

House Study Bill 607

1 Amend House Study Bill 607 as follows:

2 1. By striking everything after the enacting clause
3 and inserting:

4 <Section 1. Section 124D.2, Code 2016, is amended
5 by striking the section and inserting in lieu thereof
6 the following:

7 **124D.2 Definitions.**

8 As used in this chapter:

9 1. "*Cannabidiol*" means a nonpsychoactive
10 cannabinoid found in the plant *Cannabis sativa* L.
11 or *Cannabis indica* or any other preparation thereof
12 that is essentially free from plant material, and has
13 a tetrahydrocannabinol level of no more than three
14 percent.

15 2. "*Debilitating medical condition*" means any of the
16 following:

17 a. Intractable epilepsy.

18 b. Multiple sclerosis.

19 c. Cancer, if a health care practitioner has
20 determined a prognosis for a patient of less than
21 twelve months of life.

22 3. "*Department*" means the department of public
23 health.

24 4. "*Health care practitioner*" means an individual
25 licensed under chapter 148 to practice medicine
26 and surgery or osteopathic medicine and surgery who
27 provides specialty care for a resident of this state
28 for one or more debilitating medical conditions.

29 5. "*Intractable epilepsy*" means an epileptic seizure
30 disorder for which standard medical treatment does
31 not prevent or significantly ameliorate recurring,
32 uncontrolled seizures or for which standard medical
33 treatment results in harmful side effects.

34 6. "*Medical cannabidiol manufacturer*" means an
35 entity located in this state and licensed by the

1 department to manufacture and to possess, cultivate,
2 harvest, package, process, transport, supply, and
3 dispense cannabidiol pursuant to the provisions of this
4 chapter.

5 7. *“Primary caregiver”* means a person, at least
6 eighteen years of age, who has been designated by a
7 patient’s health care practitioner or by a person
8 having custody of a patient, as being necessary to
9 take responsibility for managing the well-being of the
10 patient with respect to the medical use of cannabidiol
11 pursuant to the provisions of this chapter.

12 Sec. 2. Section 124D.3, Code 2016, is amended to
13 read as follows:

14 **124D.3 ~~Neurologist~~ Health care practitioner**
15 **recommendation — medical use of cannabidiol.**

16 A ~~neurologist~~ health care practitioner who
17 has examined and treated a patient suffering from
18 ~~intractable epilepsy~~ a debilitating medical condition
19 may provide but has no duty to provide a written
20 recommendation for the patient’s medical use of
21 cannabidiol to treat or alleviate symptoms of
22 ~~intractable epilepsy~~ the debilitating medical condition
23 if no other satisfactory alternative treatment
24 options exist for the patient and all of the following
25 conditions apply:

26 1. The patient is a permanent resident of this
27 state.

28 2. A ~~neurologist~~ health care practitioner has
29 treated the patient for ~~intractable epilepsy~~ a
30 debilitating medical condition for at least six
31 months. For purposes of this treatment period, and
32 notwithstanding section 124D.2, subsection 4, treatment
33 provided by a ~~neurologist~~ health care practitioner
34 may include treatment by an out-of-state licensed
35 ~~neurologist~~ health care practitioner in good standing.

1 3. The ~~neurologist~~ health care practitioner has
2 tried alternative treatment options that have not
3 alleviated the patient's symptoms.

4 4. The ~~neurologist~~ health care practitioner
5 determines the risks of recommending the medical use of
6 cannabidiol are reasonable in light of the potential
7 benefit for the patient.

8 5. The ~~neurologist~~ health care practitioner
9 maintains a patient treatment plan.

10 Sec. 3. Section 124D.4, subsection 1, paragraph c,
11 Code 2016, is amended to read as follows:

12 c. Requests the patient's ~~neurologist~~ health care
13 practitioner to submit a written recommendation to
14 the department signed by the ~~neurologist~~ health care
15 practitioner that the patient may benefit from the
16 medical use of cannabidiol pursuant to section 124D.3.

17 Sec. 4. Section 124D.4, subsection 1, paragraph
18 d, subparagraph (3), Code 2016, is amended to read as
19 follows:

20 (3) Full name, address, and telephone number of the
21 patient's ~~neurologist~~ health care practitioner.

22 Sec. 5. Section 124D.4, subsection 1, Code 2016, is
23 amended by adding the following new paragraph:

24 NEW PARAGRAPH. e. Submits a cannabidiol
25 registration card fee of one hundred dollars to the
26 department. If the patient attests to receiving social
27 security disability benefits, supplemental security
28 insurance benefits, or being enrolled in the medical
29 assistance program, the fee shall be twenty-five
30 dollars.

31 Sec. 6. Section 124D.4, subsection 3, paragraph b,
32 Code 2016, is amended to read as follows:

33 b. Requests a patient's ~~neurologist~~ health care
34 practitioner to submit a written recommendation to
35 the department signed by the ~~neurologist~~ health care

1 practitioner that a patient in the primary caregiver's
2 care may benefit from the medical use of cannabidiol
3 pursuant to section 124D.3.

4 Sec. 7. Section 124D.4, subsection 3, paragraph
5 c, subparagraph (4), Code 2016, is amended to read as
6 follows:

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

9 Sec. 8. Section 124D.5, subsection 1, paragraph b,
10 subparagraph (1), Code 2016, is amended by adding the
11 following new subparagraph division:

12 NEW SUBPARAGRAPH DIVISION. (c) To authorized
13 employees of a medical cannabidiol manufacturer, but
14 only for the purpose of verifying that a person is
15 lawfully in possession of a cannabidiol registration
16 card issued pursuant to this chapter.

17 Sec. 9. Section 124D.5, subsection 2, Code 2016,
18 is amended by striking the subsection and inserting in
19 lieu thereof the following:

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

24 a. Govern the manner in which the department shall
25 consider applications for new and renewal cannabidiol
26 registration cards.

27 b. Establish requirements for the suspension and
28 revocation of a cannabidiol registration card and a
29 medical cannabidiol manufacturer license.

30 c. Establish requirements for the licensure of
31 medical cannabidiol manufacturers and set forth
32 procedures for medical cannabidiol manufacturers to
33 obtain licenses.

34 d. Develop a dispensing system for medical
35 cannabidiol manufacturers to dispense cannabidiol

1 within this state that provides for all of the
2 following:

3 (1) Medical cannabidiol manufacturers within this
4 state housed on secured grounds.

5 (2) The dispensing of cannabidiol to patients and
6 their primary caregivers in person to occur at medical
7 cannabidiol manufacturer locations designated by the
8 department.

9 e. Establish and collect annual fees from medical
10 cannabidiol manufacturers to cover the costs associated
11 with regulating and inspecting medical cannabidiol
12 manufacturers.

13 f. Specify and implement procedures that address
14 public safety including security procedures and product
15 quality including measures to ensure contaminant-free
16 cultivation of cannabidiol, safety, and appropriate
17 labeling.

18 g. Establish and implement a real-time, statewide
19 cannabidiol registry management sale tracking system
20 that is available to medical cannabidiol manufacturers
21 on a twenty-four-hour-day, seven-day-a-week basis for
22 the purpose of verifying that a person is lawfully in
23 possession of a cannabidiol registration card issued
24 pursuant to this chapter and for tracking the date of
25 the sale and quantity of cannabidiol purchased by a
26 patient or a primary caregiver.

27 h. Establish and implement a cannabidiol inventory
28 and delivery tracking system to track cannabidiol
29 from production by a medical cannabidiol manufacturer
30 through dispensing by a medical cannabidiol
31 manufacturer.

32 Sec. 10. Section 124D.6, subsections 1 and 2, Code
33 2016, are amended to read as follows:

34 1. a. A recommendation for the possession or use
35 of cannabidiol as authorized by this chapter shall

1 be provided exclusively by a ~~neurologist~~ health care
2 practitioner for a patient who has been diagnosed with
3 ~~intractable epilepsy~~ a debilitating medical condition.

4 b. Cannabidiol provided exclusively pursuant to the
5 recommendation of a ~~neurologist~~ health care practitioner
6 ~~an out-of-state source and~~ health care practitioner
7 shall only be recommended for oral or transdermal
8 administration.

9 c. A ~~neurologist~~ health care practitioner shall
10 be the sole authorized recommender as part of
11 the treatment plan by the ~~neurologist~~ health care
12 practitioner of a patient diagnosed with ~~intractable~~
13 ~~epilepsy~~ a debilitating medical condition. A
14 ~~neurologist~~ health care practitioner shall have the
15 sole authority to recommend the use or amount of
16 cannabidiol, if any, in the treatment plan of a patient
17 diagnosed with ~~intractable epilepsy~~ a debilitating
18 medical condition.

19 2. A ~~neurologist~~ health care practitioner,
20 including any authorized agent thereof, shall not be
21 subject to prosecution for the unlawful recommendation,
22 possession, or administration of marijuana under the
23 laws of this state for activities arising directly out
24 of or directly related to the recommendation or use of
25 cannabidiol in the treatment of a patient diagnosed
26 with ~~intractable epilepsy~~ a debilitating medical
27 condition.

28 Sec. 11. Section 124D.6, Code 2016, is amended by
29 adding the following new subsection:

30 NEW SUBSECTION. 2A. A medical cannabidiol
31 manufacturer, including any authorized agent or
32 employee thereof, shall not be subject to prosecution
33 for manufacturing, possessing, cultivating, harvesting,
34 packaging, processing, transporting, supplying, or
35 dispensing cannabidiol pursuant to this chapter.

1 Sec. 12. Section 124D.6, subsection 3, paragraphs a
2 and b, Code 2016, are amended to read as follows:

3 a. In a prosecution for the unlawful possession
4 of marijuana under the laws of this state, including
5 but not limited to chapters 124 and 453B, it is an
6 affirmative and complete defense to the prosecution
7 that the patient has been diagnosed with ~~intractable~~
8 epilepsy a debilitating medical condition, used or
9 possessed cannabidiol pursuant to a recommendation by
10 a ~~neurologist~~ health care practitioner as authorized
11 under this chapter, and, for a patient eighteen
12 years of age or older, is in possession of a valid
13 cannabidiol registration card.

14 b. In a prosecution for the unlawful possession
15 of marijuana under the laws of this state, including
16 but not limited to chapters 124 and 453B, it is an
17 affirmative and complete defense to the prosecution
18 that the person possessed cannabidiol because the
19 person is a primary caregiver of a patient who has been
20 diagnosed with ~~intractable epilepsy~~ a debilitating
21 medical condition and is in possession of a valid
22 cannabidiol registration card, and where the primary
23 caregiver's possession of the cannabidiol is on behalf
24 of the patient and for the patient's use only as
25 authorized under this chapter.

26 Sec. 13. NEW SECTION. 124D.9 Medical cannabidiol
27 manufacturer licensure.

28 1. The department shall license two medical
29 cannabidiol manufacturers by December 1, 2016, to
30 manufacture and dispense cannabidiol within this
31 state consistent with the provisions of this chapter.
32 The department shall relicense the existing medical
33 cannabidiol manufacturers by December 1 of each year.

34 2. As a condition for licensure, a medical
35 cannabidiol manufacturer must agree to begin supplying

1 and dispensing cannabidiol to patients in this state
2 by July 1, 2017.

3 3. The department shall consider the following
4 factors in determining whether to license a medical
5 cannabidiol manufacturer:

6 a. The technical expertise of the medical
7 cannabidiol manufacturer in cannabidiol.

8 b. The qualifications of the medical cannabidiol
9 manufacturer's employees.

10 c. The long-term financial stability of the medical
11 cannabidiol manufacturer.

12 d. The ability to provide appropriate security
13 measures on the premises of the medical cannabidiol
14 manufacturer.

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

18 4. The department shall require each medical
19 cannabidiol manufacturer to contract with the state
20 hygienic laboratory at the university of Iowa in Iowa
21 City to test the cannabidiol produced by the medical
22 cannabidiol manufacturer as to content, contamination,
23 and consistency. The department shall require that
24 the laboratory report testing results to the medical
25 cannabidiol manufacturer in a manner determined by the
26 department pursuant to rule.

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

31 Sec. 14. NEW SECTION. 124D.10 **Medical cannabidiol**
32 **manufacturers.**

33 1. A medical cannabidiol manufacturer shall pay the
34 cost of all laboratory testing.

35 2. The operating documents of a medical cannabidiol

1 manufacturer shall include all of the following:

2 *a.* Procedures for the oversight of the medical
3 cannabidiol manufacturer and procedures to ensure
4 accurate recordkeeping.

5 *b.* Procedures for the implementation of appropriate
6 security measures to deter and prevent the theft of
7 cannabidiol and unauthorized entrance into areas
8 containing cannabidiol.

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

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

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

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

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

31 8. A medical cannabidiol manufacturer shall
32 comply with reasonable restrictions set by the
33 department relating to signage, marketing, display, and
34 advertising of cannabidiol.

35 9. *a.* All manufacturing, cultivating, harvesting,

1 packaging, and processing of cannabidiol shall take
2 place in an enclosed, locked facility at a physical
3 address provided to the department during the licensure
4 process.

5 *b.* A medical cannabidiol manufacturer shall
6 manufacture a reliable and ongoing supply of
7 cannabidiol to treat every debilitating medical
8 condition listed in this chapter.

9 *c.* A medical cannabidiol manufacturer shall
10 not, within a thirty-day period, dispense more than
11 thirty-two ounces of cannabidiol to a patient or a
12 primary caregiver.

13 10. A medical cannabidiol manufacturer shall pay
14 an annual fee determined by the department equal to
15 the cost of regulating and inspecting the medical
16 cannabidiol manufacturer during that year.

17 Sec. 15. NEW SECTION. 124D.11 Fees.

18 Cannabidiol registration card fees and medical
19 cannabidiol manufacturer application and annual
20 fees collected by the department pursuant to this
21 chapter shall be retained by the department, shall be
22 considered repayment receipts as defined in section
23 8.2, and shall be used for the purpose of regulating
24 medical cannabidiol manufacturers and for other
25 expenses necessary for the administration of this
26 chapter. Notwithstanding section 8.33, moneys that
27 remain unencumbered or unobligated at the end of the
28 fiscal year shall not revert to the general fund of the
29 state.

30 Sec. 16. NEW SECTION. 124D.12 Use of cannabidiol
31 — smoking and vaping prohibited.

32 A patient shall not consume cannabidiol possessed or
33 used as authorized by this chapter by smoking or vaping
34 cannabidiol.

35 Sec. 17. NEW SECTION. 124D.13 Penalties.

1 1. A person who knowingly or intentionally
2 possesses or uses cannabidiol in violation of the
3 requirements of this chapter is subject to the
4 penalties provided under chapters 124 and 453B.

5 2. A medical cannabidiol manufacturer shall be
6 assessed a civil penalty of up to one thousand dollars
7 per violation for any violation of this chapter in
8 addition to any other applicable penalties.

9 Sec. 18. REPEAL. Sections 124D.7 and 124D.8, Code
10 2016, are repealed.>

11 2. Title page, line 2, before <providing> by
12 inserting <and>

13 3. Title page, by striking line 3 and inserting
14 <and fees.>

PROPOSED COMMITTEE AMENDMENT