

Senate File 506 - Reprinted

SENATE FILE 506
BY COMMITTEE ON APPROPRIATIONS

(SUCCESSOR TO SSB 1190)

(As Amended and Passed by the Senate April 17, 2017)

A BILL FOR

1 An Act concerning the compassionate use of medical
2 cannabis Act, reclassifying marijuana, including
3 tetrahydrocannabinols, from a schedule I controlled
4 substance to a schedule II controlled substance, providing
5 for civil and criminal penalties and fees, and including
6 effective date provisions.

7 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 2017, are amended by striking the paragraphs.

3 Sec. 2. Section 124.204, subsection 7, Code 2017, is amended
4 by striking the subsection.

5 Sec. 3. Section 124.206, subsection 7, Code 2017, 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 paragraph only, the term "isomer"
15 includes the optical, positional, and geometric isomers):

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

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

26 (1) 1 cis or trans tetrahydrocannabinol, and their optical
27 isomers.

28 (2) 6 cis or trans tetrahydrocannabinol, and their optical
29 isomers.

30 (3) 3,4 cis or trans tetrahydrocannabinol, and their
31 optical isomers. (Since nomenclature of these substances
32 is not internationally standardized, compounds of these
33 structures, regardless of numerical designation of atomic
34 positions covered.)

35 ~~b.~~ c. Nabilone [another name for nabilone: (+-) -

1 trans-3-(1,1-dimethylheptyl)-6,6a,7,8,10,10a-hexahydro-1-
2 hydroxy-6,6-dimethyl-9H-dibenzo[b,d]pyran-9-one].

3 Sec. 4. Section 124.401, subsection 5, unnumbered paragraph
4 3, Code 2017, is amended to read as follows:

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

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

13 This chapter shall be known and may be cited as the
14 *"Compassionate Use of Medical Cannabis Act"*.

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

16 As used in this chapter:

17 1. *"Debilitating medical condition"* means any of the
18 following:

19 a. Cancer, if the underlying condition or treatment produces
20 one or more of the following:

21 (1) Intractable pain.

22 (2) Nausea or severe vomiting.

23 (3) Cachexia or severe wasting.

24 b. Multiple sclerosis.

25 c. Epilepsy or seizure disorders.

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

27 e. Glaucoma.

28 f. Hepatitis C.

29 g. Crohn's disease or ulcerative colitis.

30 h. Amyotrophic lateral sclerosis.

31 i. Ehlers-Danlos syndrome.

32 j. Post-traumatic stress disorder.

33 k. Tourette's syndrome.

34 l. 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 *m.* Intractable pain.

6 *n.* Parkinson's disease.

7 *o.* Muscular dystrophy.

8 *p.* Huntington's disease.

9 *q.* Alzheimer's disease.

10 *r.* Complex regional pain syndrome, type I and II.

11 *s.* Rheumatoid arthritis.

12 *t.* Polyarteritis nodosa.

13 *u.* Any other chronic or debilitating disease or medical
14 condition or its medical treatment approved by the department
15 pursuant to rule.

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

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

21 4. "*Enclosed, locked facility*" means a closet, room,
22 greenhouse, or other enclosed area equipped with locks or
23 other security devices that permit access only by authorized
24 personnel.

25 5. "*Health care practitioner*" means an individual licensed
26 under chapter 148 to practice medicine and surgery or
27 osteopathic medicine and surgery or an individual licensed to
28 practice medicine in any other state who provides specialty
29 care for an Iowa resident for one or more of the debilitating
30 medical conditions provided in this chapter.

31 6. "*Intractable pain*" means a pain in which the cause of the
32 pain cannot be removed or otherwise treated with the consent
33 of the patient and which, in the generally accepted course of
34 medical practice, no relief or cure of the cause of the pain
35 is possible, or none has been found after reasonable efforts.

1 Reasonable efforts for relieving or curing the cause of the
2 pain may be determined on the basis of but are not limited to
3 any of the following:

4 *a.* When treating a nonterminally ill patient for intractable
5 pain, evaluation by the attending physician and one or more
6 physicians specializing in pain medicine or the treatment of
7 the area, system, or organ of the body perceived as the source
8 of the pain.

9 *b.* When treating a terminally ill patient, evaluation by
10 the attending physician who does so in accordance with the
11 level of care, skill, and treatment that would be recognized
12 by a reasonably prudent physician under similar conditions and
13 circumstances.

14 7. "*Medical cannabis*" means any species of the genus
15 cannabis plant, or any mixture or preparation of them,
16 including whole plant extracts and resins.

17 8. "*Medical cannabis dispensary*" means an entity licensed
18 under section 124E.8 that acquires medical cannabis from a
19 medical cannabis manufacturer in this state for the purpose
20 of dispensing medical cannabis in this state pursuant to this
21 chapter.

22 9. "*Medical cannabis manufacturer*" means an entity licensed
23 under section 124E.6 to manufacture and to possess, cultivate,
24 transport, or supply medical cannabis pursuant to the
25 provisions of this chapter.

26 10. "*Primary caregiver*" means a person, at least eighteen
27 years of age, who has been designated by a patient's health
28 care practitioner or a person having custody of a patient, as
29 a necessary caretaker taking responsibility for managing the
30 well-being of the patient with respect to the use of medical
31 cannabis pursuant to the provisions of this chapter.

32 11. "*Written certification*" means a document signed by a
33 health care practitioner, with whom the patient has established
34 a patient-provider relationship, which states that the patient
35 has a debilitating medical condition and identifies that

1 condition and provides any other relevant information.

2 Sec. 7. NEW SECTION. 124E.3 Health care practitioner
3 certification — duties.

4 1. Prior to a patient's submission of an application for a
5 medical cannabis registration card pursuant to section 124E.4,
6 a health care practitioner shall do all of the following:

7 a. Determine, in the health care practitioner's medical
8 judgment, whether the patient whom the health care practitioner
9 has examined and treated suffers from a debilitating medical
10 condition that qualifies for the use of medical cannabis under
11 this chapter, and if so determined, provide the patient with a
12 written certification of that diagnosis.

13 b. Provide explanatory information as provided by the
14 department to the patient about the therapeutic use of medical
15 cannabis.

16 c. Determine, on an annual basis, if the patient continues
17 to suffer from a debilitating medical condition and, if so,
18 issue the patient a new certification of that diagnosis. This
19 paragraph shall not apply if the patient is suffering from an
20 incurable debilitating medical condition.

21 d. Otherwise comply with all requirements established by the
22 department pursuant to rule.

23 2. A health care practitioner may provide, but has no duty
24 to provide, a written certification pursuant to this section.

25 Sec. 8. NEW SECTION. 124E.4 Medical cannabis registration
26 card.

27 1. *Issuance to patient.* The department may approve the
28 issuance of a medical cannabis registration card by the
29 department of transportation to a patient who:

30 a. Is at least eighteen years of age.

31 b. Is a permanent resident of this state.

32 c. Submits a written certification to the department signed
33 by the patient's health care practitioner that the patient is
34 suffering from a debilitating medical condition.

35 d. Submits an application to the department, on a form

1 created by the department, in consultation with the department
2 of transportation, that contains all of the following:

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

5 (2) A copy of the patient's valid photograph
6 identification.

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

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

12 (5) Any other information required by rule.

13 e. Submits a medical cannabis registration card fee of one
14 hundred dollars to the department. If the patient attests to
15 receiving social security disability benefits, supplemental
16 security insurance payments, or being enrolled in the medical
17 assistance program, the fee shall be twenty-five dollars.

18 2. *Patient card contents.* A medical cannabis registration
19 card issued to a patient by the department of transportation
20 pursuant to subsection 1 shall contain, at a minimum, all of
21 the following:

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

24 b. The patient's photograph.

25 c. The date of issuance and expiration of the registration
26 card.

27 d. Any other information required by rule.

28 3. *Issuance to primary caregiver.* For a patient in a
29 primary caregiver's care, the department may approve the
30 issuance of a medical cannabis registration card by the
31 department of transportation to the primary caregiver who:

32 a. Submits a written certification to the department signed
33 by the patient's health care practitioner that the patient in
34 the primary caregiver's care is suffering from a debilitating
35 medical condition.

1 *b.* Submits an application to the department, on a form
2 created by the department, in consultation with the department
3 of transportation, that contains all of the following:

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

6 (2) The patient's full name.

7 (3) A copy of the primary caregiver's valid photograph
8 identification.

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

11 (5) Any other information required by rule.

12 *c.* Submits a medical cannabis registration card fee of
13 twenty-five dollars to the department.

14 4. *Primary caregiver card contents.* A medical cannabis
15 registration card issued by the department of transportation to
16 a primary caregiver pursuant to subsection 3 shall contain, at
17 a minimum, all of the following:

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

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

21 *c.* The date of issuance and expiration of the registration
22 card.

23 *d.* The registration card number of each patient in the
24 primary caregiver's care. If the patient in the primary
25 caregiver's care is under the age of eighteen, the full name of
26 the patient's parent or legal guardian.

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

28 5. *Expiration date of card.* A medical cannabis registration
29 card issued pursuant to this section shall expire one year
30 after the date of issuance and may be renewed.

31 6. *Card issuance — department of transportation.*

32 *a.* The department may enter into a chapter 28E agreement
33 with the department of transportation to facilitate the
34 issuance of medical cannabis registration cards pursuant to
35 subsections 1 and 3.

1 *b.* The department of transportation may issue renewal
2 medical cannabis registration cards through an online or
3 in-person process.

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

6 1. No later than August 15, 2017, the director of public
7 health shall establish a medical advisory board consisting of
8 nine practitioners representing the fields of neurology, pain
9 management, gastroenterology, oncology, psychiatry, pediatrics,
10 infectious disease, family medicine, and pharmacy, and three
11 patients or primary caregivers with valid medical cannabis
12 registration cards. The practitioners shall be nationally
13 board-certified in their area of specialty and knowledgeable
14 about the use of medical cannabis.

15 2. A quorum of the advisory board shall consist of seven
16 members.

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

19 *a.* Reviewing and recommending to the department for
20 approval additional chronic or debilitating diseases or
21 medical conditions or their treatments as debilitating medical
22 conditions that qualify for the use of medical cannabis under
23 this chapter.

24 *b.* Accepting and reviewing petitions to add chronic or
25 debilitating diseases or medical conditions or their medical
26 treatments to the list of debilitating medical conditions that
27 qualify for the use of medical cannabis under this chapter.

28 *c.* Working with the department regarding the requirements
29 for the licensure of medical cannabis manufacturers and medical
30 cannabis dispensaries, including licensure procedures.

31 *d.* Advising the department regarding the location of
32 medical cannabis dispensaries throughout the state, the form
33 and quantity of allowable medical cannabis to be dispensed
34 to a patient or primary caregiver, and the general oversight
35 of medical cannabis manufacturers and medical cannabis

1 dispensaries in this state.

2 *e.* Convening at least twice per year to conduct public
3 hearings and to review and recommend for approval petitions,
4 which shall be maintained as confidential personal health
5 information, to add chronic or debilitating diseases or
6 medical conditions or their medical treatments to the list of
7 debilitating medical conditions that qualify for the use of
8 medical cannabis under this chapter.

9 *f.* Recommending improvements relating to the effectiveness
10 of the provisions of this chapter.

11 *g.* In making recommendations pursuant to this section,
12 consideration of the economic and financial impacts on patients
13 and the medical cannabis industry, and making recommendations
14 that minimize the extent of such impacts to the greatest extent
15 practicable.

16 Sec. 10. NEW SECTION. **124E.6 Medical cannabis manufacturer**
17 **licensure.**

18 1. *a.* The department shall license up to four medical
19 cannabis manufacturers to manufacture medical cannabis within
20 this state consistent with the provisions of this chapter by
21 December 1, 2017. The department shall license new medical
22 cannabis manufacturers or relicense the existing medical
23 cannabis manufacturers by December 1 of each year.

24 *b.* Information submitted during the application process
25 shall be confidential until the medical cannabis manufacturer
26 is licensed by the department unless otherwise protected from
27 disclosure under state or federal law.

28 2. As a condition for licensure, a medical cannabis
29 manufacturer must agree to begin supplying medical cannabis to
30 medical cannabis dispensaries in this state by July 2, 2018.

31 3. The department shall consider the following factors in
32 determining whether to license a medical cannabis manufacturer:

33 *a.* The technical expertise of the medical cannabis
34 manufacturer regarding medical cannabis.

35 *b.* The qualifications of the medical cannabis manufacturer's

1 ownership and management team.

2 *c.* The long-term financial stability of the medical cannabis
3 manufacturer.

4 *d.* The ability to provide appropriate security measures on
5 the premises of the medical cannabis manufacturer.

6 *e.* Whether the medical cannabis manufacturer has
7 demonstrated an ability to meet certain medical cannabis
8 production needs for medical use regarding the range of
9 recommended dosages for each debilitating medical condition,
10 the range of chemical compositions of any plant of the genus
11 cannabis that will likely be medically beneficial for each
12 of the debilitating medical conditions, and the form of the
13 medical cannabis in the manner determined by the department
14 pursuant to rule.

15 *f.* The medical cannabis manufacturer's projection of and
16 ongoing assessment of fees on patients with debilitating
17 medical conditions.

18 *g.* The medical cannabis manufacturer's experience in medical
19 cannabis production, plant extraction, and pharmaceutical
20 formulations.

21 4. The department shall require each medical cannabis
22 manufacturer to contract with a laboratory approved by the
23 department to test the medical cannabis produced by the
24 manufacturer. The department shall require that the laboratory
25 report testing results to the manufacturer in a manner
26 determined by the department pursuant to rule.

27 5. Each entity submitting an application for licensure
28 as a medical cannabis manufacturer shall pay a nonrefundable
29 application fee of fifteen thousand dollars to the department.

30 **Sec. 11. NEW SECTION. 124E.7 Medical cannabis**
31 **manufacturers.**

32 1. A medical cannabis manufacturer shall contract with a
33 laboratory approved by the department for purposes of testing
34 the medical cannabis manufactured by the medical cannabis
35 manufacturer as to content, contamination, and consistency.

1 The cost of all laboratory testing shall be paid by the medical
2 cannabis manufacturer.

3 2. The operating documents of a medical cannabis
4 manufacturer shall include all of the following:

5 a. Procedures for the oversight of the medical cannabis
6 manufacturer and procedures to ensure accurate recordkeeping.

7 b. Procedures for the implementation of appropriate security
8 measures to deter and prevent the theft of medical cannabis and
9 unauthorized entrance into areas containing medical cannabis.

10 3. A medical cannabis manufacturer shall implement security
11 requirements, including requirements for protection of each
12 location by a fully operational security alarm system, facility
13 access controls, perimeter intrusion detection systems, and a
14 personnel identification system.

15 4. A medical cannabis manufacturer shall not share
16 office space with, refer patients to, or have any financial
17 relationship with a health care practitioner.

18 5. A medical cannabis manufacturer shall not permit any
19 person to consume medical cannabis on the property of the
20 medical cannabis manufacturer.

21 6. A medical cannabis manufacturer is subject to reasonable
22 inspection by the department.

23 7. A medical cannabis manufacturer shall not employ a
24 person who is under eighteen years of age or who has been
25 convicted of a disqualifying felony offense. An employee
26 of a medical cannabis manufacturer shall be subject to a
27 background investigation conducted by the division of criminal
28 investigation of the department of public safety and a national
29 criminal history background check.

30 8. A medical cannabis manufacturer shall not operate in any
31 location, whether for manufacturing, cultivating, harvesting,
32 packaging, or processing, within one thousand feet of a public
33 or private school existing before the date of the medical
34 cannabis manufacturer's licensure by the department.

35 9. A medical cannabis manufacturer shall comply with

1 reasonable restrictions set by the department relating to
2 signage, marketing, display, and advertising of medical
3 cannabis.

4 10. *a.* A medical cannabis manufacturer shall provide a
5 reliable and ongoing supply of medical cannabis to medical
6 cannabis dispensaries pursuant to this chapter.

7 *b.* All manufacturing, cultivating, harvesting, packaging,
8 and processing of medical cannabis shall take place in an
9 enclosed, locked facility at a physical address provided to the
10 department during the licensure process.

11 *c.* A medical cannabis manufacturer shall not manufacture
12 edible medical cannabis products utilizing food coloring.

13 *d.* A medical cannabis manufacturer shall manufacture a
14 reliable and ongoing supply of medical cannabis to treat every
15 debilitating medical condition listed in this chapter.

16 11. The department shall establish and collect an annual
17 fee from a medical cannabis manufacturer not to exceed the cost
18 of regulating and inspecting the manufacturer in the calendar
19 year.

20 Sec. 12. NEW SECTION. 124E.8 **Medical cannabis dispensary**
21 **licensure.**

22 1. *a.* The department shall license by April 2, 2018, twelve
23 medical cannabis dispensaries to dispense medical cannabis
24 within this state consistent with the provisions of this
25 chapter. The department shall license new medical cannabis
26 dispensaries or relicense the existing medical cannabis
27 dispensaries by December 1 of each year.

28 *b.* Information submitted during the application process
29 shall be confidential until the medical cannabis dispensary
30 is licensed by the department unless otherwise protected from
31 disclosure under state or federal law.

32 2. As a condition for licensure, a medical cannabis
33 dispensary must agree to begin supplying medical cannabis to
34 patients by July 16, 2018.

35 3. The department shall consider the following factors in

1 determining whether to license a medical cannabis dispensary:

2 *a.* The technical expertise of the medical cannabis
3 dispensary regarding medical cannabis.

4 *b.* The qualifications of the medical cannabis dispensary's
5 owners and management team.

6 *c.* The long-term financial stability of the medical cannabis
7 dispensary.

8 *d.* The ability to provide appropriate security measures on
9 the premises of the medical cannabis dispensary.

10 *e.* The medical cannabis dispensary's projection and ongoing
11 assessment of fees for the purchase of medical cannabis on
12 patients with debilitating medical conditions.

13 4. Each entity submitting an application for licensure
14 as a medical cannabis dispensary shall pay a nonrefundable
15 application fee of fifteen thousand dollars to the department.

16 Sec. 13. NEW SECTION. **124E.9 Medical cannabis dispensaries.**

17 1. *a.* Medical cannabis dispensaries shall be located based
18 on geographical need throughout the state to improve patient
19 access.

20 *b.* A medical cannabis dispensary may dispense medical
21 cannabis pursuant to the provisions of this chapter but shall
22 not dispense any medical cannabis in a form or quantity other
23 than the form or quantity allowed by the department pursuant
24 to rule.

25 2. The operating documents of a medical cannabis dispensary
26 shall include all of the following:

27 *a.* Procedures for the oversight of the medical cannabis
28 dispensary and procedures to ensure accurate recordkeeping.

29 *b.* Procedures for the implementation of appropriate security
30 measures to deter and prevent the theft of medical cannabis and
31 unauthorized entrance into areas containing medical cannabis.

32 3. A medical cannabis dispensary shall implement security
33 requirements, including requirements for protection by a fully
34 operational security alarm system, facility access controls,
35 perimeter intrusion detection systems, and a personnel

1 identification system.

2 4. A medical cannabis dispensary shall not share office
3 space with, refer patients to, or have any financial
4 relationship with a health care practitioner.

5 5. A medical cannabis dispensary shall not permit any person
6 to consume medical cannabis on the property of the medical
7 cannabis dispensary.

8 6. A medical cannabis dispensary is subject to reasonable
9 inspection by the department.

10 7. A medical cannabis dispensary shall not employ a
11 person who is under eighteen years of age or who has been
12 convicted of a disqualifying felony offense. An employee
13 of a medical cannabis dispensary shall be subject to a
14 background investigation conducted by the division of criminal
15 investigation of the department of public safety and a national
16 criminal history background check.

17 8. A medical cannabis dispensary shall not operate in any
18 location within one thousand feet of a public or private school
19 existing before the date of the medical cannabis dispensary's
20 licensure by the department.

21 9. A medical cannabis dispensary shall comply with
22 reasonable restrictions set by the department relating to
23 signage, marketing, display, and advertising of medical
24 cannabis.

25 10. Prior to dispensing of any medical cannabis, a medical
26 cannabis dispensary shall do all of the following:

27 a. Verify that the medical cannabis dispensary has received
28 a valid medical cannabis registration card from a patient or a
29 patient's primary caregiver, if applicable.

30 b. Assign a tracking number to any medical cannabis
31 dispensed from the medical cannabis dispensary.

32 c. (1) Properly package medical cannabis in compliance with
33 federal law regarding child resistant packaging and exemptions
34 for packaging for elderly patients, and label medical cannabis
35 with a list of all active ingredients and individually

1 identifying information, including all of the following:

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

4 (b) The medical cannabis registration card numbers of the
5 patient and the patient's primary caregiver, if applicable.

6 (c) The chemical composition of the medical cannabis.

7 (2) Proper packaging of medical cannabis shall include but
8 not be limited to all of the following:

9 (a) Warning labels regarding the use of medical cannabis by
10 a woman during pregnancy and while breastfeeding.

11 (b) Clearly labeled packaging indicating that an edible
12 medical cannabis product contains medical cannabis and which
13 packaging shall not imitate candy products or in any way make
14 the product marketable to children.

15 **Sec. 14. NEW SECTION. 124E.10 Fees.**

16 Medical cannabis registration card fees and medical cannabis
17 manufacturer and medical cannabis dispensary application
18 and annual fees collected by the department pursuant to
19 this chapter shall be retained by the department, shall be
20 considered repayment receipts as defined in section 8.2, and
21 shall be used for the purpose of regulating medical cannabis
22 manufacturers and medical cannabis dispensaries and for other
23 expenses necessary for the administration of this chapter.

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

25 1. a. The department shall maintain a confidential file of
26 the names of each patient to or for whom the department issues
27 a medical cannabis registration card, the name of each primary
28 caregiver to whom the department issues a medical cannabis
29 registration card under section 124E.4, and the names of each
30 health care practitioner who provides a written certification
31 for medical cannabis pursuant to this chapter.

32 b. Individual names contained in the file shall be
33 confidential and shall not be subject to disclosure, except as
34 provided in subparagraph (1).

35 (1) Information in the confidential file maintained

1 pursuant to paragraph "a" may be released on an individual basis
2 to the following persons under the following circumstances:

3 (a) To authorized employees or agents of the department and
4 the department of transportation as necessary to perform the
5 duties of the department and the department of transportation
6 pursuant to this chapter.

7 (b) To authorized employees of state or local law
8 enforcement agencies, but only for the purpose of verifying
9 that a person is lawfully in possession of a medical cannabis
10 registration card issued pursuant to this chapter.

11 (c) To authorized employees of a medical cannabis
12 dispensary, but only for the purpose of verifying that a person
13 is lawfully in possession of a medical cannabis registration
14 card issued pursuant to this chapter.

15 (d) To any other authorized persons recognized by the
16 department by rule, but only for the purpose of verifying
17 that a person is lawfully in possession of a medical cannabis
18 registration card issued pursuant to this chapter.

19 (2) Release of information pursuant to subparagraph
20 (1) shall be consistent with the federal Health Insurance
21 Portability and Accountability Act of 1996, Pub. L. No.
22 104-191.

23 2. The department shall adopt rules pursuant to chapter
24 17A to administer this chapter which shall include but not be
25 limited to rules to do all of the following:

26 a. Govern the manner in which the department shall consider
27 applications for new and renewal medical cannabis registration
28 cards.

29 b. Identify criteria and set forth procedures for
30 including additional chronic or debilitating diseases or
31 medical conditions or their medical treatments on the list of
32 debilitating medical conditions that qualify for the use of
33 medical cannabis. Procedures shall include a petition process
34 and shall allow for public comment and public hearings before
35 the medical advisory board.

1 *c.* Set forth additional chronic or debilitating diseases
2 or medical conditions or associated medical treatments for
3 inclusion on the list of debilitating medical conditions that
4 qualify for the use of medical cannabis as recommended by the
5 medical advisory board.

6 *d.* Establish, in consultation with medical cannabis
7 manufacturers and medical cannabis dispensaries, the form and
8 quantity of medical cannabis allowed to be dispensed to a
9 patient or primary caregiver pursuant to this chapter. The
10 form and quantity of medical cannabis shall be appropriate to
11 serve the medical needs of patients with debilitating medical
12 conditions.

13 *e.* Establish, in conjunction with the medical advisory
14 board, requirements for the licensure of medical cannabis
15 manufacturers and medical cannabis dispensaries and set forth
16 procedures for medical cannabis manufacturers and medical
17 cannabis dispensaries to obtain licenses.

18 *f.* Develop a dispensing system for medical cannabis within
19 this state that provides for all of the following:

20 (1) Medical cannabis dispensaries within this state housed
21 on secured grounds and operated by licensed medical cannabis
22 dispensaries.

23 (2) The dispensing of medical cannabis to patients and
24 their primary caregivers to occur at locations designated by
25 the department.

26 *g.* Establish and collect annual fees from medical cannabis
27 manufacturers and medical cannabis dispensaries to cover
28 the costs associated with regulating and inspecting medical
29 cannabis manufacturers and medical cannabis dispensaries.

30 *h.* Specify and implement procedures that address public
31 safety including security procedures and product quality
32 including measures to ensure contaminant-free cultivation of
33 medical cannabis, safety, and labeling.

34 *i.* Establish and implement a medical cannabis inventory
35 and delivery tracking system to track medical cannabis

1 from production by a medical cannabis manufacturer through
2 dispensing at a medical cannabis dispensary.

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

4 A valid medical cannabis registration card, or its
5 equivalent, issued under the laws of another state that allows
6 an out-of-state patient to possess or use medical cannabis in
7 the jurisdiction of issuance shall have the same force and
8 effect as a valid medical cannabis registration card issued
9 pursuant to this chapter, except that an out-of-state patient
10 in this state shall not obtain medical cannabis from a medical
11 cannabis dispensary in this state and an out-of-state patient
12 shall not smoke medical cannabis.

13 Sec. 17. NEW SECTION. 124E.13 **Use of medical cannabis —**
14 **affirmative defenses.**

15 1. A health care practitioner, including any authorized
16 agent or employee thereof, shall not be subject to
17 prosecution for the unlawful certification, possession, or
18 administration of marijuana under the laws of this state for
19 activities arising directly out of or directly related to the
20 certification or use of medical cannabis in the treatment of
21 a patient diagnosed with a debilitating medical condition as
22 authorized by this chapter.

23 2. A medical cannabis manufacturer, including any
24 authorized agent or employee thereof, shall not be subject
25 to prosecution for manufacturing, possessing, cultivating,
26 harvesting, packaging, processing, transporting, or supplying
27 medical cannabis pursuant to this chapter.

28 3. A medical cannabis dispensary, including any authorized
29 agent or employee thereof, shall not be subject to prosecution
30 for transporting, supplying, or dispensing medical cannabis
31 pursuant to this chapter.

32 a. 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 patient has been diagnosed

1 with a debilitating medical condition, used or possessed
2 medical cannabis pursuant to a certification by a health care
3 practitioner as authorized under this chapter, and, for a
4 patient eighteen years of age or older, is in possession of a
5 valid medical cannabis registration card.

6 *b.* 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 person possessed medical
10 cannabis because the person is a primary caregiver of a patient
11 who has been diagnosed with a debilitating medical condition
12 and is in possession of a valid medical cannabis registration
13 card, and where the primary caregiver's possession of the
14 medical cannabis is on behalf of the patient and for the
15 patient's use only as authorized under this chapter.

16 *c.* If a patient or primary caregiver is charged with the
17 commission of a crime and is not in possession of the person's
18 medical cannabis registration card, any charge or charges filed
19 against the person shall be dismissed by the court if the
20 person produces to the court prior to or at the person's trial
21 a medical cannabis registration card issued to that person and
22 valid at the time the person was charged.

23 4. An agency of this state or a political subdivision
24 thereof, including any law enforcement agency, shall not remove
25 or initiate proceedings to remove a patient under the age
26 of eighteen from the home of a parent based solely upon the
27 parent's or patient's possession or use of medical cannabis as
28 authorized under this chapter.

29 **Sec. 18. NEW SECTION. 124E.14 Penalties.**

30 1. A person who knowingly or intentionally possesses or
31 uses medical cannabis in violation of the requirements of this
32 chapter is subject to the penalties provided under chapters 124
33 and 453B.

34 2. A medical cannabis manufacturer or a medical cannabis
35 dispensary shall be assessed a civil penalty of up to one

1 thousand dollars per violation for any violation of this
2 chapter in addition to any other applicable penalties.

3 Sec. 19. NEW SECTION. 124E.15 Use of medical cannabis —
4 smoking prohibited.

5 A patient shall not consume medical cannabis possessed
6 or used as authorized under this chapter by smoking medical
7 cannabis.

8 Sec. 20. NEW SECTION. 124E.16 Employment.

9 1. An employer in this state may retain, create, reinstate,
10 or enforce a written zero tolerance policy prohibiting the
11 possession or use of medical cannabis or any derivative
12 thereof including cannabidiol by an employee in the employer's
13 workplace, including but not limited to a policy prohibiting
14 an employee from having any detectable amount of medical
15 cannabis or any derivative thereof including cannabidiol in the
16 employee's body while at work.

17 2. An employer's prohibition of the possession or use
18 of medical cannabis or any derivative thereof including
19 cannabidiol under this section shall not be considered to be
20 an unfair or discriminatory employment practice under section
21 216.6.

22 Sec. 21. Section 730.5, subsection 11, Code 2017, is amended
23 by adding the following new paragraph:

24 NEW PARAGRAPH. *f.* Testing or taking action against an
25 individual with a confirmed positive test result due to the
26 individual's use of medical cannabis as authorized under
27 chapter 124E.

28 Sec. 22. REPEAL. Chapter 124D, Code 2017, is repealed.

29 Sec. 23. EMERGENCY RULES. The department may adopt
30 emergency rules under section 17A.4, subsection 3, and section
31 17A.5, subsection 2, paragraph "b", to implement the provisions
32 of this Act and the rules shall be effective immediately upon
33 filing unless a later date is specified in the rules. Any
34 rules adopted in accordance with this section shall also be
35 published as a notice of intended action as provided in section

1 17A.4.

2 Sec. 24. TRANSITION PROVISIONS. A medical cannabidiol
3 registration card issued under chapter 124D prior to the
4 effective date of this Act, remains effective and continues
5 in effect as issued for the twelve-month period following its
6 issuance. This Act does not preclude a medical cannabidiol
7 registration card holder from seeking to renew the registration
8 card under this Act prior to the expiration of the twelve-month
9 period.

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