HOUSE FILE 2641
BY COMMITTEE ON APPROPRIATIONS

(SUCCESSOR TO HF 2510)
(SUCCESSOR TO HSB 560)

(COMPANION TO SF 2209 BY
COMMITTEE ON AGRICULTURE)

(As Amended and Passed by the House April 10, 2024)

[= New Language by the House
* = Language Stricken by the House

A BILL FOR

An Act relating to agriculture, by providing for the administration of programs and regulations, making appropriations, [providing penalties,] and including effective date provisions.

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

DIVISION I

IOWA-FOALED HORSES

Section 1. Section 99D.22, subsection 2, paragraph b, subparagraph (3), Code 2024, is amended to read as follows:

(3) (a) ~~Continuous~~ For a thoroughbred foal, continuous residency from December ~~31~~ 15 until the foal is inspected if the mare was bred by other than an Iowa registered stallion and is not bred back to an Iowa registered stallion.

(b) For a standardbred foal or quarter horse foal, continuous residency from January 31 until the foal is inspected if the mare was bred by other than an Iowa registered stallion and is not bred back to an Iowa registered stallion.

DIVISION II

AGRICULTURAL MARKETING

* Sec. 2. Section 159.20, subsection 2, Code 2024, is amended to read as follows:

2. The department shall ~~establish and~~ administer ~~a choose Iowa promotional program as provided in part 2 of this subchapter, in order to provide consumers a choice in~~ programs that advance the purchasing ~~food items~~ of agricultural commodities produced on Iowa farms and Iowa products that originate as ~~an~~ agricultural ~~commodity~~ commodities produced on Iowa farms under this title, including chapter 187.

Sec. 3. Section 159.20, subsection 3, unnumbered paragraph 1, Code 2024, is amended to read as follows:

As used in this ~~subchapter~~ section:

Sec. 4. Section 159.28, Code 2024, is amended to read as follows:

159.28 Choose Iowa promotional program.

1. The department shall establish and administer a choose Iowa promotional program to advertise for retail sale ~~on a retail basis a food item that originates as an agricultural commodity produced on an Iowa farm, and~~ an Iowa product that may include any of the following:

a. An agricultural commodity produced on an Iowa farm,

except that it may be prepared for sale by washing or packaging in this state.

b. ~~A product, if it is~~ An agricultural commodity processed in this state ~~and any of its ingredients~~, if its components originate as an agricultural commodity produced on an Iowa farm.

2. *a.* The department may adopt rules further defining an Iowa farm, Iowa agricultural commodity, and Iowa product; and describing how an Iowa agricultural commodity originates on an Iowa farm.

b. The department may adopt rules providing for the acceptable use of ~~ingredients originating~~ a component that originates from an agricultural ~~commodities~~ commodity not produced on an Iowa ~~farms~~ farm. In adopting the rules, the department may consider whether the ~~ingredient~~ component is an incidental ~~additive or other component that the department determines is~~ or insignificant part of an Iowa product.

Sec. 5. Section 159.29, subsections 1 and 5, Code 2024, are amended to read as follows:

1. As part of the choose Iowa promotional program, the department may establish a choose Iowa logo to identify ~~a food item originating as an agricultural commodity produced on an Iowa farm~~ an Iowa product.

5. The use of a choose Iowa logo does not do any of the following:

a. Provide an express or implied guarantee or warranty concerning the safety, fitness, merchantability, or use of a ~~food item~~ product.

b. Supersede, revise, or replace a state or federal labeling requirement, including but not limited to a provision in the federal Fair Packaging and Labeling Act, 15 U.S.C. §1451 et seq.

c. Indicate the grade, specification, standard, or value of any ~~food item~~ agricultural commodity, component, or product.

Sec. 6. Section 159.31, subsections 1, 2, and 3, Code 2024,

are amended to read as follows:

1. A choose Iowa fund is ~~established~~ created in the state treasury under the management and control of the department.

2. The fund shall include moneys collected as fees by the department as provided in section ~~159.30~~ 187.303, moneys appropriated by the general assembly, and other moneys available to and obtained or accepted by the department, including moneys from public or private sources.

3. Moneys in the fund are appropriated to the department and shall be used exclusively to ~~carry out the provisions of this part~~ administer the programs created in this subchapter as determined and directed by the department, and shall not require further special authorization by the general assembly.

Sec. 7. Section 159.31A, Code 2024, is amended to read as follows:

159.31A Dairy innovation ~~fund~~ and revitalization program.

~~1. As used in this section unless the context otherwise requires:~~

~~*a. "Financial assistance"* means assistance provided only from the moneys and assets legally available to the department pursuant to this section and includes assistance in the form of grants, low-interest loans, and forgivable loans.~~

~~*b. "Fund"* means the dairy innovation fund.~~

~~*c. "Located in"* means the place or places at which a business's operations are located and where at least ninety-eight percent of the business's employees work, or where employees that are paid at least ninety-eight percent of the business's payroll work.~~

~~*d. "Program"* means the dairy innovation program.~~

~~2. *a.* The fund is created in the state treasury under the control of the department and consists of any moneys appropriated to the fund by the general assembly and any other moneys available to or obtained or accepted by the department for placement in the fund. Moneys in the fund are appropriated to the department to award financial assistance as provided~~

~~under the program. The department shall use any moneys specifically appropriated for purposes of this section only for the purposes of the program.~~

~~*b.* Notwithstanding section 8.33, moneys in the fund that remain unencumbered or unobligated at the close of the fiscal year shall not revert but shall remain available for expenditure for the purposes designated until the close of the succeeding fiscal year.~~

1. A dairy innovation and revitalization program is created within the department. The purpose of the program is to promote the development, modernization, and expansion of this state's dairy industry.

~~3.~~ 2. ~~The~~ In administering the program, the department shall ~~establish and administer the program for the purpose of awarding~~ award financial assistance to eligible businesses ~~engaged in~~ to support projects that do one or more of the following:

a. Expand or refurbish existing milk plants or establish a new milk plant, operating pursuant to a permit issued pursuant to section 192.111 or 194.3A.

b. Expand or refurbish existing mobile dairy processing units, or establish new mobile dairy processing units.

c. Rent buildings, refrigeration ~~facilities,~~ or freezer facilities, or equipment necessary to expand dairy processing capacity, including mobile dairy or refrigeration units used exclusively for dairy processing.

d. Incorporate methods and technologies that reduce farm labor associated with milk production and storage, including but not limited to the use of robotics and processes or systems that operate using computerized equipment or machinery.

~~4.~~ 3. The department shall establish eligibility criteria for the program ~~by rule~~. The eligibility criteria must include all of the following:

a. The business must be located in this state.

b. The business must not have been subject to any regulatory

enforcement action related to federal, state, or local environmental, worker safety, food processing, or food safety laws, rules, or regulations within the last five years.

c. The business must only employ individuals legally authorized to work in this state.

d. The business must not currently be in bankruptcy.

e. The business must employ less than fifty individuals.

~~5.~~ 4. ~~A~~ An eligible business seeking financial assistance under this section shall make application to the department in the manner and on forms prescribed by the department ~~by rule~~.

~~6.~~ 5. Applications for financial assistance under this section shall be accepted during one or more annual application periods ~~to be determined~~ established by the department ~~by rule~~. Upon reviewing and scoring all applications that are received during an application period, and subject to ~~funding~~ the availability of moneys, the department may award financial assistance to eligible businesses. A financial assistance award shall not exceed the amount of eligible project costs included in the eligible business's application. Priority shall be given to eligible businesses whose proposed project or projects under subsection ~~3 will~~ 2 are most likely to do ~~any~~ one or more of the following:

a. Create new jobs.

b. Create or expand opportunities for local small-scale milk producers to market pasteurized milk and milk products under private labels.

c. Provide greater flexibility or convenience for local small-scale farmers to have milk processed.

d. Reduce labor associated with the on-farm production and storage of milk.

~~7.~~ 6. ~~A~~ An eligible business that is awarded financial assistance under this section may apply for financial assistance under other programs administered by the ~~authority~~ department.

~~8. The department shall adopt rules pursuant to chapter 17A~~

~~to administer this section.~~

Sec. 8. NEW SECTION. **187.101 Short title.**

This chapter shall be known and may be cited as the *"Choose Iowa Act"*.

Sec. 9. NEW SECTION. **187.102 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Agricultural commodity"* means an animal or plant, or raw material originating from an animal or plant.

2. *"Component"* means an agricultural commodity that is combined to form a product during processing.

3. *"Department"* means the department of agriculture and land stewardship.

4. *"Farm"* means land and associated structures used to produce an agricultural commodity.

5. *a. "Financial assistance"* means support provided by the department to an eligible business under this chapter from moneys or other assets legally available to the department.

b. "Financial assistance" includes any form of grant, low-interest loan, or forgivable loan.

6. *"Food item"* means an agricultural commodity, or an item processed from an agricultural commodity, that is fit for human consumption.

7. *"Fund"* means the choose Iowa fund created in section 187.201.

8. *"Horticulture item"* means any of the following:

a. A nursery, floral, or greenhouse plant.

b. A product processed from a nursery, floral, or greenhouse plant, including a seed, rooting, cutting, tissue culture, seedling, or other propagation material.

9. *"Located in"* means the place or places at which a business's operations are located and where at least ninety-eight percent of the business's employees work, or where employees that are paid at least ninety-eight percent of the business's payroll work.

10. *"Natural fiber item"* means fiber originating from an agricultural commodity for use in processing, including manufacturing into a textile, apparel, or other similar product.

11. *"Process"* means to prepare a product that includes an agricultural commodity alone or as a component.

12. *a. "Product"* means an agricultural commodity that in its raw or processed state is moveable at the time of its retail sale.

b. "Product" includes but is not limited to a food item, horticulture item, or natural fiber item.

Sec. 10. NEW SECTION. **187.103 Administration.**

The department shall adopt all rules under chapter 17A as it determines necessary or desirable to administer this chapter.

Sec. 11. NEW SECTION. **187.321 Value-added agricultural grant program.**

A value-added agricultural grant program is created within the department. The purpose of the program is to identify, evaluate, and support projects and services that add value to agricultural commodities produced on Iowa farms, including by supporting new technologies and marketing strategies.

Sec. 12. REPEAL. Sections 159.26 and 159.27, Code 2024, are repealed.

Sec. 13. TRANSFER OF MONEYS.

1. Not later than June 30, 2024, the balance of the dairy innovation fund created in section 159.31A shall be transferred to the choose Iowa fund created in section 159.31.

2. Not later than June 30, 2024, any moneys appropriated to the department of agriculture and land stewardship that the department has not expended as required to support a value added agriculture grant program shall be transferred to the choose Iowa fund, including moneys appropriated in 2022 Iowa Acts, chapter 1147, section 12, and 2023 Iowa Acts, chapter 109, section 4, subsection 9.

Sec. 14. CODE EDITOR DIRECTIVE.

1. The Code editor is directed to make the following transfers:

a. Section 159.28 to 187.301.

b. Section 159.29 to 187.302.

c. Section 159.30 to 187.303.

d. Section 159.31 to 187.201.

e. Section 159.31A to 187.311.

2. The Code editor shall correct internal references in the Code and in any enacted legislation as necessary due to the enactment of this section.

Sec. 15. DIRECTIONS TO CODE EDITOR — SUBCHAPTERS AND PARTS. The Code editor is directed to divide the provisions of chapter 187, as amended, enacted, or transferred in this division of this Act, into subchapters and parts as follows:

1. Subchapter I, including sections 187.101 through 187.103.

2. Subchapter II, including section 187.201.

3. Subchapter III, as follows:

a. Part 1, including sections 187.301 through 187.303.

b. Part 2, including section 187.311.

c. Part 3, including section 187.321.

Sec. 16. EFFECTIVE DATE.

1. Except as provided in subsection 2, this division of this Act takes effect July 1, 2024.

2. The following section of this division of this Act, being deemed of immediate importance, takes effect upon enactment:

The section that provides for the transfer of moneys to the choose Iowa fund.

DIVISION III

COMMERCIAL ESTABLISHMENTS

Sec. 17. Section 162.2, subsection 8, Code 2024, is amended to read as follows:

8. *"Commercial breeder"* means a person, engaged in the business of breeding dogs or cats, who sells, exchanges, or leases dogs or cats in return for consideration, or who offers

to do so, whether or not the animals are raised, trained, groomed, or boarded by the person. A person who owns or harbors three or fewer breeding males or females is not a commercial breeder. ~~However, a person who breeds any number of breeding male or female greyhounds for the purposes of using them for pari-mutuel wagering at a racetrack as provided in chapter 99D shall be considered a commercial breeder irrespective of whether the person sells, leases, or exchanges the greyhounds for consideration or offers to do so.~~

Sec. 18. Section 162.2B, subsection 1, paragraph b, Code 2024, is amended to read as follows:

b. For the issuance or renewal of a state license or permit, one hundred seventy-five dollars. ~~However, a commercial breeder who owns, keeps, breeds, or transports a greyhound dog for pari-mutuel wagering at a racetrack as provided in chapter 99D shall pay a different fee for the issuance or renewal of a state license as provided in rules adopted by the department.~~

Sec. 19. Section 162.10A, subsection 2, Code 2024, is amended to read as follows:

2. *a.* Except as provided in paragraph "*b*" ~~or "*c*"~~, a commercial establishment shall comply with rules that the department adopts to implement subsection 1. A commercial establishment shall be regulated under this paragraph "*a*" unless the person is a ~~state licensee as provided in paragraph "*b*" or a~~ permittee as provided in paragraph ~~"*c*"~~ "*b*".

~~*b. A state licensee who is a commercial breeder owning, breeding, transporting, or keeping a greyhound dog for pari-mutuel wagering at a racetrack as provided in chapter 99D may be required to comply with different rules adopted by the department.*~~

~~*c.*~~ *b.* A permittee is not required to comply with rules that the department adopts to implement a standard of care as provided in subsection 1 for state licensees and registrants. The department may adopt rules regulating a standard of care for a permittee, so long as the rules are not more restrictive

than required for a permittee under the Animal Welfare Act. However, the department may adopt prescriptive rules relating to the standard of care. Regardless of whether the department adopts such rules, a permittee meets the standard of care required in subsection 1 if it voluntarily complies with rules applicable to state licensees or registrants. A finding by the United States department of agriculture that a permittee complies with the Animal Welfare Act is not conclusive when determining that the permittee provides a standard of care required in subsection 1.

Sec. 20. Section 717B.3, subsection 2, paragraph a, subparagraph (2), subparagraph divisions (a) and (b), Code 2024, are amended to read as follows:

(a) A state licensee or registrant operating pursuant to section 162.10A, subsection 2, paragraph *"a"* ~~or *"b"*~~.

(b) A permittee operating pursuant to section 162.10A, subsection 2, paragraph ~~*"c"*~~ *"b"*.

DIVISION IV

GRADE "A" MILK

Sec. 21. Section 192.101A, Code 2024, is amended by adding the following new subsections:

NEW SUBSECTION. 1A. *"Department"* means the department of agriculture and land stewardship.

NEW SUBSECTION. 5. *"Secretary"* means the secretary of agriculture.

Sec. 22. Section 192.109, Code 2024, is amended to read as follows:

192.109 Certification of grade "A" label.

The department ~~of agriculture and land stewardship~~ shall ~~annually~~ biennially conduct a survey and based on that survey certify all milk labeled grade "A" pasteurized and grade "A" raw milk for pasteurization~~, and, in~~. In the event that a survey shows the requirements for production, processing, and distribution for such grade are not being complied with, ~~the~~ that fact ~~thereof~~ shall be certified by the department to the

secretary ~~of agriculture~~ who shall proceed with the provisions of section 192.107 for suspending the permit of the violator or who, if the secretary did not issue such permit, shall withdraw the grade "A" declared on the label.

Sec. 23. Section 192.111, subsection 1, paragraph a, subparagraph (5), Code 2024, is amended to read as follows:

(5) A milk grader which must obtain a milk grader permit and pay a ~~license~~ permit fee not greater than twenty dollars.

Sec. 24. Section 192.116, Code 2024, is amended to read as follows:

192.116 Bacteriologists.

The department ~~of agriculture and land stewardship~~ may employ dairy specialists or bacteriologists who shall devote their full time to the improvement of sanitation in the production, processing, and marketing of dairy products. ~~Said~~ The dairy specialists and bacteriologists shall have qualifications as to education and experience and such other requirements as the secretary may require.

Sec. 25. Section 192.118, subsection 1, Code 2024, is amended to read as follows:

1. To ensure uniformity in the tests and reporting, an employee certified by the United States public health service of the bacteriological laboratory of the department shall annually certify, in accordance with rules adopted by the department incorporating or incorporating by reference the federal publication entitled "Evaluation of Milk Laboratories", all laboratories doing work in the sanitary quality of milk and dairy products for public report. The approval by the department shall be based on the evaluation of these laboratories as to personnel training, laboratory methods used, and reporting. The results on tests made by approved laboratories shall be reported to the department on request, on forms prescribed by the secretary ~~of agriculture~~, and such reports may be used by the department.

DIVISION V

FERTILIZERS AND SOIL CONDITIONERS

Sec. 26. Section 200.3, subsection 29, Code 2024, is amended to read as follows:

29. The term *"unmanipulated manures"* means any substances composed primarily of excreta, plant remains, or mixtures of such substances which have not been processed in any manner other than dewatering.

Sec. 27. EFFECTIVE DATE. This division of this Act, being deemed of immediate importance, takes effect upon enactment.

DIVISION VI

HEMP

PART A

HEMP REGULATIONS

Sec. 28. Section 204.2, subsections 1, 4, 5, 10, 12, 14, 15, and 16, Code 2024, are amended by striking the subsections.

Sec. 29. Section 204.2, subsection 6, Code 2024, is amended by striking the subsection and inserting in lieu thereof the following:

6. *"Department of health and human services"* or *"department"* means the principal central department established in section 7E.5, subsection 1, paragraph *"i"*.

Sec. 30. Section 204.2, subsection 9, Code 2024, is amended by striking the subsection and inserting in lieu thereof the following:

9. *"Hemp"* means the same as defined in section 204A.2.

Sec. 31. Section 204.7, subsections 1, 2, 3, 4, 5, 6, and 7, Code 2024, are amended by striking the subsections.

Sec. 32. Section 204.8, Code 2024, is amended by striking the section and inserting in lieu thereof the following:

204.8 Hemp — testing requirements and certificate of analysis.

For purposes of this chapter, requirements for testing hemp and the issuance of a certificate of analysis for hemp are governed by chapter 204A.

Sec. 33. Section 204.12, subsection 2, Code 2024, is amended

by striking the subsection.

Sec. 34. Section 204.14, subsections 2 and 3, Code 2024, are amended to read as follows:

2. ~~*a. Except as provided in paragraph "b", the*~~ The person is required to hold a certificate of analysis to possess, handle, use, manufacture, market, transport, deliver, or distribute hemp that has been harvested under this chapter.

~~*b. The person is required to hold a temporary harvest and transportation permit to possess, harvest, or move hemp.*~~

3. The person knowingly or intentionally does any of the following:

a. Falsifies ~~the temporary harvest and transportation permit or~~ a certificate of analysis.

b. Acquires ~~the temporary harvest and transportation permit or~~ a certificate of analysis that the person knows has been falsified.

Sec. 35. Section 204.15, Code 2024, is amended by striking the section and inserting in lieu thereof the following:

204.15 Negligent violation program.

A USDA licensee who is participating in or has successfully completed the program for negligent violations as provided in 7 C.F.R. §990.29 shall not be subject to a criminal offense under chapter 124 or 453B for committing an act that otherwise would constitute the offense.

Sec. 36. Section 204.17, subsection 1, Code 2024, is amended by striking the subsection.

Sec. 37. Section 204.17, subsection 6, Code 2024, is amended by striking the subsection and inserting in lieu thereof the following:

6. Nothing in this chapter shall be construed or applied to affect a statute or rule which applies to an article under this chapter, if it would apply in the same manner as to other articles subject to the same general regulation in other chapters.

Sec. 38. NEW SECTION. **204A.2 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Acceptable hemp THC level"* means the same as defined in 7 C.F.R. §990.1.

2. *"Cannabis"* means the same as defined in 7 C.F.R. §990.1.

3. *"Controlled substance"* means the same as defined in section 124.101.

4. *"Delta-9 tetrahydrocannabinol"* or *"THC"* means the same as defined in 7 C.F.R. §990.1.

5. *"Department"* means the department of agriculture and land stewardship.

6. *"Federal hemp law"* means 7 U.S.C. §1639o, 1639q, and 1639r, together with the domestic hemp production program as provided in 7 C.F.R. pt. 990.

7. *"Hemp"* means the same as defined in 7 C.F.R. §990.1.

8. *"Local law enforcement agency"* means an office of county sheriff or a municipal police department.

9. *"Lot"* means the same as defined in 7 C.F.R. §990.1.

10. *"Total THC"* means the same as defined in 7 C.F.R. §990.1.

11. *"USDA licensee"* means the same as defined in 7 C.F.R. §990.1.

Sec. 39. NEW SECTION. **204A.3 Administration — rules.**

The department may adopt rules that it deems necessary to administer and enforce this chapter. The rules shall comply with the federal hemp law, or requirements of the United States department of agriculture acting under the federal hemp law.

Sec. 40. NEW SECTION. **204A.4 Criminal offenses.**

A criminal offense involving hemp includes but is not limited to production, use, harvest, transportation, delivery, distribution, or sale of cannabis as a controlled substance except as otherwise provided in this chapter and chapter 204.

Sec. 41. NEW SECTION. **204A.5 Hemp production.**

1. Except to the extent otherwise provided in the federal hemp law, or by the United States department of agriculture

acting under the federal hemp law, this chapter does not affect the powers and duties of the state, including the department of public safety or a local law enforcement agency, to investigate or prosecute a person for a violation of a criminal offense, including an act in violation of chapter 124 or 453B.

2. *a.* Except to the extent otherwise provided in the federal hemp law, or by the United States department of agriculture acting under the federal hemp law, the department of public safety may require a USDA licensee to submit to the department of public safety any of the following:

(1) A notice that the United States department of agriculture's lot includes cannabis that exceeds the acceptable hemp THC level and a description of the noncompliant plant's disposal as required in 7 C.F.R. §990.27.

(2) A corrective action plan filed with the United States department of agriculture to cure the negligent violation as required in 7 C.F.R. §990.27.

(3) A notice of the United States department of agriculture's license suspension under 7 C.F.R. §990.30 or United States department of agriculture's license revocation under 7 C.F.R. §990.31.

(4) A report or record required to be submitted to the United States department of agriculture as part of participation in the domestic hemp program as provided in 7 C.F.R. §990.32.

b. Any data or business information designated as confidential by the United States department of agriculture under this subsection and received by a government body as defined in section 22.1 shall be a confidential record under chapter 22 and subject to any restrictions imposed by the United States department of agriculture.

Sec. 42. NEW SECTION. **204A.6 Hemp transportation.**

Except to the extent otherwise provided in the federal hemp law, including 7 C.F.R. §990.25, or by the United States department of agriculture acting under the federal hemp law, a

person transporting hemp seed or harvested hemp in this state, on an intrastate or interstate basis, is subject to all of the following public safety requirements:

1. If the person is licensed under 7 C.F.R. ch. 990, subpt. B or C, the person must carry a copy of that license.

2. The person must carry a certificate of analysis.

3. The person must carry a bill of lading under all of the following circumstances:

a. The person is in possession of the hemp in transit to transfer ownership.

b. The person is delivering cannabis seed for planting and the seed is not of the licensee's own production.

c. A person brings hemp produced in another state into or through this state.

Sec. 43. NEW SECTION. **204A.9 Statutory construction.**

1. Nothing in this chapter shall be construed or applied to be less stringent than required under the federal hemp law.

2. Nothing in this chapter shall be construed or applied to be in conflict with applicable federal law and related regulations.

3. Nothing in this chapter shall be construed or applied to infringe upon the ability of the department of public safety or a local law enforcement agency to obtain a search warrant issued by a court, or enter onto any premises in a manner consistent with the laws of this state and the United States, including Article I, section 8, of the Constitution of the State of Iowa, or the fourth amendment to the Constitution of the United States.

4. Nothing in this chapter shall be construed or applied to affect a statute or rule which applies to an article under this chapter, if it would apply in the same manner as to other articles subject to the same general regulation in other chapters.

Sec. 44. REPEAL. Sections 204.3, 204.4, 204.5, 204.6, 204.9, 204.10, 204.11, 204.13, and 204.16, Code 2024, are

repealed.

Sec. 45. CODE EDITOR DIRECTIVE.

1. The Code editor is directed to make the following transfers:

a. Section 204.1 to section 204A.1.

b. Section 204.14 to section 204A.7.

c. Section 204.15 to section 204A.8.

2. The Code editor shall correct internal references in the Code and in any enacted legislation as necessary due to the enactment of this section.

PART B

CORRESPONDING CHANGES

Sec. 46. Section 124.201A, subsection 4, Code 2024, is amended to read as follows:

4. Any cannabis-derived investigational product or cannabis-derived product approved as a prescription drug medication by the United States food and drug administration shall not be considered marijuana or cannabimimetic agents, both as defined in section 124.204, tetrahydrocannabinols as used in section 124.204, subsection 4, paragraph "*u*", unnumbered paragraph 1, or hemp as defined in section ~~204.2~~ 204A.2.

Sec. 47. Section 124.204, subsection 7, paragraph a, Code 2024, is amended to read as follows:

a. Hemp as defined in section ~~204.2~~ 204A.2, including hemp that is or was produced in this state, or was produced in another state~~,~~ in accordance with the provisions of ~~chapter 204~~ the federal hemp law as defined in chapter 204A, with a maximum delta-9 tetrahydrocannabinol concentration that does not exceed three-tenths of one percent on a dry weight basis.

Sec. 48. Section 124.401, subsection 6, paragraph a, Code 2024, is amended by striking the paragraph and inserting in lieu thereof the following:

a. Hemp that is hemp seed, including hemp seed delivered for planting at a lot by a USDA licensee or hemp that is or was

produced at a lot by a USDA licensee, in accordance with the provisions of the federal hemp law, as those terms are defined in chapter 204A.

Sec. 49. Section 124.401G, Code 2024, is amended by striking the section and inserting in lieu thereof the following:

124.401G Iowa hemp Act — negligent violation program.

Notwithstanding any provision of this chapter to the contrary, a person shall not be guilty of an offense under this chapter, including under section 124.401 or 124.410, for producing, possessing, using, harvesting, handling, manufacturing, marketing, transporting, delivering, or distributing the plant cannabis, to the extent that the person is a USDA licensee acting in accordance with the federal hemp law, as those terms are defined in chapter 204A.

Sec. 50. Section 124.506, subsection 5, Code 2024, is amended by striking the subsection.

Sec. 51. Section 317.1D, Code 2024, is amended to read as follows:

317.1D Exemption — Iowa hemp Act.

This chapter does not apply to a plant or any part of the plant qualifying as hemp, if the hemp is produced ~~on a crop site regulated under chapter 204~~ on the USDA licensee's lot in accordance with the federal hemp law, as those terms are defined in chapter 204A.

Sec. 52. Section 453B.17, subsection 1, Code 2024, is amended by striking the subsection and inserting in lieu thereof the following:

1. Hemp as defined in section 204A.2, including hemp seed delivered for planting at a lot by a USDA licensee or hemp that is or was produced at a lot by a USDA licensee, in accordance with the provisions of the federal hemp law, as those terms are defined in chapter 204A.

Sec. 53. Section 453B.18, Code 2024, is amended by striking the section and inserting in lieu thereof the following:

453B.18 Exemption — Iowa hemp Act — negligent violation

program.

Notwithstanding any provision of this chapter to the contrary, a person shall not be guilty of an offense under this chapter for producing or possessing the plant cannabis, to the extent that the person is a USDA licensee acting in accordance with the federal hemp law, as those terms are defined in chapter 204A.

Sec. 54. Section 716.14, subsection 1, paragraph b, Code 2024, is amended to read as follows:

b. "Agricultural crop" means a plant produced for food, animal feed, fiber, oil, or fuel if the plant is classified as a forage or cereal plant, including but not limited to alfalfa, barley, buckwheat, corn, flax, forage, hemp as defined in section ~~204.2~~ 204A.2, millet, oats, popcorn, rye, sorghum, soybeans, sunflowers, wheat, and grasses used for forage or silage. A plant which is a noxious weed pursuant to section 317.1A shall not be considered an agricultural crop unless the plant is produced as a research crop.

PART C

EFFECTIVE DATE

Sec. 55. EFFECTIVE DATE. This division of this Act takes effect December 31, 2024.