

Senate File 264 - Introduced

SENATE FILE 264

BY CHELGREN

A BILL FOR

1 An Act providing for the production and marketing of industrial
2 hemp, and providing for penalties.

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

1 Section 1. LEGISLATIVE FINDINGS — PURPOSE. The general
2 assembly finds that a trend exists among states to consider the
3 economic importance of industrial hemp, which is a major crop
4 in other nations. Industrial hemp historically has contributed
5 to the economic welfare of this country, and is a renewable
6 natural resource manufactured for textiles, pulp, paper, oil,
7 building materials, and other products. The purpose of this
8 Act is to promote the economy of this state by providing for
9 research necessary to develop industrial hemp as a viable crop.

10 Sec. 2. NEW SECTION. 159.41 Industrial hemp licensing and
11 regulation — fee — penalty.

12 1. As used in this section, "*industrial hemp*" means cannabis
13 sativa L. which has a percentage of tetrahydrocannabinol of
14 not more than one percent, as provided by rules which shall be
15 adopted by the department.

16 2. The department of agriculture and land stewardship,
17 in cooperation with the department of public safety, shall
18 administer this section. The department of agriculture and
19 land stewardship shall cooperate with other law enforcement
20 agencies. The department shall also collaborate with agencies
21 of the United States government, including but not limited
22 to the drug enforcement administration of the United States
23 department of justice, in order to provide for the production
24 and possession of industrial hemp according to the terms and
25 conditions required by the United States government. The
26 department may execute any memorandum of understanding with a
27 United States government agency in order to administer this
28 section.

29 3. a. To the extent permitted by the United States
30 government, the department shall issue licenses to persons
31 for the production and possession of industrial hemp,
32 notwithstanding any section of this chapter to the contrary.
33 A person must possess a license pursuant to this section
34 to produce or possess industrial hemp. The department of
35 agriculture and land stewardship shall limit the number of

1 licenses that it grants each year in order to ensure that the
2 department of agriculture and land stewardship, in cooperation
3 with the department of public safety, may strictly enforce
4 compliance with the requirements of this section. A license
5 shall expire not later than one year following the date of
6 issuance.

7 *b.* A person applying for a license shall file an application
8 on a form prescribed by the department of agriculture and land
9 stewardship according to procedures required by the department.
10 The department may charge an application fee which shall not
11 exceed five hundred dollars. An applicant and each employee
12 of the applicant must satisfy eligibility requirements of the
13 department, which shall include but not be limited to all of
14 the following:

15 (1) Be eighteen years of age or older.

16 (2) Never have been convicted of a felony, an aggravated
17 misdemeanor, or of any other offense related to the possession
18 of a controlled substance.

19 (3) Not be addicted to the use of alcohol or a controlled
20 substance.

21 (4) Be of good moral character and not have been judged
22 guilty of a crime involving moral turpitude.

23 *c.* The licensee shall maintain accurate records, as required
24 by the department, which shall contain information relating
25 to the licensee's operation, including but not limited to the
26 production site, the time and manner of harvest, and persons
27 involved in the production, harvesting, and distribution of the
28 industrial hemp.

29 4. Notwithstanding chapter 124, the licensee may produce,
30 harvest, and distribute industrial hemp. However, the licensee
31 must act in strict conformance with this section. The licensee
32 shall raise industrial hemp upon demonstration plots as
33 approved by the department. The demonstration plots must be
34 used to develop optimal agricultural practices for raising
35 industrial hemp. All plant materials from industrial hemp

1 grown on demonstration plots, except plant materials retained
2 for breeding and propagation, must be used for commercial uses
3 approved by the department.

4 5. The department of agriculture and land stewardship or
5 the department of public safety may inspect a production or
6 distribution site of a licensee at any time, and may inspect
7 records required to be maintained as provided in this section.
8 The department of agriculture and land stewardship shall assess
9 and the licensee shall pay the actual costs of the inspection.
10 If the owner or occupant of any property used by the licensee
11 for the production or distribution refuses admittance onto
12 the property, or if prior to such refusal the department of
13 agriculture and land stewardship or department of public safety
14 demonstrates the necessity for a warrant, the department of
15 agriculture and land stewardship may make application under
16 oath or affirmation to the district court of the county in
17 which the property is located for the issuance of a search
18 warrant. If the court is satisfied from examination of the
19 applicant, of other witnesses, if any, and of the allegations
20 of the application or the existence of the grounds of the
21 application, or that probable cause exists to believe such
22 grounds exist, the court may issue a search warrant.

23 6. The department may suspend or revoke a license if the
24 licensee or an employee of the licensee is determined to have
25 committed any of the following:

26 a. Fraud in applying for or obtaining a license.

27 b. A violation of this section or rules adopted by the
28 department pursuant to this section, including failing to
29 comply with a requirement of this section.

30 c. An offense involving moral turpitude, a felony, an
31 aggravated misdemeanor, or any other offense related to the
32 possession of a controlled substance.

33 7. a. Except as provided in paragraph "b", an applicant for
34 a license or a licensee who knowingly violates a requirement
35 of this section or a rule adopted by the department pursuant

1 The bill provides that a person who makes a false statement
2 on the application for a license regarding a conviction of a
3 felony, aggravated misdemeanor, or any other offense related
4 to the possession of a controlled substance is guilty of
5 an aggravated misdemeanor. An aggravated misdemeanor is
6 punishable by confinement for no more than two years and a fine
7 of at least \$625 but not more than \$6,250.