

House File 2605 - Reprinted

HOUSE FILE 2605
BY COMMITTEE ON PUBLIC SAFETY

(SUCCESSOR TO HSB 665)

(COMPANION TO SF 2352 BY
COMMITTEE ON JUDICIARY)

(As Amended and Passed by the House March 12, 2024)

A BILL FOR

1 An Act providing for the regulation of hemp and hemp products,
2 providing penalties, and making penalties applicable.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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DIVISION I
IOWA HEMP ACT

Section 1. Section 204.2, Code 2024, is amended by adding the following new subsections:

NEW SUBSECTION. 01. "*Advertise*" means to present a commercial message in any medium, including but not limited to print, radio, television, sign, display, label, tag, or articulation.

NEW SUBSECTION. 6A. "*Distribute*" means to transfer possession.

NEW SUBSECTION. 15A. "*Registrant*" means a person who is registered with the department of health and human services pursuant to section 204.7.

Sec. 2. Section 204.2, subsection 2, paragraph c, Code 2024, is amended to read as follows:

c. A hemp product is deemed to be a consumable hemp product ~~if it is any of the following~~ all of the following apply:

(1) It is any of the following:

(a) Designed by the processor, including the manufacturer, to be introduced into the human body.

~~(2)~~ (b) Advertised as an item to be introduced into the human body.

~~(3)~~ (c) Distributed, exported, ~~or imported,~~ offered for sale, ~~or distribution~~ sold to be introduced into the human body.

(2) Its maximum total tetrahydrocannabinol concentration is less than or equal to the lesser of the following:

(a) Three-tenths of one percent on a dry weight basis.

(b) Four milligrams per serving and ten milligrams per container on a dryweight basis.

Sec. 3. Section 204.2, subsection 11, paragraph b, subparagraph (1), Code 2024, is amended to read as follows:

(1) (a) An item or part of an item ~~with a maximum tetrahydrocannabinol concentration that exceeds three-tenths of one percent on a dry weight basis~~ the maximum total

1 tetrahydrocannabinol concentration allowed for a hemp product
2 under section 124.204, subsection 7.

3 (b) An item or part of an item that is metabolized or
4 is otherwise subject to a biotransformative process when
5 introduced into the human body and that exceeds the maximum
6 total tetrahydrocannabinol concentration allowed for a
7 consumable hemp product.

8 Sec. 4. Section 204.7, subsection 8, paragraph a,
9 subparagraph (3), Code 2024, is amended to read as follows:

10 (3) The consumable hemp product complies with packaging
11 and labeling requirements, which shall be established by rules
12 adopted by the department of health and human services by rule.
13 Each container storing consumable hemp shall be affixed with
14 a notice advising consumers regarding the risks associated
15 with its use. The department of health and human services
16 shall adopt rules regarding the language of the notice and its
17 display on the container.

18 Sec. 5. Section 204.7, subsection 8, paragraph a, Code 2024,
19 is amended by adding the following new subparagraph:

20 NEW SUBPARAGRAPH. (4) The consumable hemp product complies
21 with restrictions upon the sale or other distribution of a
22 consumable hemp product established by rules adopted by the
23 department of health and human services.

24 Sec. 6. Section 204.7, subsection 8, Code 2024, is amended
25 by adding the following new paragraph:

26 NEW PARAGRAPH. *Ob.* (1) A person is engaged in the retail
27 sale of a consumable hemp product, if any of the following
28 apply:

29 (a) The person offers to distribute a consumable hemp
30 product to a consumer in exchange for consideration.

31 (b) The person is an owner of a business that distributes
32 consumable hemp products to consumers in exchange for
33 consideration.

34 (c) The person is a business that distributes consumable
35 hemp products to consumers in exchange for consideration and

1 presents a consumable hemp product to a consumer in the form
2 of a gift.

3 (2) A person, including a business, is engaged in the sale
4 of a consumable hemp product regardless of whether the person
5 is registered with the department of health and human services
6 as provided in this section.

7 Sec. 7. Section 204.12, subsection 1, Code 2024, is amended
8 to read as follows:

9 1. A Unless another civil penalty is otherwise provided in
10 this chapter, a person who violates a provision of this chapter
11 is subject to a civil penalty of not less than five hundred
12 dollars and not more than two thousand five hundred dollars.
13 The department shall impose, assess, and collect the civil
14 penalty. Each day that a continuing violation occurs may be
15 considered a separate offense.

16 Sec. 8. Section 204.14A, Code 2024, is amended by adding the
17 following new subsections:

18 NEW SUBSECTION. 1A. A person shall not use, market, or
19 distribute a raw or dried flower form of hemp for the purposes
20 of inhalation as described in subsection 1, paragraph "b"
21 or "c". Any raw or dried flower form of hemp marketed or
22 distributed within this state shall contain the following
23 notice on the raw or dried product container:

24 This is a raw or dried agricultural commodity not suitable or
25 intended for human consumption in conjunction with Iowa Code
26 section 204.14A, subsection 1, paragraph "b" or "c".

27 NEW SUBSECTION. 1B. A person required to be registered
28 to manufacture or sell consumable hemp under section 204.7
29 shall not manufacture, produce, distribute, market, or sell a
30 synthetic consumable hemp product, as defined by rules adopted
31 by the department of health and human services.

32 Sec. 9. Section 204.14A, subsection 2, Code 2024, is amended
33 to read as follows:

34 2. A person who violates ~~subsection 1~~ this section is guilty
35 of a serious misdemeanor.

1 Sec. 10. NEW SECTION. **204.14B Sale of consumable hemp**
2 **product — failure to register — civil penalty.**

3 1. A person engaged in the retail sale of a consumable
4 hemp product in this state without being registered with the
5 department of health and human services as required in section
6 204.7 shall be subject to a civil penalty of not more than ten
7 thousand dollars. The department of health and human services
8 shall impose, assess, and collect the civil penalty. Each day
9 that a continuing violation occurs may be considered a separate
10 offense.

11 2. All civil penalties collected under this section shall be
12 deposited into the general fund of the state.

13 3. A person in violation of this section is not also subject
14 to a civil penalty as provided in section 204.12.

15 Sec. 11. NEW SECTION. **204.14C Sale of consumable hemp**
16 **product — failure to register — criminal penalty.**

17 1. *a.* A person engaged in the retail sale of a consumable
18 hemp product who is not registered with the department of
19 health and human services as required in section 204.7 commits
20 a serious misdemeanor.

21 *b.* A person engaged in the retail sale of an item advertised
22 as a consumable hemp product that is not a consumable hemp
23 product commits a serious misdemeanor.

24 2. This section shall be presumed not to be in conflict with
25 or limit a prosecution for a violation of any other provision
26 of law, including but not limited to chapter 124 or 21 U.S.C.
27 ch. 13.

28 Sec. 12. NEW SECTION. **204.14D Persons under legal age —**
29 **criminal offense.**

30 1. A person shall not sell, give, or otherwise distribute
31 a consumable hemp product to a person under twenty-one years
32 of age.

33 2. A person who violates subsection 1 is guilty of a simple
34 misdemeanor.

35 Sec. 13. NEW SECTION. **204.14E Persons under legal age —**

1 **scheduled violation and community service.**

2 1. A person under twenty-one years of age shall not consume,
3 possess, purchase, or attempt to purchase a consumable hemp
4 product.

5 2. A person who violates subsection 1 shall be subject to a
6 scheduled violation in the form of a civil penalty pursuant to
7 section 805.8C, subsection 3, paragraph "d".

8 3. In addition to the imposition of a civil penalty as
9 provided in subsection 2, a person who violates subsection 1
10 shall be subject to a court appearance as provided in section
11 805.10. The court shall sentence the person to perform a
12 specified number of hours of unpaid community service as deemed
13 appropriate by the court subject to the following:

14 a. For a first violation, eight hours, unless waived by the
15 court.

16 b. For a second offense, twelve hours.

17 c. For a third or subsequent offense, sixteen hours.

18 4. A person who violates this section is not subject to a
19 civil penalty as provided in section 204.12.

20 5. A person does not violate subsection 1 by possessing
21 a consumable hemp product if the person is employed by a
22 registrant and the person is possessing the consumable hemp
23 product as part of their employment.

24 **Sec. 14. NEW SECTION. 204.14F Persons under legal age —**
25 **exception — cooperation with department of public safety or**
26 **local law enforcement agency.**

27 1. a. A person who would otherwise act to commit an offense
28 under section 204.14D is not guilty of that offense if the
29 person acts under the direction or consent of the department
30 of public safety or a local law enforcement agency as part of
31 an enforcement investigation.

32 b. A person who would otherwise act to commit a violation
33 under section 204.14E is not subject to that offense if the
34 person acts under the direction or consent of the department
35 of public safety or a local law enforcement agency as part of

1 an enforcement investigation.

2 2. In enforcing this section, the department of public
3 safety or a local law enforcement agency shall take all
4 measures necessary to ensure that a consumable hemp product
5 is not introduced into the body of a person under the age of
6 twenty-one.

7 3. Notwithstanding chapter 22, any personal information
8 identifying the person committing an offense or violation as
9 described in this section shall be confidential.

10 Sec. 15. NEW SECTION. 204.15A Hemp products — order of
11 confiscation and disposal.

12 1. The department of health and human services may order the
13 confiscation and disposal of a hemp product based on any of the
14 following:

15 a. It is falsely advertised, sold, or distributed as a
16 consumable hemp product.

17 b. It exceeds the maximum tetrahydrocannabinol concentration
18 allowed under section 124.204, subsection 7, or this chapter.

19 c. It is a consumable hemp product manufactured, sold,
20 or distributed by a person who is not registered with the
21 department of health and human services as is required in
22 section 204.7.

23 2. The department of health and human services shall act
24 in consultation with the department of public safety. The
25 department of health and human services may request assistance
26 from the department of public safety or a local law enforcement
27 agency as necessary to carry out the provisions of this
28 section. The department of health and human services, upon
29 request, shall deliver any sample of the item to the department
30 of public safety or a local law enforcement agency.

31 3. A person required to be registered with the department of
32 health and human services as provided in section 204.7 shall
33 pay the department of health and human services all actual
34 and reasonable costs of the destruction of the item. If that
35 department assumes any amount of the costs, it may charge that

1 amount to the person.

2 Sec. 16. Section 805.8C, subsection 3, Code 2024, is amended
3 by adding the following new paragraph:

4 NEW PARAGRAPH. *d.* (1) For violations of section 204.14E,
5 the scheduled fine is as follows:

6 (a) If the violation is a first offense, the scheduled fine
7 is seventy dollars.

8 (b) If the violation is a second offense, the scheduled fine
9 is one hundred thirty-five dollars.

10 (c) If the violation is a third or subsequent offense, the
11 scheduled fine is three hundred twenty-five dollars.

12 (2) The fine shall be imposed as a civil penalty.

13 (3) The crime services surcharge under section 911.1 shall
14 not be added to the penalty, and the court costs pursuant to
15 section 805.9, subsection 6, shall not be imposed.

16 (4) Notwithstanding section 805.12, any civil penalty paid
17 under this subsection shall be retained by the city or county
18 enforcing the violation.

19 Sec. 17. Section 805.10, subsection 1, Code 2024, is amended
20 by adding the following new paragraph:

21 NEW PARAGRAPH. *e.* When a violation charged involves the
22 consumption, possession, purchase, or attempt to purchase of
23 a consumable hemp product as provided in section 204.14E, for
24 which there is a community service sentence.

25 DIVISION II

26 REGULATION OF ALCOHOLIC BEVERAGES

27 Sec. 18. Section 123.49, subsection 2, Code 2024, is amended
28 by adding the following new paragraph:

29 NEW PARAGRAPH. *1.* Sell, give, or otherwise supply any
30 alcoholic beverage containing tetrahydrocannabinol, including
31 any isomers, derivatives, or analogs of tetrahydrocannabinol,
32 whether naturally occurring or synthesized, to any person on
33 the licensed premises.

34 Sec. 19. NEW SECTION. **123.49A Restriction on alcoholic**
35 **beverages containing tetrahydrocannabinol.**

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1 A holder of a license, permit, or certificate of compliance
2 issued by the department under this chapter shall not
3 manufacture, import, or sell at wholesale in this state an
4 alcoholic beverage containing tetrahydrocannabinol, including
5 any isomers, derivatives, or analogs of tetrahydrocannabinol,
6 whether naturally occurring or synthesized.