

Senate File 2397 - Introduced

SENATE FILE 2397

BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO SF 2301)

(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.