

House File 2045 - Introduced

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BY ISENHART

A BILL FOR

1 An Act relating to acreage limitations for the production of
2 hemp, and including effective date provisions.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 204.2, subsection 3, Code 2020, is
2 amended to read as follows:

3 3. "Crop site" or "site" means a single contiguous parcel
4 of agricultural land suitable for the planting, growing, or
5 harvesting of hemp, if the parcel does not exceed forty acres.

6 Sec. 2. Section 204.4, subsection 6, Code 2020, is amended
7 to read as follows:

8 6. A person may hold any number of licenses at the same
9 time. However, the

10 a. Except as provided in paragraph "b", a person shall not
11 hold a legal or equitable interest in a licensed crop site, if
12 the total number of acres of all licensed crop sites in which
13 the person holds all such interests equals more than forty
14 acres.

15 b. The department may waive the requirement described in
16 paragraph "a", if it determines when reviewing the person's
17 license application that all of the following apply:

18 (1) The person has entered into a contract for the sale of
19 at least ninety percent of the hemp expected to be harvested on
20 the crop site as described in the application.

21 (2) Any harvested hemp sold pursuant to the contract
22 provided in subparagraph (1) is used as follows:

23 (a) For fiber or grain.

24 (b) To produce seeds, if such seeds are used for planting
25 and any harvested hemp is used for seed production, fiber, or
26 grain.

27 c. The department may require that a person applying for
28 a license provide any supporting materials as required by the
29 department to approve the application.

30 Sec. 3. EFFECTIVE DATE. This Act, being deemed of immediate
31 importance, takes effect upon enactment.

EXPLANATION

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

35 ACREAGE LIMITATION — EXCEPTION. This bill amends Code

1 chapter 204, the Iowa Hemp Act (IHA) (Code section 204.1),
2 which in part requires the department of agriculture and land
3 stewardship (DALS) to regulate the production of hemp. Hemp is
4 defined as a species of cannabis (*sativa L.*) having a maximum
5 concentration of delta-9 tetrahydrocannabinol that does not
6 exceed three-tenths of 1 percent (Code section 204.2). DALS
7 is required to establish and administer a process to issue
8 and renew one-year hemp licenses to qualified producers (Code
9 section 204.4). DALS may issue any number of licenses to a
10 qualified producer so long as all licensed crop sites do not
11 exceed a total of 40 acres. The bill allows DALS to waive
12 the requirement limiting acres reserved for production, if at
13 the time of application, it determines that the applicant has
14 entered into a contract for the sale of at least 90 percent of
15 the hemp expected to be harvested at the applicant's crop site.
16 In addition, the harvested hemp sold pursuant to the contract
17 must be used for: (1) grain or fiber, or (2) seed to grow hemp
18 for seed production, grain, or fiber. DALS may require that
19 the applicant provide any supporting materials to support the
20 application.

21 BACKGROUND. The IHA must comply with the relevant sections
22 of the federal Agriculture Improvement Act of 2018, Pub.
23 L. No. 115-334, that allows states and tribes to assume
24 primary regulatory authority over the production of hemp by
25 submitting a plan for approval by the United States department
26 of agriculture (USDA). DALS is required to prepare the state
27 plan, any amended state plan, or amendment to an approved
28 state plan, by adopting rules pursuant to Code chapter 17A
29 (Code section 204.3). The USDA has published interim rules to
30 implement the federal legislation (7 C.F.R. pt. 990). The USDA
31 has neither approved nor disapproved Iowa's state plan.

32 EFFECTIVE DATE. The bill takes effect upon enactment.