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# Senate File 2413

## Partial Bill History

- Bill Introduced: [S.J. 479](#)
- Committee Report Issued: [S.J. 480](#)
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## Bill Text

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1 1 Section 1. FINDINGS. The general assembly finds that a  
1 2 trend exists among states to consider the economic importance  
1 3 of industrial hemp, which is a major crop in other nations.  
1 4 Industrial hemp historically has contributed to the economic  
1 5 welfare of this country, and is a renewable natural resource  
1 6 manufactured for textiles, pulp, paper, oil, building  
1 7 materials, and other products. The purpose of this Act is to  
1 8 promote the economy of this state by providing for research  
1 9 necessary to develop industrial hemp as a viable crop.  
1 10 Sec. 2. NEW SECTION. 159.41 INDUSTRIAL HEMP LICENSING  
1 11 AND REGULATION.  
1 12 1. As used in this section, "industrial hemp" means  
1 13 cannabis sativa L. which has a percentage of  
1 14 tetrahydrocannabinol of not more than one percent, as provided  
1 15 by rules which shall be adopted by the department.  
1 16 2. The department of agriculture and land stewardship, in  
1 17 cooperation with the department of public safety, shall  
1 18 administer this section. The department of agriculture and  
1 19 land stewardship shall cooperate with other law enforcement  
1 20 agencies. The department shall also collaborate with agencies  
1 21 of the United States government, including but not limited to  
1 22 the drug enforcement administration of the United States  
1 23 department of justice, in order to provide for the production  
1 24 and possession of industrial hemp and according to the terms  
1 25 and conditions required by the United States government. The  
1 26 department may execute any memorandum of understanding with a  
1 27 United States government agency in order to administer this  
1 28 section.  
1 29 3. To the extent permitted by the United States  
1 30 government, the department shall issue licenses to persons for  
1 31 the production and possession of industrial hemp,  
1 32 notwithstanding any section of this chapter to the contrary.  
1 33 A person must possess a license pursuant to this section to  
1 34 produce or possess industrial hemp. The department of  
1 35 agriculture and land stewardship shall limit the number of

2 1 licenses that it grants each year in order to ensure that the  
2 2 department of agriculture and land stewardship, in cooperation  
2 3 with the department of public safety, may strictly enforce  
2 4 compliance with the requirements of this section and section  
2 5 266.39F. A license shall expire not later than one year  
2 6 following the date of issuance.

2 7 a. A person applying for a license shall file an  
2 8 application on a form prescribed by the department of  
2 9 agriculture and land stewardship according to procedures  
2 10 required by the department. The department may charge an  
2 11 application fee which shall not exceed five hundred dollars.  
2 12 An applicant and each employee of the applicant must satisfy  
2 13 eligibility requirements of the department, which shall  
2 14 include but shall not be limited to all of the following:

2 15 (1) Be eighteen years of age or older.

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

2 19 (3) Not be addicted to the use of alcohol or a controlled  
2 20 substance.

2 21 (4) Be of good moral character and not have been judged  
2 22 guilty of a crime involving moral turpitude.

2 23 b. The department shall give priority to approving an  
2 24 application, if the person has entered into an agreement with  
2 25 Iowa state university in conducting research as provided in  
2 26 section 266.39F.

2 27 c. The licensee shall maintain accurate records, as  
2 28 required by the department, which shall contain information  
2 29 relating to the licensee's operation, including but not  
2 30 limited to the production site, the time and manner of  
2 31 harvest, and persons involved in the production, harvesting,  
2 32 and distribution of the industrial hemp.

2 33 4. Notwithstanding chapter 124, the licensee may produce,  
2 34 harvest, and distribute industrial hemp. However, the  
2 35 licensee must act in strict conformance with this section.

3 1 The licensee shall raise industrial hemp upon demonstration  
3 2 plots as approved by the department. The demonstration plots  
3 3 must be used to develop optimal agricultural practices for  
3 4 raising industrial hemp. All plant materials from industrial  
3 5 hemp grown on demonstration plots, except plant materials  
3 6 retained for breeding and propagation, must be used for  
3 7 commercial uses approved by the department.

3 8 5. The department of agriculture and land stewardship or  
3 9 the department of public safety may inspect a production or  
3 10 distribution site of a licensee at any time, and may inspect  
3 11 records required to be maintained as provided in this section.

3 12 The department of agriculture and land stewardship shall  
3 13 assess and the licensee shall pay the actual costs of the  
3 14 inspection. If the owner or occupant of any property used by  
3 15 the licensee for the production or distribution refuses  
3 16 admittance onto the property, or if prior to such refusal the  
3 17 department of agriculture and land stewardship or department  
3 18 of public safety demonstrates the necessity for a warrant, the  
3 19 department of agriculture and land stewardship may make  
3 20 application under oath or affirmation to the district court of  
3 21 the county in which the property is located for the issuance  
3 22 of a search warrant. If the court is satisfied from  
3 23 examination of the applicant, of other witnesses, if any, and  
3 24 of the allegations of the application of the existence of the  
3 25 grounds of the application, or that probable cause exists to  
3 26 believe such grounds exist, the court may issue such search  
3 27 warrant.

3 28 6. The department may suspend or revoke a license if the  
3 29 licensee or an employee of the licensee is determined to have  
3 30 committed any of the following:

3 31 a. Fraud in applying for or obtaining a license.  
3 32 b. A violation of this section or rules adopted by the  
3 33 department pursuant to this section, including failing to  
3 34 comply with a requirement of this section.  
3 35 c. An offense involving moral turpitude, a felony, an  
4 1 aggravated misdemeanor, or any other offense related to the  
4 2 possession of a controlled substance.  
4 3 7. a. Except as provided in paragraph "b", an applicant  
4 4 for a license or a licensee who knowingly violates a  
4 5 requirement of this section or a rule adopted by the  
4 6 department pursuant to this section is subject to a civil  
4 7 penalty of not more than fifty thousand dollars.  
4 8 b. A person who makes a false statement on the application  
4 9 for a license regarding the conviction of a felony, aggravated  
4 10 misdemeanor, or any other offense related to the possession of  
4 11 a controlled substance is guilty of an aggravated misdemeanor.  
4 12 Sec. 3. NEW SECTION. 266.39F INDUSTRIAL HEMP - RESEARCH  
4 13 BY IOWA STATE UNIVERSITY.  
4 14 1. As used in this section, "industrial hemp" means  
4 15 cannabis sativa L. which has a percentage of  
4 16 tetrahydrocannabinol of not more than one percent.  
4 17 2. In administering this chapter, Iowa state university  
4 18 shall do all of the following:  
4 19 a. Collaborate with agencies of the United States  
4 20 government, including the drug enforcement administration of  
4 21 the United States department of justice, in order to produce  
4 22 and possess industrial hemp according to the terms and  
4 23 conditions required by the United States government. Iowa  
4 24 state university may execute any memorandum of understanding  
4 25 with a United States government agency in order to administer  
4 26 this section, and may obtain any federal permit or other  
4 27 authorization required to administer this section.  
4 28 b. Cooperate with the department of agriculture and land  
4 29 stewardship in carrying out this section and section 159.41.  
4 30 The university shall cooperate with persons licensed by the  
4 31 department to produce industrial hemp as provided in that  
4 32 section. The university shall also cooperate with law  
4 33 enforcement agencies, including the department of public  
4 34 safety.  
4 35 3. Notwithstanding chapter 124, Iowa state university  
5 1 shall, to the extent permitted by the United States  
5 2 government, conduct research regarding the production and  
5 3 marketing of industrial hemp. The research shall include an  
5 4 analysis of all of the following:  
5 5 a. The production of high-quality seed varieties having  
5 6 proven adaptation and performance.  
5 7 b. The feasibility of producing industrial hemp in this  
5 8 state as a profitable cash crop, including the adaptability of  
5 9 plant varieties to soils and growing conditions in this state.  
5 10 c. The production of industrial hemp having the lowest  
5 11 possible percentage of tetrahydrocannabinol.  
5 12 d. The development of production practices, including best  
5 13 management practices for applying nutrients and pesticides;  
5 14 strategies to best conserve, maintain, and improve soil  
5 15 productivity; and methods to control disease.  
5 16 e. The need for and availability of equipment and  
5 17 machinery required to efficiently and cost-effectively produce  
5 18 and harvest industrial hemp.  
5 19 f. Market conditions affecting the economic viability of  
5 20 industrial hemp production, including the identification of  
5 21 markets, the utilization of products, processing methods, and  
5 22 other economic factors affecting the profitable marketing of  
5 23 industrial hemp.  
5 24 4. The research shall be conducted as provided by Iowa  
5 25 state university, and may be carried out in part by the Iowa

5 26 agricultural and home economics experiment station, including  
5 27 the Leopold center for sustainable agriculture. Research  
5 28 shall, to every extent possible, be determined by experimental  
5 29 trials when appropriate. The university shall cooperate with  
5 30 other states engaged in conducting similar research. The  
5 31 university shall seek financial support from public and  
5 32 private sources in order to administer this section, including  
5 33 associations representing agricultural producers. The  
5 34 university shall report the findings and recommendations of  
5 35 the study to the general assembly not later than January 15,  
6 1 2003.

6 2 Sec. 4. Section [317.1](#), Code 1999, is amended by adding the  
6 3 following new unnumbered paragraph:

6 4 NEW UNNUMBERED PARAGRAPH. "Industrial hemp" which is  
6 5 produced as provided in section 159.41 or 266.39F is not a  
6 6 noxious weed.

6 7 EXPLANATION

6 8 This bill provides for the production of industrial hemp  
6 9 which has a percentage of tetrahydrocannabinol of not more  
6 10 than 1 percent.

6 11 The bill requires the department of agriculture and land  
6 12 stewardship, in cooperation with the department of public  
6 13 safety, to administer a program to license persons involved in  
6 14 industrial hemp production. The bill requires the department  
6 15 to collaborate with agencies of the United States government,  
6 16 including but not limited to the drug enforcement  
6 17 administration in order to provide for the production and  
6 18 possession of industrial hemp according to the terms and  
6 19 conditions required by the United States government. The bill  
6 20 provides that to the extent permitted by the United States  
6 21 government, the department shall issue licenses to persons for  
6 22 the production and possession of industrial hemp,  
6 23 notwithstanding any other provision of the Code chapter 124  
6 24 regulating controlled substances. The bill provides  
6 25 requirements for applicants and persons involved in the  
6 26 production or possession of industrial hemp. The bill  
6 27 provides for the inspection of the premises and records of  
6 28 licensees. The bill provides for the suspension or revocation  
6 29 of a license.

6 30 The bill provides for research by Iowa state university  
6 31 regarding the production and marketing of industrial hemp  
6 32 which has a percentage of tetrahydrocannabinol of not more  
6 33 than 1 percent. The bill provides an exception to the  
6 34 restriction of Iowa's controlled substance Act and authorizes  
6 35 the university to collaborate with agencies of the United  
7 1 States government in order to produce and possess industrial  
7 2 hemp according to the terms and conditions required by the  
7 3 United States government. The bill requires the university to  
7 4 cooperate with law enforcement agencies and the department of  
7 5 agriculture and land stewardship in carrying out the bill's  
7 6 provisions. The bill authorizes the university to conduct  
7 7 research regarding the production of high-quality seed  
7 8 varieties, the feasibility of producing industrial hemp in  
7 9 this state as a profitable cash crop, the production of  
7 10 industrial hemp having the lowest possible percentage of  
7 11 tetrahydrocannabinol, the development of production practices,  
7 12 the need for and availability of suitable equipment and  
7 13 machinery, and market conditions affecting the economic  
7 14 viability of industrial hemp production. The bill requires  
7 15 the university to cooperate with other states engaged in  
7 16 conducting similar research, and to seek financial support  
7 17 from public and private sources. The bill requires the  
7 18 university to report its findings and recommendations to the  
7 19 general assembly not later than January 15, 2003.

7 20 The bill provides that licensees who violate the provisions

7 21 of the bill are subject to a civil penalty of up to \$50,000.  
7 22 The bill provides that a person who makes a false statement on  
7 23 the application for a license regarding a conviction of a  
7 24 felony, aggravated misdemeanor, or any other offense related  
7 25 to the possession of a controlled substance is guilty of an  
7 26 aggravated misdemeanor.  
7 27 LSB 5350SV 78  
7 28 da/as/5

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