

**House Study Bill 607 - Introduced**

HOUSE FILE \_\_\_\_\_  
BY (PROPOSED COMMITTEE  
ON COMMERCE BILL BY  
CHAIRPERSON COWNIE)

**A BILL FOR**

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

1 Section 1. Section 124.204, subsection 4, paragraphs m and  
2 u, Code 2016, are amended by striking the paragraphs.

3 Sec. 2. Section 124.204, subsection 7, Code 2016, is amended  
4 by striking the subsection.

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

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

17 a. ~~Marijuana when used for medicinal purposes pursuant to~~  
18 ~~rules of the board.~~

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

27 (1) 1 cis or trans tetrahydrocannabinol, and their optical  
28 isomers.

29 (2) 6 cis or trans tetrahydrocannabinol, and their optical  
30 isomers.

31 (3) 3,4 cis or trans tetrahydrocannabinol, and their  
32 optical isomers. (Since nomenclature of these substances  
33 is not internationally standardized, compounds of these  
34 structures, regardless of numerical designation of atomic  
35 positions covered.)

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

5 Sec. 4. Section 124.401, subsection 5, unnumbered paragraph  
6 3, Code 2016, is amended to read as follows:

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

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

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

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

18 As used in this chapter:

19 1. *"Debilitating medical condition"* means any of the  
20 following:

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

23 (1) Intractable pain.

24 (2) Nausea or severe vomiting.

25 (3) Cachexia or severe wasting.

26 *b.* Multiple sclerosis.

27 *c.* Epilepsy or seizure disorders.

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

29 *e.* Hepatitis C.

30 *f.* Crohn's disease or ulcerative colitis.

31 *g.* Amyotrophic lateral sclerosis.

32 *h.* Ehlers-danlos syndrome.

33 *i.* Post-traumatic stress disorder.

34 *j.* Any terminal illness, with a probable life expectancy of  
35 under one year, if the illness or its treatment produces one or

1 more of the following:

2 (1) Intractable pain.

3 (2) Nausea or severe vomiting.

4 (3) Cachexia or severe wasting.

5 *k.* Any intractable pain.

6 1. Any other chronic or debilitating disease or medical  
7 condition or its medical treatment approved by the department  
8 pursuant to rule.

9 2. "*Department*" means the department of public health.

10 3. "*Disqualifying felony offense*" means a violation under  
11 federal or state law of a felony under federal or state law,  
12 which has as an element the possession, use, or distribution of  
13 a controlled substance, as defined in 21 U.S.C. §802(6).

14 4. "*Enclosed, locked facility*" means a closet, room,  
15 greenhouse, or other enclosed area equipped with locks or other  
16 security devices that permit access only by a cardholder.

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

22 6. "*Intractable pain*" means a pain the cause of which  
23 cannot be removed or otherwise treated with the consent of the  
24 patient and of or for which, in the generally accepted course  
25 of medical practice, no relief or cure is possible or no relief  
26 or cure has been found after reasonable efforts. Reasonable  
27 efforts for relieving the pain or curing the cause of the pain  
28 may be determined on the basis of, but are not limited to, any  
29 of the following:

30 *a.* When treating a non-terminally ill patient for  
31 intractable pain, evaluation by the attending physician and  
32 one or more physicians specializing in pain medicine or in the  
33 treatment of the area, system, or organ of the body perceived  
34 as the source of the pain.

35 *b.* When treating a terminally ill patient, evaluation by

1 the attending physician who treats the patient in accordance  
2 with the level of care, skill, and treatment that would be  
3 recognized by a reasonably prudent physician under similar  
4 conditions and circumstances.

5 7. "*Medical cannabidiol*" means a nonpsychoactive cannabinoid  
6 found 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 8. "*Medical cannabidiol dispensary*" means an entity licensed  
11 under section 124E.8 that acquires medical cannabidiol from a  
12 medical cannabidiol manufacturer in this state for the purpose  
13 of dispensing medical cannabidiol in this state pursuant to  
14 this chapter.

15 9. "*Medical cannabidiol manufacturer*" means an entity  
16 licensed by the department to manufacture and to possess,  
17 cultivate, transport, or supply medical cannabidiol pursuant to  
18 the provisions of this chapter.

19 10. "*Primary caregiver*" means a person, at least eighteen  
20 years of age, who has legal custody of the patient and who has  
21 been designated by a patient's health care practitioner as a  
22 necessary caretaker taking responsibility for managing the  
23 well-being of the patient with respect to the use of medical  
24 cannabidiol pursuant to the provisions of this chapter.

25 11. "*Written certification*" means a document signed by a  
26 health care practitioner, with whom the patient has established  
27 a patient-provider relationship, which states that the patient  
28 has a debilitating medical condition and identifies that  
29 condition and provides any other relevant information.

30 Sec. 7. NEW SECTION. 124E.3 **Health care practitioner**  
31 **certification — duties.**

32 1. Prior to a patient's submission of an application for a  
33 medical cannabidiol card pursuant to section 124E.4, a health  
34 care practitioner shall do all of the following:

35 a. Determine, in the health care practitioner's medical

1 judgment, whether the patient whom the health care practitioner  
2 has examined and treated suffers from a debilitating medical  
3 condition that qualifies for the use of medical cannabidiol  
4 under this chapter, and if so determined, provide the patient  
5 with a written certification of that diagnosis.

6 *b.* Provide explanatory information as provided by the  
7 department to the patient about the therapeutic use of medical  
8 cannabidiol.

9 2. Subsequently, the health care practitioner shall do the  
10 following:

11 *a.* Determine, on an annual basis, if the patient continues  
12 to suffer from a debilitating medical condition and, if so,  
13 issue the patient a new certification of that diagnosis.

14 *b.* Otherwise comply with all requirements established by the  
15 department pursuant to rule.

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

18 Sec. 8. NEW SECTION. 124E.4 **Medical cannabidiol**  
19 **registration card.**

20 1. *Issuance to patient.* The department may approve the  
21 issuance of a medical cannabidiol registration card by the  
22 department of transportation to a patient who:

23 *a.* Is at least eighteen years of age.

24 *b.* Is a permanent resident of this state.

25 *c.* Submits a written certification to the department signed  
26 by the patient's health care practitioner that the patient is  
27 suffering from a debilitating medical condition.

28 *d.* Submits an application to the department, on a form  
29 created by the department, in consultation with the department  
30 of transportation, that contains all of the following:

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

33 (2) A copy of the patient's valid photograph  
34 identification.

35 (3) Full name, address, and telephone number of the

1 patient's health care practitioner.

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

5 (5) Any other information required by rule.

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

11 2. *Patient card contents.* A medical cannabidiol  
12 registration card issued to a patient by the department of  
13 transportation pursuant to subsection 1 shall contain, at a  
14 minimum, all of the following:

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

17 b. The patient's photograph.

18 c. The date of issuance and expiration date of the  
19 registration card.

20 d. Any other information required by rule.

21 3. *Issuance to primary caregiver.* For a patient in a  
22 primary caregiver's care, the department may approve the  
23 issuance of a medical cannabidiol registration card by the  
24 department of transportation to the primary caregiver who:

25 a. Is at least eighteen years of age.

26 b. Submits a written certification to the department signed  
27 by the patient's health care practitioner that the patient in  
28 the primary caregiver's care is suffering from a debilitating  
29 medical condition.

30 c. Submits an application to the department, on a form  
31 created by the department, in consultation with the department  
32 of transportation, that contains all of the following:

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

35 (2) The patient's full name.

1 (3) A copy of the primary caregiver's valid photograph  
2 identification.

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

5 (5) Any other information required by rule.

6 *d.* Submits a medical cannabidiol registration card fee of  
7 twenty-five dollars to the department.

8 4. *Primary caregiver card contents.* A medical cannabidiol  
9 registration card issued by the department of transportation to  
10 a primary caregiver pursuant to subsection 3 shall contain, at  
11 a minimum, all of the following:

12 *a.* The primary caregiver's full name, residence address, and  
13 date of birth.

14 *b.* The primary caregiver's photograph.

15 *c.* The date of issuance and expiration date of the  
16 registration card.

17 *d.* The registration card number of each patient in the  
18 primary caregiver's care. If the patient in the primary  
19 caregiver's care is under the age of eighteen, the full name of  
20 the patient's parent or legal guardian.

21 *e.* Any other information required by rule.

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

25 6. *Card issuance — department of transportation.* The  
26 department may enter into a chapter 28E agreement with the  
27 department of transportation to facilitate the issuance of  
28 medical cannabidiol registration cards pursuant to subsections  
29 1 and 3.

30 Sec. 9. NEW SECTION. 124E.5 **Medical advisory board —**  
31 **duties.**

32 1. No later than August 15, 2016, the director of public  
33 health shall establish a medical advisory board consisting of  
34 nine practitioners representing the fields of neurology, pain  
35 management, gastroenterology, oncology, psychiatry, pediatrics,



1 infectious disease, family medicine, and pharmacy, and three  
2 patients with valid medical cannabidiol registration cards.  
3 The practitioners shall be nationally board-certified in their  
4 area of specialty and knowledgeable about the use of medical  
5 cannabidiol.

6 2. A quorum of the advisory board shall consist of seven  
7 members.

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

10 a. Reviewing and recommending to the department for  
11 approval additional chronic or debilitating diseases or  
12 medical conditions or their treatments as debilitating medical  
13 conditions that qualify for the use of medical cannabidiol  
14 under this chapter.

15 b. Accepting and reviewing petitions to add chronic or  
16 debilitating diseases or medical conditions or their medical  
17 treatments to the list of debilitating medical conditions that  
18 qualify for the use of medical cannabidiol under this chapter.

19 c. Advising the department regarding the location of medical  
20 cannabidiol dispensaries throughout the state, the form and  
21 quantity of allowable medical cannabidiol to be dispensed to  
22 a patient or primary caregiver, and the general oversight of  
23 medical cannabidiol manufacturers and medical cannabidiol  
24 dispensaries in this state.

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

31 Sec. 10. NEW SECTION. 124E.6 Medical cannabidiol  
32 manufacturer licensure.

33 1. a. The department shall license four medical cannabidiol  
34 manufacturers by December 1, 2016, to manufacture medical  
35 cannabidiol within this state consistent with the provisions

1 of this chapter. The department shall license new medical  
2 cannabidiol manufacturers or relicense the existing medical  
3 cannabidiol manufacturers by December 1 of each year.

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

8 2. As a condition for licensure, a medical cannabidiol  
9 manufacturer must agree to begin supplying medical cannabidiol  
10 to medical cannabidiol dispensaries in this state by July 1,  
11 2017.

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

15 *a.* The technical expertise of the medical cannabidiol  
16 manufacturer in medical cannabidiol.

17 *b.* The qualifications of the medical cannabidiol  
18 manufacturer's employees.

19 *c.* The long-term financial stability of the medical  
20 cannabidiol manufacturer.

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

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

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

35 4. The department shall require each medical cannabidiol

1 manufacturer to contract with the state hygienic laboratory  
2 at the university of Iowa in Iowa City to test the medical  
3 cannabidiol produced by the manufacturer as to content,  
4 contamination, and consistency. The department shall require  
5 that the laboratory report testing results to the manufacturer  
6 in a manner determined by the department pursuant to rule.

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

10 Sec. 11. NEW SECTION. 124E.7 **Medical cannabidiol**  
11 **manufacturers.**

12 1. A medical cannabidiol manufacturer shall pay the cost of  
13 all laboratory testing.

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

16 a. Procedures for the oversight of the medical cannabidiol  
17 manufacturer and procedures to ensure accurate record keeping.

18 b. Procedures for the implementation of appropriate security  
19 measures to deter and prevent the theft of medical cannabidiol  
20 and unauthorized entrance into areas containing medical  
21 cannabidiol.

22 3. A medical cannabidiol manufacturer shall implement  
23 security requirements, including requirements for protection  
24 of each location by a fully operational security alarm system,  
25 facility access controls, perimeter intrusion detection  
26 systems, and a personnel identification system.

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

30 5. A medical cannabidiol manufacturer shall not permit any  
31 person to consume medical cannabidiol on the property of the  
32 medical cannabidiol manufacturer.

33 6. A medical cannabidiol manufacturer is subject to  
34 reasonable inspection by the department.

35 7. A medical cannabidiol manufacturer shall not employ

1 a person who is under eighteen years of age or who has been  
2 convicted of a disqualifying felony offense. An employee  
3 of a medical cannabidiol manufacturer shall be subject to a  
4 background investigation conducted by the division of criminal  
5 investigation of the department of public safety and a national  
6 criminal history background check.

7 8. A medical cannabidiol manufacturer shall not operate  
8 in any location, whether for manufacturing, cultivating,  
9 harvesting, packaging, or processing, within one thousand feet  
10 of a public or private school existing before the date of the  
11 medical cannabidiol manufacturer's licensure by the department.

12 9. A medical cannabidiol manufacturer shall comply with  
13 reasonable restrictions set by the department relating to  
14 signage, marketing, display, and advertising of medical  
15 cannabidiol.

16 10. *a.* A medical cannabidiol manufacturer shall provide a  
17 reliable and ongoing supply of medical cannabidiol to medical  
18 cannabidiol dispensaries pursuant to this chapter.

19 *b.* All manufacturing, cultivating, harvesting, packaging,  
20 and processing of medical cannabidiol shall take place in an  
21 enclosed, locked facility at a physical address provided to the  
22 department during the licensure process.

23 *c.* A medical cannabidiol manufacturer shall not manufacture  
24 edible medical cannabidiol products utilizing food coloring.

25 *d.* A medical cannabidiol manufacturer shall manufacture a  
26 reliable and ongoing supply of medical cannabidiol to treat  
27 every debilitating medical condition listed in this chapter.

28 11. A medical cannabidiol manufacturer shall pay an  
29 annual fee determined by the department equal to the cost of  
30 regulating and inspecting the manufacturer during that year.

31 **Sec. 12. NEW SECTION. 124E.8 Medical cannabidiol dispensary**  
32 **licensure.**

33 1. *a.* The department shall license by April 1, 2017,  
34 twelve medical cannabidiol dispensaries to dispense medical  
35 cannabidiol within this state consistent with the provisions

1 of this chapter. The department shall license new medical  
2 cannabidiol dispensaries or relicense the existing medical  
3 cannabidiol manufacturers by December 1 of each year.

4 *b.* Information submitted during the application process  
5 shall be confidential until the medical cannabidiol dispensary  
6 is licensed by the department unless otherwise protected from  
7 disclosure under state or federal law.

8 2. As a condition for licensure, a medical cannabidiol  
9 dispensary must agree to begin supplying medical cannabidiol to  
10 patients by July 1, 2017.

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

14 *a.* The technical expertise of the medical cannabidiol  
15 dispensary regarding medical cannabidiol.

16 *b.* The qualifications of the medical cannabidiol  
17 dispensary's employees.

18 *c.* The long-term financial stability of the medical  
19 cannabidiol dispensary.

20 *d.* The ability to provide appropriate security measures on  
21 the premises of the medical cannabidiol dispensary.

22 *e.* The medical cannabidiol dispensary's projection and  
23 ongoing assessment of fees for the purchase of medical  
24 cannabidiol on patients with debilitating medical conditions.

25 4. Each entity submitting an application for licensure as  
26 a medical cannabidiol dispensary shall pay a nonrefundable  
27 application fee of ten thousand dollars to the department.

28 5. A medical cannabidiol dispensary shall pay an annual fee  
29 determined by the department equal to the cost of regulating  
30 and inspecting the manufacturer during that year.

31 **Sec. 13. NEW SECTION. 124E.9 Medical cannabidiol**  
32 **dispensaries.**

33 1. *a.* The medical cannabidiol dispensaries shall be located  
34 based on geographical need throughout the state to improve  
35 patient access.

1     *b.* A medical cannabidiol dispensary may dispense medical  
2 cannabidiol pursuant to the provisions of this chapter but  
3 shall not dispense any medical cannabidiol in a form or  
4 quantity other than the form or quantity allowed by the  
5 department pursuant to rule.

6     2. The operating documents of a medical cannabidiol  
7 dispensary shall include all of the following:

8     *a.* Procedures for the oversight of the medical cannabidiol  
9 dispensary and procedures to ensure accurate record keeping.

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

14    3. A medical cannabidiol dispensary shall implement  
15 security requirements, including requirements for protection  
16 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 cannabidiol dispensary 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 cannabidiol dispensary shall not permit any  
23 person to consume medical cannabidiol on the property of the  
24 medical cannabidiol dispensary.

25    6. A medical cannabidiol dispensary is subject to  
26 reasonable inspection by the department.

27    7. A medical cannabidiol dispensary 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 cannabidiol dispensary 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 cannabidiol dispensary shall not operate in  
35 any location within one thousand feet of a public or private

1 school existing before the date of the medical cannabidiol  
2 dispensary's licensure by the department.

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

7 10. Prior to dispensing of any medical cannabidiol, a  
8 medical cannabidiol dispensary shall do all of the following:

9 a. Verify that the medical cannabidiol dispensary has  
10 received a valid medical cannabidiol registration card from a  
11 patient or a patient's primary caregiver, if applicable.

12 b. Assign a tracking number to any medical cannabidiol  
13 dispensed from the medical cannabidiol dispensary.

14 c. (1) Properly package medical cannabidiol in compliance  
15 with federal law regarding child resistant packaging and  
16 exemptions for packaging for elderly patients, and label  
17 medical cannabidiol with a list of all active ingredients and  
18 individually identifying information, including all of the  
19 following:

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

22 (b) The medical cannabidiol registration card numbers  
23 of the patient and of the patient's primary caregiver, if  
24 applicable.

25 (c) The chemical composition of the medical cannabidiol.

26 (2) Proper packaging of medical cannabidiol shall include  
27 but not be limited to all of the following:

28 (a) Warning labels regarding the use of medical cannabidiol  
29 by a woman during pregnancy and while breastfeeding.

30 (b) Clearly labeled packaging indicating that an edible  
31 medical cannabidiol product contains medical cannabidiol, which  
32 packaging shall not imitate candy products or in any way make  
33 the product marketable to children.

34 11. A medical cannabidiol dispensary shall employ a  
35 pharmacist licensed pursuant to chapter 155A.

1     Sec. 14. NEW SECTION. 124E.10 Fees.

2     Medical cannabidiol registration card fees and medical  
3 cannabidiol manufacturer and medical cannabidiol dispensary  
4 application and annual fees collected by the department  
5 pursuant to this chapter shall be retained by the department,  
6 shall be considered repayment receipts as defined in section  
7 8.2, and shall be used for the purpose of regulating medical  
8 cannabidiol manufacturers and medical cannabidiol dispensaries  
9 and for other expenses necessary for the administration of this  
10 chapter.

11    Sec. 15. NEW SECTION. 124E.11 Department duties — rules.

12    1. *a.* The department shall maintain a confidential file  
13 of the names of each patient to or for whom the department  
14 issues a medical cannabidiol registration card and the name of  
15 each primary caregiver to whom the department issues a medical  
16 cannabidiol registration card under section 124E.4.

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

20    (1) Information in the confidential file maintained  
21 pursuant to paragraph “a” may be released on an individual basis  
22 to the following persons under the following circumstances:

23    (a) To authorized employees or agents of the department and  
24 the department of transportation as necessary to perform the  
25 duties of the department and the department of transportation  
26 pursuant to this chapter.

27    (b) To authorized employees of state or local law  
28 enforcement agencies, but only for the purpose of verifying  
29 that a person is lawfully in possession of a medical  
30 cannabidiol registration card issued pursuant to this chapter.

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

35    (2) Release of information pursuant to subparagraph



1 (1) shall be consistent with the federal Health Insurance  
2 Portability and Accountability Act of 1996, Pub. L. No.  
3 104-191.

4 2. The department shall adopt rules pursuant to chapter  
5 17A to administer **this chapter** which shall include but not be  
6 limited to rules to do all of the following:

7 *a.* Govern the manner in which the department shall  
8 consider applications for new and renewal medical cannabidiol  
9 registration cards.

10 *b.* Identify criteria and set forth procedures for  
11 including additional chronic or debilitating diseases or  
12 medical conditions or their medical treatments on the list  
13 of debilitating medical conditions that qualify for the use  
14 of medical cannabidiol. Procedures shall include a petition  
15 process and shall allow for public comment and public hearings  
16 before the medical advisory board.

17 *c.* Set forth additional chronic or debilitating diseases or  
18 medical conditions or their medical treatments for inclusion on  
19 the list of debilitating medical conditions that qualify for  
20 the use of medical cannabidiol as recommended by the medical  
21 advisory board.

22 *d.* Establish the form and quantity of medical cannabidiol  
23 allowed to be dispensed to a patient or primary caregiver  
24 pursuant to this chapter. The form and quantity of medical  
25 cannabidiol shall be appropriate to serve the medical needs of  
26 patients with debilitating medical conditions.

27 *e.* Establish requirements for the licensure of medical  
28 cannabidiol manufacturers and medical cannabidiol dispensaries  
29 and set forth procedures for medical cannabidiol manufacturers  
30 and medical cannabidiol dispensaries to obtain licenses.

31 *f.* Develop a dispensing system for medical cannabidiol  
32 within this state that provides for all of the following:

33 (1) Medical cannabidiol dispensaries within this state  
34 housed on secured grounds and operated by medical cannabidiol  
35 dispensaries.

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

4 *g.* Establish and collect annual fees from medical  
5 cannabidiol manufacturers and medical cannabidiol dispensaries  
6 to cover the costs associated with regulating and inspecting  
7 medical cannabidiol manufacturers and medical cannabidiol  
8 dispensaries.

9 *h.* Specify and implement procedures that address public  
10 safety including security procedures and product quality  
11 including measures to ensure contaminant-free cultivation of  
12 medical cannabidiol, safety, and appropriate labeling.

13 *i.* Establish and implement a real-time, statewide  
14 medical cannabidiol registry management sale tracking system  
15 that is available to medical cannabidiol dispensaries on a  
16 twenty-four-hour-day, seven-day-a-week basis for the purpose of  
17 verifying that a person is lawfully in possession of a medical  
18 cannabidiol registration card issued pursuant to this chapter  
19 and for tracking the date of the sale and quantity of medical  
20 cannabidiol purchased by a patient or a primary caregiver.

21 *j.* Establish and implement a medical cannabidiol inventory  
22 and delivery tracking system to track medical cannabidiol  
23 from production by a medical cannabidiol manufacturer through  
24 dispensing at a medical cannabidiol dispensary.

25 Sec. 16. NEW SECTION. 124E.12 **Reciprocity.**

26 A valid medical cannabidiol registration card, or its  
27 equivalent, issued under the laws of another state that allows  
28 an out-of-state patient to possess or use medical cannabidiol  
29 in the jurisdiction of issuance shall have the same force and  
30 effect as a valid medical cannabidiol registration card issued  
31 pursuant to this chapter, except that an out-of-state patient  
32 in this state shall not obtain medical cannabidiol from a  
33 medical cannabidiol dispensary in this state.

34 Sec. 17. NEW SECTION. 124E.13 **Use of medical cannabidiol —**  
35 **smoking prohibited.**

1 A patient, including an out-of-state patient who is in Iowa,  
2 shall not consume medical cannabidiol possessed or used as  
3 authorized by this chapter by smoking medical cannabidiol.

4 Sec. 18. NEW SECTION. 124E.14 Use of medical cannabidiol  
5 — affirmative defenses.

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

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

19 3. A medical cannabidiol dispensary, including any  
20 authorized agent or employee thereof, shall not be subject to  
21 prosecution for transporting, supplying, or dispensing medical  
22 cannabidiol pursuant to this chapter.

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

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

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

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

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

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

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

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

29 Sec. 20. TRANSITION PROVISIONS. A medical cannabidiol  
30 registration card issued under chapter 124D prior to July 1,  
31 2016, remains effective and continues in effect as issued for  
32 the twelve-month period following its issuance. This Act does  
33 not preclude the permit holder from seeking to renew the permit  
34 under this Act prior to the expiration of the twelve-month  
35 period.

1 Sec. 21. REPEAL. Chapter 124D, Code 2016, is repealed.

2 Sec. 22. EFFECTIVE UPON ENACTMENT. This Act, being deemed  
3 of immediate importance, takes effect upon enactment.

4 EXPLANATION

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

7 This bill creates the medical cannabidiol Act and provides  
8 for civil and criminal penalties and fees.

9 RECLASSIFICATION — MARIJUANA. The bill reclassifies  
10 marijuana, including tetrahydrocannabinols, as a schedule  
11 II controlled substance instead of a schedule I controlled  
12 substance and strikes references to the authority of the  
13 board of pharmacy to adopt rules for the use of marijuana or  
14 tetrahydrocannabinols for medicinal purposes.

15 MEDICAL CANNABIDIOL ACT OVERVIEW. The bill provides  
16 that a patient with a debilitating medical condition, who  
17 receives written certification from the patient's health care  
18 practitioner that the patient has a debilitating medical  
19 condition and who submits the written certification along with  
20 an application to the department of public health (department)  
21 for a medical cannabidiol registration card, may lawfully use  
22 medical cannabidiol to treat the patient's debilitating medical  
23 condition. A patient who is issued a medical cannabidiol  
24 registration card will be able to receive medical cannabidiol  
25 directly from a licensed medical cannabidiol dispensary in this  
26 state. The bill defines "debilitating medical conditions",  
27 "health care practitioner", "medical cannabidiol", and other  
28 terms.

29 HEALTH CARE PRACTITIONER CERTIFICATION. The bill provides  
30 that prior to a patient's submission of an application for  
31 a medical cannabidiol registration card, if a health care  
32 practitioner determines that the patient whom the health  
33 care practitioner has examined and treated suffers from a  
34 debilitating medical condition, the health care practitioner  
35 may provide the patient with a written certification of that

1 diagnosis. If the health care practitioner provides the  
2 written certification, the practitioner must also provide  
3 explanatory information to the patient about the therapeutic  
4 use of medical cannabidiol, and if the patient continues to  
5 suffer from a debilitating medical condition, issue the patient  
6 a new certification of that diagnosis on an annual basis.

7       MEDICAL CANNABIDIOL REGISTRATION CARD — PATIENT AND  
8 PRIMARY CAREGIVER. The bill provides for the issuance of a  
9 medical cannabidiol registration card by the department of  
10 transportation to a patient and to a primary caregiver upon  
11 submission of an application and fee to the department of  
12 public health, if such applications meet certain requirements.  
13 A medical cannabidiol registration card expires one year after  
14 the date of issuance and may be renewed.

15       MEDICAL ADVISORY BOARD. The director of public health is  
16 required to establish a medical advisory board, no later than  
17 August 15, 2016, to consist of nine practitioners representing  
18 the fields of neurology, pain management, gastroenterology,  
19 oncology, psychiatry, pediatrics, infectious disease, family  
20 medicine, and pharmacy, and three patients with valid medical  
21 cannabidiol registration cards. The bill provides for the  
22 duties of the board, including making recommendations to  
23 the department of public health for approval of additional  
24 debilitating medical conditions that can be treated with  
25 medical cannabidiol.

26       MEDICAL CANNABIDIOL MANUFACTURER LICENSURE. The bill  
27 requires the department to license by December 1, 2016, four  
28 medical cannabidiol manufacturers for the manufacture of  
29 medical cannabidiol within this state and to license new  
30 medical cannabidiol manufacturers or relicense existing  
31 medical cannabidiol manufacturers by December 1 of each  
32 year. As a condition for licensure, a medical cannabidiol  
33 manufacturer must agree to begin supplying medical cannabidiol  
34 to medical cannabidiol dispensaries in this state by July 1,  
35 2017. The department is directed to consider several factors

1 in determining whether to license a medical cannabidiol  
2 manufacturer. Each medical cannabidiol manufacturer is  
3 required to contract with the state hygienic laboratory at the  
4 university of Iowa to test the medical cannabidiol produced  
5 by the manufacturer and to report testing results to the  
6 medical cannabidiol manufacturer, and is required to pay a  
7 nonrefundable application fee of \$10,000.

8       MEDICAL CANNABIDIOL MANUFACTURERS. The bill provides  
9 that certain requirements must be included in the operating  
10 documents of a medical cannabidiol manufacturer. A medical  
11 cannabidiol manufacturer is prohibited from engaging in  
12 certain activities and is subject to reasonable inspection and  
13 reasonable restrictions by the department.

14       A medical cannabidiol manufacturer is required to provide a  
15 reliable and ongoing supply of medical cannabidiol to medical  
16 cannabidiol dispensaries and to treat every debilitating  
17 medical condition pursuant to the provisions of the bill and  
18 manufacture, cultivate, harvest, package, and process medical  
19 cannabidiol in an enclosed, locked facility at a physical  
20 address provided to the department during the licensure  
21 process; and is prohibited from manufacturing edible medical  
22 cannabidiol products with food coloring.

23       MEDICAL CANNABIDIOL DISPENSARIES. The bill requires the  
24 department to license by April 1, 2017, 12 medical cannabidiol  
25 dispensaries to dispense medical cannabidiol within this state  
26 consistent with the provisions of the bill. The department is  
27 required to license new medical cannabidiol dispensaries or  
28 relicense the existing medical cannabidiol manufacturers by  
29 December 1 of each year. The bill contains provisions relating  
30 to the confidentiality of the information submitted during the  
31 application process.

32       The department is directed to consider several factors in  
33 determining whether to license a medical cannabidiol dispensary  
34 such as technical expertise and financial stability. Each  
35 entity submitting an application for licensure is required to

1 pay a nonrefundable application fee of \$10,000.

2 The bill provides certain requirements for medical  
3 cannabidiol dispensaries relating to location, dispensation  
4 of medical cannabidiol, and operating documents. A medical  
5 cannabidiol dispensary is prohibited from engaging in certain  
6 activities relating to health care practitioner relationships,  
7 consumption on the premises, and employment and shall be  
8 subject to reasonable inspection and to certain reasonable  
9 restrictions set by the department.

10 Prior to dispensing of any medical cannabidiol, a medical  
11 cannabidiol dispensary is required to verify that the medical  
12 cannabidiol dispensary has received a valid medical cannabidiol  
13 registration card from a patient or a patient's primary  
14 caregiver, if applicable, assign a tracking number to any  
15 medical cannabidiol dispensed from the medical cannabidiol  
16 dispensary and follow proper packaging procedures in compliance  
17 with federal law.

18 FEES. Medical cannabidiol registration card fees and  
19 medical cannabidiol manufacturer and medical cannabidiol  
20 dispensary application and annual fees collected by the  
21 department shall be retained by the department, and shall  
22 be used for the purpose of regulating medical cannabidiol  
23 manufacturers and medical cannabidiol dispensaries and for  
24 other expenses necessary for the administration of the bill.

25 CONFIDENTIALITY. The department is required to maintain  
26 a confidential file of the names of each patient and primary  
27 caregiver issued a medical cannabidiol registration card.  
28 Individual names contained in the file shall be confidential  
29 and shall not be subject to disclosure, except that information  
30 in the confidential file may be released on an individual  
31 basis to authorized employees or agents of the department, the  
32 department of transportation, a medical cannabidiol dispensary,  
33 and authorized law enforcement employees as necessary to  
34 perform their duties. Release of information must also be  
35 consistent with the federal Health Insurance Portability and



1 Accountability Act.

2       ADDITIONAL DEPARTMENT DUTIES — RULES. The bill requires  
3 the department to adopt rules relating to applications  
4 for medical cannabidiol registration cards, chronic and  
5 debilitating diseases or medical conditions, the form and  
6 quantity of medical cannabidiol allowed to be dispensed,  
7 requirements for the licensure of medical cannabidiol  
8 manufacturers and medical cannabidiol dispensaries, a  
9 dispensing system for medical cannabidiol within this state  
10 that follows certain requirements, annual fees from medical  
11 cannabidiol manufacturers and medical cannabidiol dispensaries  
12 public safety procedures.

13       RECIPROcity. The bill provides that a valid medical  
14 cannabidiol registration card, or its equivalent, issued under  
15 the laws of another state that allows an out-of-state patient  
16 to possess or use medical cannabidiol in the jurisdiction  
17 of issuance shall have the same force and effect as a valid  
18 medical cannabidiol card issued under the bill, except that an  
19 out-of-state patient in this state shall not obtain medical  
20 cannabidiol from a medical cannabidiol dispensary in this  
21 state.

22       USE OF MEDICAL CANNABIDIOL — SMOKING PROHIBITED. The bill  
23 provides that a patient, including an out-of-state patient  
24 who is in Iowa, shall not consume the medical cannabidiol by  
25 smoking the medical cannabidiol.

26       USE OF MEDICAL CANNABIDIOL — AFFIRMATIVE DEFENSES.  
27 The bill provides prosecution immunity for a health care  
28 practitioner, a medical cannabidiol manufacturer, and a medical  
29 cannabidiol dispensary, including any authorized agents or  
30 employees of the health care practitioner, medical cannabidiol  
31 manufacturer, and medical cannabidiol dispensary, for  
32 activities undertaken by the health care practitioner, medical  
33 cannabidiol manufacturer, and medical cannabidiol dispensary  
34 pursuant to the provisions of the bill.

35       The bill amends Code section 124.401, relating to prohibited

1 acts involving controlled substances, to provide that it is  
2 lawful for a person to knowingly or intentionally recommend,  
3 possess, use, dispense, deliver, transport, or administer  
4 medical cannabidiol if the recommendation, possession, use,  
5 dispensing, delivery, transporting, or administering is in  
6 accordance with the provisions of the bill.

7 The bill provides that an agency of this state or a political  
8 subdivision thereof, including any law enforcement agency,  
9 shall not remove or initiate proceedings to remove a patient  
10 under the age of 18 from the home of a parent based solely  
11 upon the parent's or patient's possession or use of medical  
12 cannabidiol as authorized under the bill.

13 PENALTIES. The bill provides that a person who knowingly  
14 or intentionally possesses or uses medical cannabidiol in  
15 violation of the requirements of the bill is subject to  
16 the penalties provided under Code chapters 124 and 453B. A  
17 medical cannabidiol manufacturer or a medical cannabidiol  
18 dispensary shall be assessed a civil penalty of up to \$1,000  
19 per violation for any violation of the bill in addition to any  
20 other applicable penalties.

21 TRANSITION PROVISIONS. The bill provides that a medical  
22 cannabidiol registration card issued under Code chapter 124D  
23 (medical cannabidiol Act) prior to July 1, 2016, shall remain  
24 effective and continues in effect as issued for the 12-month  
25 period following its issuance.

26 REPEAL. The bill repeals Code chapter 124D, the medical  
27 cannabidiol Act.

28 IMMEDIATE EFFECTIVE DATE. The bill takes effect upon  
29 enactment.