

**Senate File 2301 - Introduced**

SENATE FILE 2301  
BY COMMITTEE ON HUMAN  
RESOURCES

(SUCCESSOR TO SSB 3122)

**A BILL FOR**

1 An Act relating to the collection of fees and the performance  
2 of background investigations under the medical cannabidiol  
3 Act, and including effective date provisions.

4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 124E.7, subsections 7 and 8, Code 2018,  
2 are amended to read as follows:

3 7. A medical cannabidiol manufacturer shall not employ  
4 a person who is under eighteen years of age or who has been  
5 convicted of a disqualifying felony offense. An employee  
6 of a medical cannabidiol manufacturer shall be subject to a  
7 background investigation conducted by the division of criminal  
8 investigation of the department of public safety and a national  
9 criminal history background check pursuant to section 124E.19.

10 8. A medical cannabidiol manufacturer owner shall not have  
11 been convicted of a disqualifying felony offense and shall be  
12 subject to a background investigation conducted by the division  
13 of criminal investigation of the department of public safety  
14 and a national criminal history background check pursuant to  
15 section 124E.19.

16 Sec. 2. Section 124E.9, subsections 7 and 8, Code 2018, are  
17 amended to read as follows:

18 7. A medical cannabidiol dispensary shall not employ a  
19 person who is under eighteen years of age or who has been  
20 convicted of a disqualifying felony offense. An employee  
21 of a medical cannabidiol dispensary shall be subject to a  
22 background investigation conducted by the division of criminal  
23 investigation of the department of public safety and a national  
24 criminal history background check pursuant to section 124E.19.

25 8. A medical cannabidiol dispensary owner shall not have  
26 been convicted of a disqualifying felony offense and shall be  
27 subject to a background investigation conducted by the division  
28 of criminal investigation of the department of public safety  
29 and a national criminal history background check pursuant to  
30 section 124E.19.

31 Sec. 3. Section 124E.10, Code 2018, is amended by striking  
32 the section and inserting in lieu thereof the following:

33 **124E.10 Fees.**

34 All fees collected by the department under this chapter  
35 shall be retained by the department for operation of the

1 medical cannabidiol registration card program and the medical  
2 cannabidiol manufacturer and medical cannabidiol dispensary  
3 licensing programs. The moneys retained by the department  
4 shall be considered repayment receipts as defined in section  
5 8.2 and shall be used for any of the department's duties  
6 under this chapter, including but not limited to the addition  
7 of full-time equivalent positions for program services and  
8 investigations. Notwithstanding section 8.33, moneys retained  
9 by the department pursuant to this section shall not revert to  
10 the general fund of the state.

11 Sec. 4. NEW SECTION. 124E.19 **Background investigations.**

12 1. The division of criminal investigation of the  
13 department of public safety shall conduct thorough  
14 background investigations for the purposes of licensing  
15 medical cannabidiol manufacturers and medical cannabidiol  
16 dispensaries under this chapter. The results of any background  
17 investigation conducted pursuant to this section shall be  
18 presented to the department.

19 a. An applicant for a medical cannabidiol manufacturer  
20 license or a medical cannabidiol dispensary license and their  
21 owners, investors, and employees shall submit all required  
22 information on a form prescribed by the department of public  
23 safety.

24 b. The department shall charge an applicant for a medical  
25 cannabidiol manufacturer license or a medical cannabidiol  
26 dispensary license a fee determined by the department of public  
27 safety and adopted by the department by rule to defray the  
28 costs associated with background investigations conducted  
29 pursuant to the requirements of this section. The fee shall  
30 be in addition to any other fees charged by the department.  
31 The fee may be retained by the department of public safety and  
32 shall be considered repayment receipts as defined in section  
33 8.2.

34 2. The department shall require an applicant for a medical  
35 cannabidiol manufacturer license or a medical cannabidiol

1 dispensary license, their owners and investors, and applicants  
2 for employment at a medical cannabidiol manufacturer or  
3 medical cannabidiol dispensary to submit fingerprints and other  
4 required identifying information to the department on a form  
5 prescribed by the department of public safety. The department  
6 shall submit the fingerprint cards and other identifying  
7 information to the division of criminal investigation of the  
8 department of public safety for submission to the federal  
9 bureau of investigation for the purpose of conducting a  
10 national criminal history record check. The department may  
11 require employees and contractors involved in carrying out  
12 a background investigation to submit fingerprints and other  
13 identifying information for the same purpose.

14 3. The department may enter into a chapter 28E agreement  
15 with the department of public safety to meet the requirements  
16 of this section.

17 4. An applicant for a medical cannabidiol manufacturer  
18 license or a medical cannabidiol dispensary license shall  
19 submit information and fees required by this section at the  
20 time of application.

21 5. The results of background investigations conducted  
22 pursuant to this section shall not be considered public records  
23 under chapter 22.

24 Sec. 5. EFFECTIVE UPON ENACTMENT. This Act, being deemed of  
25 immediate importance, takes effect upon enactment.

26 EXPLANATION

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

29 This bill relates to the collection of fees and the  
30 performance of background investigations under the medical  
31 cannabidiol Act (Code chapter 124E).

32 The bill provides that, with respect to fees collected by  
33 the department of public health pursuant to Code chapter 124E,  
34 the department shall use such fees for the operation of the  
35 medical cannabidiol registration card program and the medical

1 cannabidiol manufacturer and medical cannabidiol dispensary  
2 licensing programs. Any remaining funds are to be used to  
3 administer any of the department's duties under Code chapter  
4 124E, including the addition of full-time equivalent positions  
5 for program services and investigations. Funds retained by the  
6 department pursuant to the bill are not subject to reversion to  
7 the general fund of the state.

8     The bill directs the division of criminal investigation  
9 of the department of public safety to conduct background  
10 investigations of applicants for medical cannabidiol  
11 manufacturer and medical cannabidiol dispensary licenses,  
12 including employees, owners of, and investors in, any such  
13 applicants. The division of criminal investigation of  
14 the department of public safety shall prescribe by rule  
15 the information that must be submitted as part of such  
16 investigations. Applicants must pay a fee, to be determined by  
17 the department of public safety and adopted by the department  
18 of public health by rule, to the department of public safety  
19 to defray the costs of background investigations. The fee  
20 must be submitted, along with any required information,  
21 at the time of application. In addition to the background  
22 investigation, the department of public safety must require  
23 applicants, their employees, and their owners and investors to  
24 submit fingerprints and other identifying information to the  
25 department for submittal to the federal bureau of investigation  
26 for the purpose of conducting a national criminal history  
27 record check. The department of public safety shall collect  
28 fees to offset the costs associated with the background  
29 investigations and the criminal history record checks.

30     The bill becomes effective upon enactment.