars to the department.

26 Sec. 14. NEW SECTION. 124D.10 Medical cannabidiol  
27 manufacturers.

28 1. A medical cannabidiol manufacturer shall pay the cost of  
29 all laboratory testing.

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

32 a. Procedures for the oversight of the medical cannabidiol  
33 manufacturer and procedures to ensure accurate recordkeeping.

34 b. Procedures for the implementation of appropriate security  
35 measures to deter and prevent the theft of cannabidiol and



1 unauthorized entrance into areas containing cannabidiol.

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

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

10 5. A medical cannabidiol manufacturer shall not permit any  
11 person to consume cannabidiol on the property of the medical  
12 cannabidiol manufacturer.

13 6. A medical cannabidiol manufacturer is subject to  
14 reasonable inspection by the department.

15 7. A medical cannabidiol manufacturer shall not employ a  
16 person who is under twenty-one years of age or who has been  
17 convicted of a disqualifying felony offense. An employee  
18 of a medical cannabidiol manufacturer 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 cannabidiol manufacturer shall comply with  
23 reasonable restrictions set by the department relating to  
24 signage, marketing, display, and advertising of cannabidiol.

25 9. *a.* All manufacturing, cultivating, harvesting,  
26 packaging, and processing of cannabidiol shall take place in an  
27 enclosed, locked facility at a physical address provided to the  
28 department during the licensure process.

29 *b.* A medical cannabidiol manufacturer shall manufacture  
30 a reliable and ongoing supply of cannabidiol to treat every  
31 debilitating medical condition listed in this chapter.

32 *c.* A medical cannabidiol manufacturer shall not, within  
33 a thirty-day period, dispense more than thirty-two ounces of  
34 cannabidiol to a patient or a primary caregiver.

35 10. A medical cannabidiol manufacturer shall pay an

1 annual fee determined by the department equal to the cost of  
2 regulating and inspecting the medical cannabidiol manufacturer  
3 during that year.

4 Sec. 15. NEW SECTION. 124D.11 Fees.

5 Cannabidiol registration card fees and medical cannabidiol  
6 manufacturer application and annual fees collected by the  
7 department pursuant to this chapter shall be retained by  
8 the department, shall be considered repayment receipts as  
9 defined in section 8.2, and shall be used for the purpose of  
10 regulating medical cannabidiol manufacturers and for other  
11 expenses necessary for the administration of this chapter.  
12 Notwithstanding section 8.33, moneys that remain unencumbered  
13 or unobligated at the end of the fiscal year shall not revert  
14 to the general fund of the state.

15 Sec. 16. NEW SECTION. 124D.12 Use of cannabidiol — smoking  
16 and vaping prohibited.

17 A patient shall not consume cannabidiol possessed or used as  
18 authorized by this chapter by smoking or vaping cannabidiol.

19 Sec. 17. NEW SECTION. 124D.13 Penalties.

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

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

27 Sec. 18. REPEAL. Sections 124D.7 and 124D.8, Code 2016,  
28 are repealed.

29

EXPLANATION

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

32 This bill relates to the medical cannabidiol Act, makes  
33 related modifications, and provides for civil and criminal  
34 penalties and fees.

35 MEDICAL CANNABIDIOL ACT — OVERVIEW. Iowa Code chapter

1 124D, the medical cannabidiol Act, currently allows an Iowa  
2 licensed neurologist who has examined and treated a patient  
3 suffering from intractable epilepsy to provide a written  
4 recommendation for the patient's medical use of cannabidiol  
5 to treat or alleviate symptoms of intractable epilepsy if  
6 no other satisfactory alternative treatment options exist  
7 and if certain conditions apply. A patient who receives a  
8 written recommendation from the patient's neurologist or  
9 the patient's primary caregiver is required to have a valid  
10 cannabidiol registration card to use or possess cannabidiol  
11 for medical purposes. The cannabidiol must be obtained from  
12 an out-of-state source. The department of public health  
13 is required to maintain a confidential file of the names  
14 of each patient and primary caregiver to or for whom the  
15 department issues a cannabidiol registration card and to keep  
16 such information confidential except as otherwise allowed.  
17 The medical cannabidiol Act provides affirmative defenses  
18 to a neurologist, a patient, and a primary caregiver from  
19 prosecution. A person who knowingly or intentionally possesses  
20 or uses cannabidiol in violation of the medical cannabidiol  
21 Act is subject to the penalties provided under Code chapters  
22 124 (controlled substances) and 453B (excise taxes on unlawful  
23 dealing in certain substances).

24 DEBILITATING MEDICAL CONDITIONS — HEALTH CARE PRACTITIONER.  
25 The bill amends the medical cannabidiol Act to include multiple  
26 sclerosis and terminal cancer, in addition to intractable  
27 epilepsy, as additional debilitating medical conditions for  
28 which a patient may receive a written recommendation from a  
29 health care practitioner for the patient's medical use of  
30 cannabidiol. "Health care practitioner" is defined to mean any  
31 Iowa licensed physician who provides specialty care for one or  
32 more debilitating medical conditions.

33 CANNABIDIOL REGISTRATION CARD FEE. The bill requires a  
34 patient to submit a cannabidiol registration card fee of \$100  
35 or \$25 to the department, depending on whether a patient is the

1 recipient of certain public assistance.

2 CONFIDENTIALITY. The bill provides that confidential  
3 patient and primary caregiver cannabidiol registration card  
4 information maintained by the department may be disclosed to  
5 authorized employees of a medical cannabidiol manufacturer  
6 under certain circumstances.

7 MEDICAL CANNABIDIOL MANUFACTURER — LICENSURE. The bill  
8 requires the department to license by December 1, 2016,  
9 two medical cannabidiol manufacturers to manufacture and  
10 dispense cannabidiol within this state. As a condition for  
11 licensure, a medical cannabidiol manufacturer must agree to  
12 begin supplying and dispensing cannabidiol to patients in  
13 this state by July 1, 2017. The department is directed to  
14 consider several factors in determining whether to license a  
15 medical cannabidiol manufacturer. Each medical cannabidiol  
16 manufacturer is required to contract with the state hygienic  
17 laboratory at the university of Iowa to test the cannabidiol  
18 produced by the manufacturer and to report testing results to  
19 the medical cannabidiol manufacturer, and is required to pay a  
20 nonrefundable application fee of \$10,000.

21 MEDICAL CANNABIDIOL MANUFACTURER — ADDITIONAL REQUIREMENTS.  
22 The bill provides that certain requirements must be included in  
23 the operating documents of a medical cannabidiol manufacturer.  
24 A medical cannabidiol manufacturer is prohibited from engaging  
25 in certain activities and is subject to reasonable inspection  
26 and reasonable restrictions by the department.

27 A medical cannabidiol manufacturer is required to provide  
28 a reliable and ongoing supply of cannabidiol to treat every  
29 debilitating medical condition pursuant to the provisions of  
30 the bill and shall manufacture, cultivate, harvest, package,  
31 and process cannabidiol in an enclosed, locked facility at  
32 a physical address provided to the department during the  
33 licensure process.

34 FEES. Cannabidiol registration card fees and medical  
35 cannabidiol manufacturer application and annual fees collected

1 by the department shall be retained by the department, and  
2 shall be used for the purpose of regulating medical cannabidiol  
3 manufacturers and for other expenses necessary for the  
4 administration of the bill.

5       ADDITIONAL DEPARTMENT DUTIES — RULES. The bill requires  
6 the department to adopt rules relating to cannabidiol  
7 registration cards and medical cannabidiol manufacturer  
8 licenses, requirements for the licensure of medical cannabidiol  
9 manufacturers, a dispensing system for medical cannabidiol  
10 manufacturers to dispense cannabidiol within this state  
11 that follows certain requirements, annual fees from medical  
12 cannabidiol manufacturers, public safety procedures, and the  
13 establishment and implementation of a statewide cannabidiol  
14 registry management sale tracking system.

15       USE OF CANNABIDIOL — SMOKING AND VAPING PROHIBITED. The  
16 bill provides that a patient, including an out-of-state patient  
17 who is in Iowa, shall not consume the cannabidiol by smoking or  
18 vaping the cannabidiol.

19       USE OF MEDICAL CANNABIDIOL — AFFIRMATIVE DEFENSES.  
20 The bill provides prosecution immunity for a health care  
21 practitioner and a medical cannabidiol manufacturer  
22 including any authorized agents or employees of the health  
23 care practitioner or medical cannabidiol manufacturer, for  
24 activities undertaken by the health care practitioner or  
25 medical cannabidiol manufacturer, pursuant to the provisions  
26 of the bill.

27       PENALTIES. The bill provides that a medical cannabidiol  
28 manufacturer shall be assessed a civil penalty of up to \$1,000  
29 per violation for any violation of the bill in addition to any  
30 other applicable penalties.

31       REPEAL. The bill repeals Code sections 124D.7 (penalties)  
32 and 124D.8 (repealing Code chapter 124D on July 1, 2017).