

Senate File 73 - Introduced

SENATE FILE 73

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A BILL FOR

1 An Act relating to marijuana, including the manufacture,
2 delivery, and possession of marijuana and the licensure of
3 retail marijuana, providing fees, including excise taxes,
4 establishing funds, and including penalties.

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

DIVISION I

CRIMINAL PENALTIES

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Section 1. Section 124.401, subsection 1, unnumbered paragraph 1, Code 2023, is amended to read as follows:

Except as authorized by [this chapter](#) or [chapter 124E](#) or [124F](#), it is unlawful for any person to manufacture, deliver, or possess with the intent to manufacture or deliver, a controlled substance, a counterfeit substance, a simulated controlled substance, or an imitation controlled substance, or to act with, enter into a common scheme or design with, or conspire with one or more other persons to manufacture, deliver, or possess with the intent to manufacture or deliver a controlled substance, a counterfeit substance, a simulated controlled substance, or an imitation controlled substance.

Sec. 2. Section 124.401, subsection 1, paragraph a, subparagraph (6), Code 2023, is amended by striking the subparagraph.

Sec. 3. Section 124.401, subsection 1, paragraph b, subparagraph (6), Code 2023, is amended by striking the subparagraph.

Sec. 4. Section 124.401, subsection 1, paragraph c, subparagraph (5), Code 2023, is amended by striking the subparagraph.

Sec. 5. Section 124.401, subsection 1, paragraph c, subparagraph (9), Code 2023, is amended to read as follows:

(9) Any other controlled substance, counterfeit substance, simulated controlled substance, or imitation controlled substance classified in schedule I, II, or III, except as provided in paragraph "d", or in [chapter 124E](#) or [124F](#).

Sec. 6. Section 124.401, subsection 1, paragraph d, Code 2023, is amended to read as follows:

d. Violation of [this subsection](#), with respect to any other controlled substances, counterfeit substances, simulated controlled substances, or imitation controlled substances classified in schedule IV or V is an aggravated misdemeanor.

1 However, violation of **this subsection** involving ~~fifty kilograms~~
2 ~~or less of marijuana or involving~~ flunitrazepam is a class "D"
3 felony.

4 Sec. 7. Section 124.401, subsection 5, paragraph b, Code
5 2023, is amended to read as follows:

6 ~~b. If the controlled substance is marijuana, the punishment~~
7 ~~shall be by imprisonment in the county jail for not more than~~
8 ~~six months or by a fine of not more than one thousand dollars,~~
9 ~~or by both such fine and imprisonment for a first offense.~~
10 ~~If the controlled substance is marijuana and the person has~~
11 ~~been previously convicted of a violation of **this subsection** in~~
12 ~~which the controlled substance was marijuana, the punishment~~
13 ~~shall be as provided in **section 903.1, subsection 1,** paragraph~~
14 ~~"b". If the controlled substance is marijuana and the person~~
15 ~~has been previously convicted two or more times of a violation~~
16 ~~of **this subsection** in which the controlled substance was~~
17 ~~marijuana, the person is guilty of an aggravated misdemeanor.~~
18 This subsection does not apply to the possession of marijuana
19 which is punishable pursuant to chapter 124F.

20 Sec. 8. Section 124.401G, unnumbered paragraph 1, Code
21 2023, is amended to read as follows:

22 Notwithstanding any provision of **this chapter** to the
23 contrary, a person shall not be guilty of an offense under
24 this chapter, including under **section 124.401** ~~or 124.410~~,
25 for producing, possessing, using, harvesting, handling,
26 manufacturing, marketing, transporting, delivering, or
27 distributing the plant cannabis, if all of the following apply:

28 Sec. 9. Section 124.407, subsection 2, Code 2023, is amended
29 to read as follows:

30 2. ~~a.~~ Any person who violates **this section** and where the
31 controlled substance is ~~any one~~ a controlled substance other
32 than marijuana is guilty of a class "D" felony.

33 ~~b.~~ Any person who violates ~~this section~~, and where the
34 controlled substance is ~~marijuana only~~, is guilty of a serious
35 misdemeanor.

1 Sec. 10. Section 124.411, subsection 2, Code 2023, is
2 amended to read as follows:

3 2. For purposes of **this section**, an offense is considered
4 a second or subsequent offense, if, prior to the person's
5 having been convicted of the offense, the offender has ever
6 been convicted under **this chapter** or under any state or federal
7 statute relating to narcotic drugs or cocaine, ~~marijuana,~~
8 depressant, stimulant, or hallucinogenic drugs.

9 Sec. 11. Section 124.413, subsection 2, Code 2023, is
10 amended to read as follows:

11 2. **This section** shall not apply if:

12 ~~a. The offense is found to be an accommodation pursuant to~~
13 ~~section 124.410; or~~

14 ~~b. The the controlled substance is marijuana.~~

15 Sec. 12. NEW SECTION. 124F.1 Definitions.

16 As used in this subchapter:

17 1. "*Counterfeit substance*" means the same as defined in
18 section 124.101.

19 2. "*Imitation controlled substance*" means the same as
20 defined in section 124.101.

21 3. "*Marijuana*" means the same as defined in section 124.101,
22 and includes a counterfeit substance, imitation controlled
23 substance, or simulated controlled substance containing a
24 detectable amount of marijuana.

25 4. "*Simulated controlled substance*" means the same as
26 defined in section 124.101.

27 Sec. 13. NEW SECTION. 124F.2 Marijuana — penalties.

28 1. Except as otherwise provided in this subchapter and
29 chapter 124E, it is unlawful for any person to manufacture,
30 deliver, or possess with the intent to manufacture or deliver
31 marijuana, or to act with, enter into a common scheme or
32 design with, or conspire with one or more other persons to
33 manufacture, deliver, or possess with the intent to manufacture
34 or deliver marijuana. A violation of this subsection involving
35 the following amounts of marijuana shall be punishable as

1 follows:

2 *a.* More than twenty-two kilograms shall be a class "C"
3 felony.

4 *b.* More than two kilograms but not more than twenty-two
5 kilograms shall be a class "D" felony.

6 *c.* More than twelve ounces but not more than two kilograms
7 shall be an aggravated misdemeanor.

8 *d.* More than four ounces but not more than twelve ounces
9 shall be punishable as a serious misdemeanor.

10 *e.* Four ounces or less shall be punishable as a simple
11 misdemeanor, except as provided in section 124F.3.

12 2. *a.* It is unlawful for any person knowingly or
13 intentionally to possess marijuana unless such substance was
14 obtained directly from, or pursuant to, a valid prescription
15 or order of a practitioner while acting in the course of the
16 practitioner's professional practice, or except as otherwise
17 authorized by this subsection. A violation of this subsection
18 involving the possession of the following amounts of marijuana
19 shall be punishable as follows:

20 (1) More than six ounces but not more than twelve ounces is
21 a serious misdemeanor.

22 (2) More than one-half ounce but not more than six ounces
23 is a simple misdemeanor.

24 (3) One-half ounce or less is not a criminal offense but
25 shall be assessed as a civil penalty in the amount of one
26 hundred dollars, except if the person is under twenty-one years
27 of age, the person commits a serious misdemeanor.

28 (a) The civil penalty shall be collected by the clerk of the
29 district court pursuant to section 602.8105, subsection 5.

30 (b) Any records relating to the civil penalty shall not
31 be displayed for public viewing on the Iowa court information
32 system.

33 (c) Any records relating to the civil penalty shall not
34 be kept in the criminal history data files maintained by the
35 department of public safety. Any records relating to the civil

1 penalty shall not be disseminated to other criminal or juvenile
2 justice agencies.

3 **b.** Notwithstanding paragraph "a", a municipality may, by
4 ordinance, allow for the legal possession of marijuana.

5 3. **a.** A person shall not possess, and a retail marijuana
6 store not sell, in a single transaction, retail marijuana in
7 excess of the following amounts:

8 (1) For a resident of Iowa twenty-one years of age or older:

9 (a) Thirty grams of marijuana flower.

10 (b) Five grams of marijuana concentrate.

11 (c) Five hundred milligrams of tetrahydrocannabinol

12 contained in a product infused with marijuana.

13 (2) For a person twenty-one years of age or older who is not
14 a resident of Iowa:

15 (a) Fifteen grams of marijuana flower.

16 (b) Two and one-half grams of marijuana concentrate.

17 (c) Two hundred fifty milligrams of tetrahydrocannabinol

18 contained in a product infused with marijuana.

19 **b.** A person in possession of retail marijuana in excess of
20 the amounts specified in paragraph "a" equivalent to the amounts
21 specified in subsection 2, paragraph "a", shall be subject to
22 the penalties in subsection 2, paragraph "a".

23 **c.** A retail marijuana store in violation of this subsection
24 shall be subject to licensee discipline pursuant to section
25 124F.20.

26 **d.** For purposes of this subsection, "retail marijuana" and
27 "retail marijuana store" mean the same as defined in section
28 124F.7.

29 4. Upon the expiration of two years following a conviction
30 for a violation of subsection 2, paragraph "a", subparagraph
31 (3), a person may petition the court to expunge the conviction,
32 and if the person has had no other criminal convictions, other
33 than local traffic violations or simple misdemeanor violations
34 of chapter 321 during the two-year period, the conviction
35 shall be expunged as a matter of law. The court shall enter

1 an order that the record of the conviction be expunged by the
2 clerk of the district court. Notwithstanding section 692.2,
3 after receipt of notice from the clerk of the district court
4 that a record of conviction has been expunged pursuant to this
5 subsection, the record of conviction shall be removed from the
6 criminal history data files maintained by the department of
7 public safety.

8 Sec. 14. NEW SECTION. **124F.3 Delivery or possession with**
9 **the intent to deliver — small amounts.**

10 If the amount of marijuana delivered or possessed with
11 intent to deliver is one ounce or less and no remuneration was
12 provided, the defendant shall not be prosecuted for a violation
13 of this subchapter.

14 Sec. 15. NEW SECTION. **124F.4 Juvenile offenses.**

15 The juvenile court shall have exclusive original
16 jurisdiction in a proceeding concerning a minor who is alleged
17 to have committed a violation of this subchapter.

18 Sec. 16. NEW SECTION. **124F.5 Marijuana use in public.**

19 1. Marijuana shall not be consumed in areas open and
20 accessible to the public, including but not limited to public
21 transportation facilities, sporting or music venues, parks,
22 playgrounds, sidewalks and roads, outdoor cafes, or indoor but
23 public locations.

24 2. A person who violates this section commits a simple
25 misdemeanor punishable as a scheduled violation under section
26 805.8C, subsection 15.

27 3. Upon the expiration of two years following conviction
28 for a violation of subsection 1, a person may petition the
29 court to expunge the conviction, and if the person has had no
30 other criminal convictions, other than local traffic violations
31 or simple misdemeanor violations of chapter 321 during the
32 two-year period, the conviction shall be expunged as a matter
33 of law. The court shall enter an order that the record of the
34 conviction be expunged by the clerk of the district court.
35 Notwithstanding section 692.2, after receipt of notice from

1 the clerk of the district court that a record of conviction
2 has been expunged pursuant to this subsection, the record of
3 conviction shall be removed from the criminal history data
4 files maintained by the department of public safety.

5 Sec. 17. NEW SECTION. **321.284B Marijuana in motor vehicles.**

6 1. A driver of a motor vehicle upon a public street or
7 highway shall not use marijuana in the passenger area of the
8 motor vehicle. "*Passenger area*" means the area designed to
9 seat the driver and passengers while the motor vehicle is in
10 operation and any area that is readily accessible to the driver
11 or a passenger while in their seating positions, including the
12 glove compartment.

13 2. A driver or passenger of or in a motor vehicle upon a
14 public street or highway shall not possess marijuana in the
15 passenger area of a motor vehicle except in a sealed, odor
16 proof, child resistant container.

17 3. For the purposes of this section, "*marijuana*" means the
18 same as defined in section 124.401.

19 4. A person who knowingly violates a provision of this
20 section is guilty of a simple misdemeanor.

21 Sec. 18. Section 602.8105, Code 2023, is amended by adding
22 the following new subsection:

23 NEW SUBSECTION. 5. The clerk of the district court shall
24 collect the civil penalty assessed pursuant to section 124F.2,
25 subsection 2, paragraph "a", subparagraph (3).

26 Sec. 19. Section 805.8C, Code 2023, is amended by adding the
27 following new subsection:

28 NEW SUBSECTION. 15. *Marijuana violations.* For marijuana
29 use in public violations under section 124F.5, the scheduled
30 fine is fifty dollars for a first violation, and one hundred
31 dollars for a second or subsequent violation.

32 Sec. 20. REPEAL. Section 124.410, Code 2023, is repealed.

33 DIVISION II

34 RETAIL MARIJUANA

35 Sec. 21. NEW SECTION. **124F.6 Purpose and findings.**

1 The general assembly finds all of the following:

2 1. Marijuana prohibition, like alcohol prohibition before
3 it, has been a wasteful and destructive failure. About half
4 of Americans admit to having used marijuana despite more than
5 eight decades of prohibition.

6 2. The prohibition of marijuana has had an unfair, disparate
7 impact on persons and communities of color.

8 3. The prohibition of marijuana diverts law enforcement
9 resources from violent and property crimes and subjects
10 civilians to unnecessary police interactions.

11 4. Keeping marijuana illegal deprives the state of
12 thousands of legal jobs and hundreds of millions of dollars in
13 tax revenue.

14 5. The use of marijuana should be legal for persons
15 twenty-one years of age or older and subject to taxation and
16 regulation.

17 Sec. 22. NEW SECTION. 124F.7 Definitions.

18 For the purposes of this subchapter:

19 1. "*Division*" means the alcoholic beverages division of the
20 department of commerce.

21 2. "*Immature plant*" means a nonflowering marijuana plant
22 that is no taller than eight inches and no wider than eight
23 inches, is produced from a cutting, clipping, or seedling, and
24 is in a cultivating container.

25 3. "*License*" means a license or registration issued pursuant
26 to this subchapter.

27 4. "*Licensed premises*" means the premises specified in an
28 application for a license under this subchapter, which are
29 owned or in possession of the licensee and within which the
30 licensee is authorized to cultivate, manufacture, distribute,
31 sell, or test retail marijuana and retail marijuana products in
32 accordance with this subchapter.

33 5. "*Licensee*" means a person licensed or registered pursuant
34 to this subchapter.

35 6. "*Local jurisdiction*" means a city or county.

1 7. "*Local licensing authority*" means, for any local
2 jurisdiction that has chosen to adopt a local licensing
3 requirement in addition to the state licensing requirements
4 of this subchapter, an authority designated by a municipal
5 or county ordinance, or resolution, or the governing body of
6 a municipality or county, or the board of commissioners of a
7 county if no such authority is designated.

8 8. "*Location*" means a particular parcel of land that may be
9 identified by an address or other descriptive means.

10 9. "*Marijuana*" means the same as defined in section 124.101.

11 10. "*Marijuana accessories*" means any equipment, products,
12 or materials of any kind which are used, intended for use, or
13 designed for use in planting, cultivating, growing, harvesting,
14 composting, manufacturing, compounding, converting, producing,
15 processing, preparing, testing, analyzing, packaging,
16 repackaging, storing, vaporizing, or containing marijuana, or
17 for ingesting, inhaling, or otherwise introducing marijuana
18 into the human body.

19 11. "*Person*" means a natural person, partnership,
20 association, company, corporation, limited liability company,
21 or organization; except that "*person*" does not include any
22 governmental organization.

23 12. "*Retail marijuana*" means all parts of the plant of the
24 genus *Cannabis*, whether growing or not, the seeds thereof; the
25 resin extracted from any part of the plant; and every compound,
26 manufacture, salt, derivative, mixture, or preparation of the
27 plant, its seeds or resin, including marijuana concentrate.
28 "*Retail marijuana*" does not include industrial hemp, nor does
29 it include fiber produced from the stalks, oil or cake made
30 from the seeds of the plant, sterilized seeds of the plant
31 which are incapable of germination, or the weight of any other
32 ingredient combined with marijuana to prepare topical or oral
33 administrations, food, drink, or other product.

34 13. "*Retail marijuana cultivation facility*" means an entity
35 licensed to cultivate, prepare, package, and sell marijuana to

1 retail marijuana stores, to marijuana product manufacturing
2 facilities, and to other marijuana cultivation facilities, but
3 not to consumers.

4 14. *“Retail marijuana establishment”* means a retail
5 marijuana store, a retail marijuana cultivation facility, or a
6 retail marijuana products manufacturer.

7 15. *“Retail marijuana products”* means concentrated marijuana
8 products and marijuana products that are comprised of marijuana
9 and other ingredients and are intended for use or consumption,
10 such as but not limited to edible products, ointments, and
11 tinctures.

12 16. *“Retail marijuana products manufacturer”* means an entity
13 licensed to purchase marijuana; manufacture, prepare, and
14 package marijuana products; and sell marijuana and marijuana
15 products to other marijuana product manufacturing facilities
16 and to retail marijuana stores, but not to consumers.

17 17. *“Retail marijuana store”* means an entity licensed
18 to purchase marijuana from marijuana cultivation facilities
19 and sell marijuana and to purchase marijuana products from
20 retail marijuana product manufacturing facilities and to sell
21 marijuana and marijuana products to consumers.

22 18. *“Retail marijuana transporter”* means an entity or person
23 licensed to transport retail marijuana and retail marijuana
24 products from one retail marijuana establishment to another
25 retail marijuana establishment and to temporarily store the
26 transported retail marijuana and retail marijuana products at
27 its licensed premises, but is not authorized to sell retail
28 marijuana or retail marijuana products under any circumstances.

29 Sec. 23. NEW SECTION. 124F.8 **Applicability.**

30 1. On or after July 1, 2024, an applicant may apply for
31 licensure of a retail marijuana establishment pursuant to this
32 subchapter.

33 2. *a.* Pursuant to subsection 1, an applicant shall complete
34 forms as provided by the division and shall pay the application
35 fee and the licensing fee. The division shall forward, within

1 seven days of the date of the application, one-half of the
2 application fee to the local jurisdiction unless the local
3 jurisdiction has prohibited the operation of retail marijuana
4 establishments. If the license is denied, the division shall
5 refund the licensing fee to the applicant.

6 *b.* The division shall act upon an application made pursuant
7 to subsection 1 no sooner than forty-five days and no later
8 than ninety days after the date of the application. The
9 division shall process applications in the order in which
10 completed applications are received by the division.

11 3. Any local jurisdiction may enact ordinances or
12 regulations governing the time, place, manner, and number of
13 retail marijuana establishments, which may include a local
14 licensing requirement, or may prohibit the operation of retail
15 marijuana establishments by ordinance or by a referred or
16 initiated measure. If a county acts through an initiated
17 measure, the proponents shall submit a petition signed by not
18 less than fifteen percent of the registered electors in the
19 county.

20 Sec. 24. NEW SECTION. **124F.9 Retail marijuana licensure.**

21 1. The division shall develop and maintain a seed-to-sale
22 tracking system that tracks retail marijuana from either
23 seed or immature plant stage until the marijuana or retail
24 marijuana product is sold to a customer at a retail marijuana
25 establishment to ensure that no marijuana grown or processed
26 by a retail marijuana establishment is sold or otherwise
27 transferred except by a retail marijuana store.

28 2. The division shall adopt all rules necessary for the
29 implementation of this chapter.

30 3. Nothing in this subchapter shall be construed to be
31 a delegation to the division of the power to fix prices for
32 retail marijuana.

33 4. Nothing in this subchapter shall be construed to limit
34 a law enforcement agency's ability to investigate unlawful
35 activity in relation to a retail marijuana establishment. A

1 law enforcement agency shall have the authority to conduct a
2 criminal history record check of a licensee and an employee of
3 a licensee during an investigation of unlawful activity related
4 to retail marijuana and retail marijuana products.

5 5. The division shall create a statewide licensure class
6 system for retail marijuana cultivation facilities. The
7 classifications may be based upon square footage of the
8 facility; lights, lumens, or wattage; canopy lighting; the
9 number of cultivating plants; a combination of the foregoing;
10 or other reasonable metrics. The division shall create a fee
11 structure for the licensure class system.

12 Sec. 25. NEW SECTION. 124F.10 State and local participation
13 in licensure.

14 1. When the division receives an application for an
15 initial license or a renewal of an existing license for
16 any retail marijuana establishment, the division shall
17 provide, within seven days of receipt of an application,
18 a copy of the application to the local jurisdiction in
19 which the establishment is to be located unless the local
20 jurisdiction has prohibited the operation of retail marijuana
21 establishments. The local jurisdiction shall determine whether
22 the application complies with local restrictions relating
23 to time, place, manner, and the number of retail marijuana
24 establishments allowed. The local jurisdiction shall inform
25 the division whether the application complies with local
26 restrictions.

27 2. A local jurisdiction may impose a separate local
28 licensing requirement as a part of its restrictions relating
29 to time, place, manner, and the number of retail marijuana
30 establishments allowed. A local jurisdiction may decline
31 to impose any local licensing requirements, but a local
32 jurisdiction shall notify the division that it either approves
33 or denies each application received by the local jurisdiction.

34 3. If a local jurisdiction issues a local license for
35 a retail marijuana establishment, a local jurisdiction may

1 schedule a public hearing on the application. If the local
2 jurisdiction schedules a hearing, it shall post and publish
3 public notice of the hearing not less than ten days prior
4 to the hearing. The local jurisdiction shall give public
5 notice by posting a sign in a conspicuous place on the license
6 applicant's premises for which a local license application
7 has been made and by publication in a newspaper of general
8 circulation in the county in which the applicant's premises are
9 located.

10 4. If a local jurisdiction does not issue local licenses,
11 the local jurisdiction may give public notice of the state
12 license application by posting a sign in a conspicuous place
13 on the state license applicant's premises for which a state
14 license application has been made and by publication in a
15 newspaper of general circulation in the county in which the
16 applicant's premises are located.

17 5. Applications for a state license under this subchapter
18 must be made to the division on forms prepared and furnished
19 by the division and must set forth such information as the
20 division may require to enable the division to determine
21 whether a state license should be granted.

22 6. The division shall deny a state license if the premises
23 on which the applicant proposes to conduct its business does
24 not meet the requirements of this subchapter. The division
25 may refuse or deny a license renewal, reinstatement, or
26 initial license issuance for good cause. For purposes of this
27 subsection, "good cause" means any of the following:

28 a. The licensee or applicant has violated, does not meet,
29 or has failed to comply with any of the terms, conditions, or
30 provisions of this subchapter, any rules promulgated pursuant
31 to this subchapter, or any supplemental local law, rules, or
32 regulations.

33 b. The licensee or applicant has failed to comply with any
34 special terms or conditions of the license pursuant to an order
35 of the division or local licensing authority.

1 c. The licensed premises have been operated in a manner that
2 adversely affects the public health or safety of the immediate
3 neighborhood in which the retail marijuana establishment is
4 located.

5 7. If the division denies a state license pursuant to
6 subsection 6, the applicant shall be entitled to a hearing
7 pursuant to section 17A.12 and judicial review pursuant to
8 section 17A.19. The division shall provide written notice of
9 the grounds for denial of the state license to the applicant
10 and to the local jurisdiction at least fifteen days prior to
11 the hearing.

12 Sec. 26. NEW SECTION. 124F.11 **Establishment and owner**
13 **requirements.**

14 1. An owner who is a natural person must have been either
15 of the following:

16 a. A resident of Iowa for at least one year prior to the
17 date of the application.

18 b. A United States citizen prior to the date of the
19 application.

20 2. A retail marijuana establishment may be composed of an
21 unlimited number of owners that have been residents of Iowa for
22 at least one year prior to the date of the application.

23 3. The division shall review the retail marijuana
24 establishment's operating documents to ensure compliance with
25 this section.

26 Sec. 27. NEW SECTION. 124F.12 **Retail marijuana**
27 **establishment licensure.**

28 1. Local jurisdictions may adopt and enforce regulations
29 for retail marijuana establishments that are at least as
30 restrictive as the provisions of this subchapter and any rule
31 promulgated pursuant to this subchapter.

32 2. A retail marijuana establishment shall not operate
33 until the retail marijuana establishment is licensed by the
34 division pursuant to this subchapter and approved by the
35 relevant local jurisdiction. If an application is denied by

1 the local licensing authority, the division shall revoke the
2 state license. In connection with a license, the applicant
3 shall provide a complete and accurate application as required
4 by the division.

5 3. A retail marijuana establishment shall notify the
6 division in writing of the name, address, and date of birth of
7 a new owner, officer, or manager before the new owner, officer,
8 or manager begins managing, owning, working, or otherwise
9 associating with the establishment. The owner, officer,
10 manager, or employee shall pass a fingerprint-based criminal
11 history record check as required by the division and shall
12 obtain the required identification prior to managing, owning,
13 working, or otherwise associating with the establishment.

14 4. Before granting a state license, the division may
15 consider, except when this subchapter specifically provides
16 otherwise, the requirements of this subchapter and any
17 rules promulgated pursuant to this subchapter, and all other
18 reasonable restrictions that are or may be placed upon a
19 licensee by the division or local licensing authority.

20 5. *a.* Each license issued under this subchapter is separate
21 and distinct. It is unlawful for a person to exercise any
22 of the privileges granted under a license other than the
23 license that the person holds or for a licensee to allow any
24 other person to exercise the privileges granted under the
25 licensee's license. A separate license shall be required for
26 each specific business or business entity and each geographical
27 location.

28 *b.* At all times, a licensee shall possess and maintain
29 possession of the premises for which the license is issued
30 through ownership, lease, rental, or other arrangement for
31 possession of the premises.

32 6. Each licensee shall manage the licensed premises
33 personally or employ a separate and distinct manager on
34 the premises and shall report the name of the manager to
35 the division and local licensing authority. The licensee

1 shall report any change in manager to the division and local
2 licensing authority within seven days after the change.

3 Sec. 28. NEW SECTION. 124F.13 License renewal.

4 1. Ninety days prior to the expiration date of an existing
5 license, the division shall notify a licensee of the expiration
6 date by first class mail at the licensee's address of record
7 with the division. A licensee may apply for the renewal of
8 an existing license to the division not less than thirty days
9 prior to the date of expiration of the existing license. Upon
10 receipt of an application for renewal of an existing license
11 and any applicable fees, the division shall submit, within
12 seven days of the application, a copy of the application to
13 the local jurisdiction to determine whether the application
14 complies with all local restrictions on renewal of licenses.
15 The division shall not accept an application for renewal of a
16 license after the date of expiration, except as provided in
17 subsection 3. The division may extend the expiration date of
18 the license and accept a late application for renewal of a
19 license if the applicant has filed a timely renewal application
20 with the local licensing authority. The division or the local
21 licensing authority, in its discretion, and subject to the
22 requirements of this subsection and subsection 3 and based upon
23 reasonable grounds, may waive the thirty-day time requirements
24 set forth in this subsection.

25 2. The division may request additional fingerprints from a
26 licensee when there is a demonstrated investigative need.

27 3. a. Notwithstanding the provisions of subsection 1,
28 a licensee whose license has been expired for not more than
29 ninety days may file a late renewal application upon the
30 payment of a nonrefundable late application fee of five hundred
31 dollars to the division. A licensee who files a late renewal
32 application and pays the requisite fees may continue to operate
33 until the division takes final action to approve or deny
34 the licensee's late renewal application unless the division
35 summarily suspends the license pursuant to chapter 17A, this

1 subchapter, and rules promulgated pursuant to this subchapter.

2 *b.* The division may administratively continue a license
3 and accept a later application for renewal of a license at the
4 discretion of the division.

5 Sec. 29. NEW SECTION. 124F.14 **Classes of licenses.**

6 For the purpose of regulating the cultivation, manufacture,
7 distribution, sale, and testing of retail marijuana and retail
8 marijuana products, the division in its discretion, upon
9 receipt of an application in the prescribed form, may issue and
10 grant to the applicant a license or registration in any of the
11 following classes, subject to the provisions and restrictions
12 provided by this subchapter:

13 1. Retail marijuana store license.

14 2. Retail marijuana cultivation facility license.

15 3. Retail marijuana products manufacturing license.

16 4. Occupational licenses and registrations for owners,
17 managers, operators, employees, contractors, and other support
18 staff employed by, working in, or having access to restricted
19 areas of the licensed premises, as determined by the division.
20 The division may take any action with respect to a registration
21 pursuant to this subchapter as it may with respect to a license
22 pursuant to this subchapter, in accordance with the procedures
23 established pursuant to this subchapter.

24 5. Retail marijuana transporter license.

25 Sec. 30. NEW SECTION. 124F.15 **Retail marijuana store**
26 **license.**

27 1. *a.* A retail marijuana store license shall be issued
28 by the division only to a person selling retail marijuana or
29 retail marijuana products pursuant to the terms and conditions
30 of this subchapter.

31 *b.* A retail marijuana store shall not accept any retail
32 marijuana purchased from a retail marijuana cultivation
33 facility unless the retail marijuana store is provided with
34 evidence that any applicable excise tax due was paid.

35 2. Notwithstanding the provisions of this section, a

1 retail marijuana store licensee may also sell retail marijuana
2 products that are prepackaged and labeled as required by rules
3 of the division pursuant to section 124F.25.

4 3. a. A retail marijuana store shall not sell more than one
5 ounce of retail marijuana or its equivalent in retail marijuana
6 products, including retail marijuana concentrate, except for
7 nonedible, nonpsychoactive retail marijuana products, including
8 ointments, lotions, balms, and other nontransdermal topical
9 products during a single transaction to a person.

10 b. (1) Prior to initiating a sale, an employee of the
11 retail marijuana store making the sale shall verify that
12 the purchaser has a valid identification card showing the
13 purchaser is twenty-one years of age or older. If a person
14 under twenty-one years of age presents fraudulent proof of age,
15 any action relying on the fraudulent proof of age shall not be
16 grounds for the revocation or suspension of any license issued
17 under this subchapter.

18 (2) (a) If a retail marijuana store licensee or
19 employee has reasonable cause to believe that a person is
20 under twenty-one years of age and is exhibiting fraudulent
21 proof of age in an attempt to obtain any retail marijuana
22 or cannabidiol-infused product, the licensee or employee
23 is authorized to confiscate such fraudulent proof of age,
24 if possible, and shall, within seventy-two hours after the
25 confiscation, remit such fraudulent proof of age to a state
26 or local law enforcement agency. The failure to confiscate
27 such fraudulent proof of age or to remit such fraudulent proof
28 of age to a state or local law enforcement agency within
29 seventy-two hours after the confiscation shall not constitute a
30 criminal offense.

31 (b) If a retail marijuana store licensee or employee
32 believes that a person is under twenty-one years of age and
33 presents fraudulent proof of age in an attempt to obtain any
34 retail marijuana or retail cannabidiol-infused product, the
35 licensee or employee or any peace officer or police officer,

1 acting in good faith and upon probable cause based upon
2 reasonable grounds therefor, may detain and question such
3 person in a reasonable manner for the purpose of ascertaining
4 whether the person is guilty of any unlawful act regarding the
5 purchase of retail marijuana. The questioning of a person by a
6 licensee, employee, peace officer, or police officer does not
7 render the licensee, employee, peace officer, or police officer
8 civilly or criminally liable for slander, false arrest, false
9 imprisonment, malicious prosecution, or unlawful detention.

10 4. All retail marijuana and retail marijuana products
11 sold at a licensed retail marijuana store shall be packaged
12 and labeled as required by rules of the division pursuant to
13 section 124F.25.

14 5. *a.* A licensed retail marijuana store shall only
15 sell retail marijuana, retail marijuana products, marijuana
16 accessories, nonconsumable products such as apparel, and
17 marijuana-related products such as childproof packaging
18 containers, but shall be prohibited from selling or giving
19 away any consumable product, including but not limited to
20 cigarettes, alcohol, or an edible product that does not contain
21 marijuana, including but not limited to sodas, candies, or
22 baked goods.

23 *b.* A licensed retail marijuana store shall not sell any
24 retail marijuana or retail marijuana products that contain
25 nicotine or alcohol, if the sale of the alcohol would require a
26 license pursuant to chapter 123.

27 *c.* A licensed retail marijuana store shall not sell retail
28 marijuana or retail marijuana products over the internet nor
29 deliver retail marijuana or retail marijuana products to a
30 person who is not physically present in the retail marijuana
31 store's licensed premises.

32 6. Retail marijuana or retail marijuana products shall not
33 be consumed on the premises of a retail marijuana store.

34 7. Notwithstanding any other provision of state law, sales
35 of retail marijuana and retail marijuana products are not

1 exempt from state or local sales tax.

2 Sec. 31. NEW SECTION. 124F.16 Retail marijuana cultivation
3 facility license.

4 1. A retail marijuana cultivation facility license shall
5 be issued by the division only to a person who cultivates
6 retail marijuana for sale and distribution to licensed retail
7 marijuana stores, retail marijuana products manufacturing
8 licensees, or other retail marijuana cultivation facilities.

9 2. A retail marijuana cultivation facility shall remit any
10 applicable excise tax due.

11 3. A retail marijuana cultivation facility shall track
12 the marijuana it cultivates from seed or immature plant to
13 wholesale purchase of the retail marijuana. Prior to delivery
14 of any retail marijuana that is sold, the retail marijuana
15 cultivation facility shall provide evidence that the facility
16 paid any applicable excise tax on the retail marijuana due.

17 4. A retail marijuana cultivation facility may provide,
18 except as required by section 124F.25, a sample of its products
19 to the state hygienic laboratory for testing and research
20 purposes. A retail marijuana cultivation facility shall
21 maintain a record of the sample provided to the state hygienic
22 laboratory and the testing results.

23 5. Retail marijuana or retail marijuana products shall not
24 be consumed on the premises of a retail marijuana cultivation
25 facility.

26 6. The division shall not issue more than twenty retail
27 marijuana cultivation facility licenses.

28 Sec. 32. NEW SECTION. 124F.17 Retail marijuana products
29 manufacturing license.

30 1. a. A retail marijuana products manufacturing license
31 shall be issued by the division to a person who manufactures
32 retail marijuana products pursuant to the terms and conditions
33 of this subchapter.

34 b. A retail marijuana products manufacturer may cultivate
35 its own retail marijuana if the manufacturer obtains a retail

1 marijuana cultivation facility license, or it may purchase
2 retail marijuana from a licensed retail marijuana cultivation
3 facility. A retail marijuana products manufacturer shall track
4 all of its retail marijuana from the point the retail marijuana
5 is either transferred from its retail marijuana cultivation
6 facility or from the point when the retail marijuana is
7 delivered to the retail marijuana products manufacturer from a
8 licensed retail marijuana cultivation facility to the point of
9 transfer to a licensed retail marijuana store.

10 c. A retail marijuana products manufacturer shall not
11 accept any retail marijuana purchased from a retail marijuana
12 cultivation facility unless the retail marijuana products
13 manufacturer is provided with evidence that any applicable
14 excise tax due was paid.

15 2. All retail marijuana products shall be prepared on
16 a licensed premises used exclusively for the manufacture
17 and preparation of retail marijuana or retail marijuana
18 products and using equipment that is used exclusively for the
19 manufacture and preparation of retail marijuana products;
20 except that, if permitted by the local jurisdiction, a
21 retail marijuana products manufacturing licensee may share
22 the same premises as a medical cannabidiol-infused products
23 manufacturing licensee so long as a virtual or physical
24 separation of inventory is maintained pursuant to rules
25 promulgated by the division.

26 3. All licensed premises on which retail marijuana products
27 are manufactured shall meet the sanitary standards for retail
28 marijuana product preparation promulgated pursuant to section
29 124F.25.

30 4. Retail marijuana or retail marijuana products shall not
31 be consumed on the premises of a retail marijuana products
32 manufacturing facility.

33 5. A retail marijuana products manufacturer may provide,
34 except as required by section 124F.25, a sample of its products
35 to the state hygienic laboratory for testing and research

1 purposes. A retail marijuana products manufacturer shall
2 maintain a record of what was provided to the state hygienic
3 laboratory and the results of the testing.

4 6. A licensed retail marijuana products manufacturer shall
5 package and label each product manufactured as required by
6 rules of the division pursuant to section 124F.25.

7 7. All retail marijuana products that require refrigeration
8 to prevent spoilage must be stored and transported in a
9 refrigerated environment.

10 8. The division shall not issue more than twenty retail
11 marijuana products manufacturer licenses.

12 Sec. 33. NEW SECTION. 124F.18 Retail marijuana transporter
13 license.

14 1. *a.* A retail marijuana transporter license shall be
15 issued by the division to a person to provide logistics,
16 distribution, and storage of retail marijuana and retail
17 marijuana products. Notwithstanding any other provisions of
18 law, a retail marijuana transporter license shall be valid for
19 two years from the date of issuance, but cannot be transferred
20 with a change of ownership. A licensed retail marijuana
21 transporter shall be responsible for the retail marijuana and
22 retail marijuana products once the transporter takes control
23 of the product.

24 *b.* A licensed retail marijuana transporter may contract with
25 multiple licensed retail marijuana establishments.

26 *c.* On or after July 1, 2024, all retail marijuana
27 transporters shall hold a valid retail marijuana transporter
28 license; except that an entity licensed pursuant to this
29 subchapter that provides its own distribution is not required
30 to hold a retail marijuana transporter license to transport and
31 distribute its products. The division shall begin accepting
32 applications after January 1, 2024.

33 2. A retail marijuana transporter licensee shall use a
34 seed-to-sale tracking system developed pursuant to section
35 124F.25 to create shipping manifests documenting the transport

1 of retail marijuana and retail marijuana products throughout
2 the state.

3 Sec. 34. NEW SECTION. 124F.19 Retail marijuana use —
4 protections.

5 1. No person shall be subject to arrest, prosecution, or
6 penalty in any manner, or be denied any right or privilege,
7 including but not limited to disciplinary action by a business,
8 occupational, or professional licensing board, solely for
9 conduct permitted under this subchapter.

10 2. *a.* Except as provided in this section, neither the state
11 nor any of its political subdivisions shall impose any penalty
12 or deny any benefit or entitlement for conduct permitted
13 under this subchapter or for the presence of cannabinoids or
14 cannabinoid metabolites in the urine, blood, saliva, breath,
15 hair, or other tissue or fluid of a person who is twenty-one
16 years of age or older.

17 *b.* Except as provided in this section, neither the state
18 nor any of its political subdivisions shall deny a driver's
19 license, a professional license, housing assistance, social
20 services, or other benefits based on marijuana use or for the
21 presence of cannabinoids or cannabinoid metabolites in the
22 urine, blood, saliva, breath, hair, or other tissue or fluid of
23 a person who is twenty-one years of age or older.

24 3. No person shall be denied custody of or visitation with a
25 minor for acting in accordance with this subchapter, unless the
26 person's behavior creates an unreasonable danger to the minor
27 that can be clearly articulated and substantiated.

28 4. Except as provided in this section, neither the state
29 nor any of its political subdivisions shall deny employment
30 or a contract to a person for engaging in conduct permitted
31 under this subchapter, for a prior conviction for a nonviolent
32 marijuana offense that does not involve distribution to minors,
33 or for testing positive for the presence of cannabinoids or
34 cannabinoid metabolites in the urine, blood, saliva, breath,
35 hair, or other tissue or fluid of the individual's body.

1 5. For the purposes of medical care, including organ and
2 tissue transplants, the use of marijuana does not constitute
3 the use of an illicit substance or otherwise disqualify a
4 person from needed medical care and may only be considered with
5 respect to evidence-based clinical criteria.

6 6. Notwithstanding any other provision of law to the
7 contrary, unless there is a specific finding that the
8 individual's use, cultivation, or possession of marijuana could
9 create a danger to the individual or another person, it shall
10 not be a violation of conditions of parole, probation, or
11 pretrial release to do any of the following:

12 a. Engage in conduct allowed by this subchapter.

13 b. Test positive for marijuana, delta-9
14 tetrahydrocannabinol, or any other cannabinoid or metabolite
15 of marijuana.

16 7. a. This section does not prevent a governmental employer
17 from disciplining an employee or contractor for ingesting
18 marijuana in the workplace or for working while impaired by
19 marijuana.

20 b. The protections provided by this section do not apply to
21 the extent that they conflict with a governmental employer's
22 obligations under federal law or regulations or to the extent
23 that they would disqualify the entity from a monetary or
24 licensing-related benefit under federal law or regulations.

25 c. This section does not authorize any person to engage in,
26 and does not prevent the imposition of any civil, criminal,
27 discipline, or other penalties, including discipline or
28 termination by a governmental employer, any task while under
29 the influence of marijuana, when doing so would constitute
30 negligence or professional malpractice.

31 Sec. 35. NEW SECTION. 124F.20 Discipline.

32 In addition to any other sanctions prescribed by this
33 subchapter or rules promulgated pursuant to this subchapter,
34 the division has the power, on its own motion or upon
35 complaint, after investigation and opportunity for a public

1 hearing at which a licensee must be afforded an opportunity
2 to be heard, to fine a licensee or to suspend or revoke
3 a license issued by the division for a violation by the
4 licensee or by any of the agents or employees of the licensee
5 of the provisions of this subchapter, or any of the rules
6 promulgated pursuant to this subchapter, or of any of the
7 terms, conditions, or provisions of the license issued by the
8 division. The division has the power to administer oaths and
9 issue subpoenas to require the presence of persons and the
10 production of papers, books, and records necessary to the
11 determination of a hearing that the division is authorized to
12 conduct. The division shall conduct a contested case pursuant
13 to chapter 17A prior to imposing discipline, except in the case
14 of an emergency adjudication.

15 Sec. 36. NEW SECTION. 124F.21 **Disposition of seized**
16 **materials.**

17 1. This section shall apply in addition to any criminal,
18 civil, or administrative penalties and in addition to any
19 other penalties prescribed by this subchapter or any rules
20 promulgated pursuant to this subchapter.

21 2. A state or local agency shall not be required to
22 cultivate or care for any retail marijuana or retail marijuana
23 product belonging to or seized from a licensee. A state or
24 local agency shall not be authorized to sell marijuana or
25 retail marijuana.

26 3. If the division issues a final order imposing a
27 disciplinary action against a licensee pursuant to section
28 124F.20, then, in addition to any other remedies, the
29 division's final order may specify that some or all of the
30 licensee's marijuana or marijuana product is not retail
31 marijuana or a retail marijuana product and is an illegal
32 controlled substance. The final order may further specify that
33 the licensee shall lose any interest in any of the marijuana or
34 marijuana product even if the marijuana or marijuana product
35 previously qualified as retail marijuana or a retail marijuana

1 product.

2 4. On or before January 1, 2024, the division shall adopt
3 rules governing the implementation of this section.

4 Sec. 37. NEW SECTION. **124F.22 Inspection procedures.**

5 1. A licensee shall keep a complete set of all records
6 necessary to show fully the business transactions of the
7 licensee, all of which shall be accessible at all times during
8 business hours for inspection and examination by the division
9 or its authorized representatives. The division may require
10 a licensee to furnish such information as necessary for the
11 proper administration of this subchapter and may require an
12 audit to be made of the books of account and records on such
13 occasions as necessary by an auditor selected by the division
14 who shall have access to all books and records of the licensee.
15 All associated expenses shall be paid by the licensee.

16 2. Any licensed premises, including any places of storage
17 where retail marijuana or retail marijuana products are stored,
18 cultivated, sold, dispensed, or tested shall be subject to
19 inspection by the state or local jurisdictions and their
20 investigators, during all business hours and during other times
21 when employees are present, for the purpose of inspection
22 or investigation. Access shall be required during business
23 hours for examination of any inventory or books and records
24 required to be kept by the licensees. If any part of the
25 licensed premises consists of a locked area, upon demand to
26 the licensee, such area shall be made available for inspection
27 without delay, and, upon request by authorized representatives
28 of the state or local jurisdiction, the licensee shall open the
29 area for inspection.

30 3. A licensee shall retain all books and records necessary
31 to show fully the business transactions of the licensee for
32 a period of the current tax year and the three immediately
33 preceding tax years.

34 Sec. 38. NEW SECTION. **124F.23 Marijuana excise tax.**

35 1. An excise tax is imposed on consumers at the rate of

1 twenty percent of the sales price of each sale of retail
2 marijuana and retail marijuana products.

3 2. The tax imposed by this section shall be paid by the
4 consumer to the retail marijuana establishment. Each retail
5 marijuana establishment shall collect from the consumer the
6 full amount of the tax payable on each taxable sale.

7 3. On the fifteenth day of each month, each retail marijuana
8 establishment that sells retail marijuana to a consumer shall
9 pay the excise taxes due on the retail marijuana that the
10 retail marijuana establishment sold in the previous calendar
11 month to the division.

12 4. The retail marijuana excise tax shall be separately
13 itemized from a local marijuana excise tax on the receipt
14 provided to the purchaser.

15 Sec. 39. NEW SECTION. 124F.24 Occupational licensing —
16 **protections.**

17 1. A person holding a professional or occupational license
18 shall not be subject to professional discipline for providing
19 advice or services related to retail marijuana establishments
20 or applications to operate retail marijuana establishments on
21 the basis that marijuana is illegal under federal law.

22 2. An applicant for a professional or occupational license
23 shall not be denied a license based on previous employment
24 related to retail marijuana establishments operating in
25 accordance with state law.

26 Sec. 40. NEW SECTION. 124F.25 Rulemaking.

27 1. The division shall, within one hundred eighty days of the
28 effective date of this Act, adopt rules for the implementation
29 of this subchapter. The rules shall not prohibit the operation
30 of retail marijuana establishments or require such a high
31 investment of risk, money, time, or other resource or asset
32 that the operation of a retail marijuana establishment is not
33 worthy of being carried out in practice by a reasonably prudent
34 businessperson. Such rules shall include all of the following:

35 a. Procedures for the issuance, renewal, suspension, and

1 revocation of a registration to operate a retail marijuana
2 establishment, subject to chapter 17A.

3 *b.* A schedule of reasonable application, registration,
4 and renewal fees, provided application fees shall not exceed
5 five thousand dollars, with this upper limit adjusted annually
6 for inflation, unless the division determines a greater fee
7 is necessary to carry out its responsibilities under this
8 subchapter. Fees shall be collected by the division and used
9 to administer this subchapter.

10 *c.* Qualifications for registration that are directly and
11 demonstrably related to the operation of a retail marijuana
12 establishment and that may not disqualify applicants solely for
13 marijuana offenses prior to the effective date of this Act.

14 *d.* Security requirements.

15 *e.* Requirements for the transportation and storage of retail
16 marijuana and retail marijuana products by retail marijuana
17 establishments.

18 *f.* Requirements for the delivery of retail marijuana and
19 retail marijuana products to consumers, including a prohibition
20 on business names, logos, and other identifying language or
21 images on delivery vehicles and a prohibition on delivering
22 retail marijuana and retail marijuana products to any address
23 located on land owned by the federal government or any address
24 on land or in a building leased by the federal government.

25 *g.* Employment and training requirements, including
26 requiring that each retail marijuana establishment create
27 an identification badge for each employee or agent. These
28 requirements shall not disqualify applicants solely for
29 marijuana offenses prior to the effective date of this Act.

30 *h.* Requirements designed to prevent the sale or diversion of
31 retail marijuana and retail marijuana products to persons under
32 the age of twenty-one.

33 *i.* Requirements for retail marijuana and retail
34 marijuana products sold or distributed by a retail marijuana
35 establishment, including prohibiting any misleading labeling

1 and requiring retail marijuana product labels to include all
2 of the following:

3 (1) The length of time it typically takes for the product
4 to take effect.

5 (2) A disclosure of ingredients and possible allergens.

6 (3) A nutritional fact panel.

7 (4) Requiring opaque, child resistant packaging, which must
8 be designed or constructed to be significantly difficult for
9 children under five years of age to open and not difficult for
10 adults to use properly as defined by 16 C.F.R. §1700.20.

11 (5) Requiring that edible retail marijuana products be
12 clearly identifiable, when practicable, with a standard symbol
13 indicating the retail marijuana product contains marijuana.

14 *j.* Health and safety regulations and standards for the
15 manufacture of retail marijuana products and both the indoor
16 and outdoor cultivation of retail marijuana by retail marijuana
17 establishments.

18 *k.* Restrictions on advertising, marketing, and signage
19 including but not limited to a prohibition on mass-market
20 campaigns that have a high likelihood of reaching minors.

21 *l.* Rules to create at least six tiers of retail marijuana
22 cultivation facilities, based on the size of the facility or
23 the number of plants cultivated, and whether the cultivation
24 occurs outdoors, indoors, or in a greenhouse. Security
25 regulations and licensing fees must vary based on the size of
26 the cultivation facility.

27 *m.* Restrictions or prohibitions on additives in retail
28 marijuana and retail marijuana-infused products, including but
29 not limited to those that are toxic or designed to make the
30 product more addictive.

31 *n.* Prohibitions on products that are designed to make the
32 product more appealing to children, including prohibiting the
33 use of any images designed or likely to appeal to minors,
34 including cartoons, toys, animals, or children, and any other
35 images, characters, or phrases that are popularly used to

1 advertise to children.

2 *o.* Restrictions on the use of pesticides that are injurious
3 to human health.

4 *p.* Rules governing visits to retail marijuana cultivation
5 facilities and retail marijuana product manufacturing
6 facilities, including requiring the retail marijuana
7 establishment to log visitors.

8 *q.* A definition of the amount of delta-9
9 tetrahydrocannabinol that constitutes a single serving
10 in a retail marijuana product.

11 *r.* Standards for the safe manufacture of marijuana extracts
12 and concentrates.

13 *s.* Requirements that educational materials be disseminated
14 to consumers who purchase retail marijuana-infused products.

15 *t.* Requirements for random sample testing to ensure quality
16 control, including by ensuring that retail marijuana and
17 retail marijuana-infused products are accurately labeled for
18 potency. Unless the division determines that remediation or
19 treatment is sufficient to ensure product safety, the testing
20 analysis must include testing for residual solvents, poisons,
21 or toxins; harmful chemicals; dangerous molds or mildew; filth;
22 and harmful microbials such as *E. coli* or salmonella and
23 pesticides.

24 *u.* Standards for the operation of marijuana testing
25 facilities, including requirements for equipment and
26 qualifications for personnel.

27 *v.* Civil penalties for the failure to comply with rules
28 adopted pursuant to this subchapter. Civil penalties shall
29 be collected by the division and used to administer this
30 subchapter.

31 *w.* Procedures for collecting taxes levied on retail
32 marijuana establishments.

33 *x.* Requirements for on-site consumption establishments,
34 including for security, ventilation, odor control, and
35 consumption by patrons. These rules may include a prohibition

1 on smoking indoors.

2 2. After consultation with researchers knowledgeable
3 about the risks and benefits of marijuana and providing an
4 opportunity for public comment, the division shall develop a
5 scientifically accurate safety information label or handout
6 or both, which shall be available to each adult-use marijuana
7 consumer. The label or handout shall include all of the
8 following:

9 a. Advice about the potential risks of marijuana, including
10 all of the following:

11 (1) The risks of driving under the influence of marijuana,
12 and the fact that doing so is illegal.

13 (2) Any adverse effects unique to younger adults, including
14 related to the developing mind.

15 (3) Potential adverse events and other risks.

16 (4) The risks of using marijuana during pregnancy and
17 breastfeeding.

18 b. The need to safeguard all retail marijuana and retail
19 marijuana products from children and pets.

20 3. The division shall review and update the safety
21 information materials at least once every two years to
22 ensure they remain accurate. The review period shall include
23 soliciting input from researchers knowledgeable about the
24 risks and benefits of marijuana and an opportunity for public
25 comment.

26 4. In order to ensure that individual privacy is protected,
27 the division shall not require a consumer to provide a
28 retail marijuana store with personal information other than
29 government-issued identification to determine the consumer's
30 age, and a retail marijuana store shall not be required to
31 acquire and record personal information about consumers.

32 Sec. 41. NEW SECTION. 124F.26 Driving under the influence
33 of marijuana — prohibited.

34 Nothing in this subchapter allows driving under the
35 influence of marijuana or while impaired by marijuana.

1 Sec. 42. NEW SECTION. 124F.27 Marijuana use by minors —
2 prohibited.

3 Nothing in this subchapter allows the transfer of marijuana,
4 with or without remuneration, to a person under the age of
5 twenty-one years, or the use of marijuana by a person under the
6 age of twenty-one years.

7 Sec. 43. NEW SECTION. 124F.28 Private property and tenant
8 rights.

9 1. Except as provided in this section, the provisions of
10 this subchapter do not require any person, corporation, or any
11 other entity that occupies, owns, or controls a property to
12 allow the consumption, cultivation, display, sale, or transfer
13 of marijuana on or in that property.

14 2. *a.* Except as provided in this section, a landlord
15 or property manager shall not refuse to rent to a tenant
16 or otherwise discriminate against a tenant based on a past
17 conviction for a marijuana offense that would have been legal
18 under this chapter.

19 *b.* Except as provided in this section, in the case of
20 the rental of a residential dwelling, a landlord or property
21 manager shall not prohibit the possession of retail marijuana
22 or the consumption of retail marijuana by nonsmoking means.

23 *c.* The limitations in this subsection do not apply in any
24 of the following circumstances:

25 (1) The tenant is a roomer who is not leasing the entire
26 residential dwelling.

27 (2) The residence is incidental to detention or the
28 provision of medical, geriatric, educational, counseling,
29 religious, or similar services.

30 (3) The residence is a transitional housing or sober living
31 facility.

32 (4) Failing to prohibit marijuana possession or consumption
33 would violate federal law or regulations or cause a landlord
34 or property manager to lose a monetary or licensing-related
35 benefit under federal law or regulations.

1 *d.* After a warning, a landlord or property manager may
2 take action against a tenant if the tenant's use of marijuana
3 creates an odor that interferes with a person's peaceful
4 enjoyment of the person's home or property.

5 Sec. 44. NEW SECTION. 124F.29 **Contracts enforceable.**

6 It is the public policy of this state that contracts related
7 to the operation of a retail marijuana establishment registered
8 pursuant to this subchapter should be enforceable. It is
9 the public policy of this state that no contract entered
10 into by a retail marijuana establishment or its employees
11 or agents as permitted pursuant to a valid registration, or
12 by those who allow property to be used by an establishment,
13 its employees, or its agents as permitted pursuant to a
14 valid registration, shall be unenforceable on the basis
15 that cultivating, obtaining, manufacturing, distributing,
16 dispensing, transporting, selling, possessing, or using
17 marijuana or hemp is prohibited by federal law.

18 Sec. 45. NEW SECTION. 124F.30 **Law enforcement —**
19 **limitations.**

20 1. No law enforcement officer employed by an agency that
21 receives state or local government funds shall expend any state
22 or local resources, including the officer's time, to effect any
23 arrest or seizure of marijuana, or conduct any investigation,
24 on the sole basis of activity the officer believes to
25 constitute a violation of federal law, if the officer has
26 reason to believe that such activity is in compliance with
27 this chapter, nor shall any such officer expend any state or
28 local resources, including the officer's time, to provide any
29 information or logistical support related to such activity to
30 any federal law enforcement authority or prosecuting entity.

31 2. No agency or political subdivision of this state shall
32 rely on a violation of federal law related to marijuana as the
33 sole basis for taking an adverse action against a person.

34 Sec. 46. NEW SECTION. 124F.31 **Apportionment of revenue.**

35 Revenues generated in excess of the amount needed to

1 implement and enforce this subchapter by the marijuana excise
2 tax shall be distributed by the division every three months as
3 follows:

4 1. Seven percent to the Iowa department of public health for
5 use in evidence-based, voluntary programs for the prevention or
6 treatment of substance abuse.

7 2. Seventeen percent to the Iowa department of public health
8 for enhancement of the state's mental health systems.

9 3. Up to one percent to the department of public safety
10 to fund impaired driving enforcement and drug recognition
11 training. If the entire one percent is not needed for
12 training, any excess shall be distributed to the general fund.

13 4. Seventy-five percent to the general fund.

14 Sec. 47. NEW SECTION. 423H.1 Definitions.

15 For the purposes of this chapter, unless the context
16 otherwise requires, "*retail marijuana*", "*retail marijuana*
17 *establishment*", and "*retail marijuana product*" mean the same as
18 defined in section 124F.7.

19 Sec. 48. NEW SECTION. 423H.2 Local marijuana excise tax.

20 1. A municipality may by ordinance adopt an excise tax at a
21 rate of no more than three percent of the sales price of each
22 sale of retail marijuana and retail marijuana products to a
23 consumer under the jurisdiction of the municipality pursuant
24 to chapter 124F, subchapter II.

25 2. A municipality shall provide notice of the imposition
26 of an excise tax under this section and the amount of the tax
27 to the department of revenue at least ninety days prior to
28 the first day of the tax quarter when the excise tax will be
29 collected.

30 3. A local marijuana excise tax imposed pursuant to this
31 section shall be paid by the consumer to the retail marijuana
32 establishment. Each retail marijuana establishment shall
33 collect from the consumer the full amount of the tax payable on
34 each taxable sale.

35 4. On the fifteenth day of each month, each retail marijuana

1 establishment that sells retail marijuana to a consumer
2 shall pay the local marijuana excise taxes due on the retail
3 marijuana that the retail marijuana establishment sold in the
4 previous calendar month to the municipality.

5 5. The local marijuana excise tax imposed by this section
6 is separate from and in addition to the marijuana excise tax
7 imposed pursuant to section 124F.23. The local marijuana
8 excise tax imposed pursuant to this section shall not be part
9 of the sales price to which the marijuana excise tax applies.

10 6. The local marijuana excise tax shall be separately
11 itemized from the marijuana excise tax imposed pursuant to
12 section 124F.23 on the receipt provided to the purchaser.

13 Sec. 49. NEW SECTION. 453B.19 Retail marijuana.

14 This chapter shall not apply to retail marijuana or retail
15 marijuana products produced or sold pursuant to chapter 124F.

16 Sec. 50. SUBCHAPTER DESIGNATIONS.

17 1. The Code editor is directed to create two new subchapters
18 in chapter 124F as follows:

19 a. Subchapter I shall be entitled "criminal penalties" and
20 include sections 124F.1 through 124F.5.

21 b. Subchapter II shall be entitled "retail marijuana" and
22 include sections 124F.6 through 124F.31.

23 2. The Code editor may modify subchapter titles if necessary
24 and is directed to correct internal references in the Code as
25 necessary due to enactment of this section.

26 Sec. 51. EFFECTIVE DATE. This Act takes effect January
27 1, 2024, except that the alcoholic beverages division of the
28 department of commerce may adopt rules for the implementation
29 of this Act prior to that date.

30 EXPLANATION

31 The inclusion of this explanation does not constitute agreement with
32 the explanation's substance by the members of the general assembly.

33 DIVISION I — CRIMINAL PENALTIES. This bill modifies
34 criminal penalties relating to marijuana by eliminating and
35 modifying certain criminal provisions in Code chapter 124

1 (uniform controlled substances Act), and transferring certain
2 criminal provisions from Code chapter 124 to new Code chapter
3 124F.

4 MANUFACTURE, DELIVERY, OR POSSESSION WITH INTENT TO DELIVER
5 MARIJUANA. The bill provides that an unauthorized person
6 commits a class "C" felony punishable by confinement for
7 no more than 10 years and a fine of at least \$1,370 but not
8 more than \$13,660 if the person violates new Code section
9 124F.2(1)(a) and the controlled substance involves more than
10 22 kilograms of marijuana. Currently, such a person commits
11 a class "B" felony punishable by confinement of no more than
12 50 years if the controlled substance involves more than 1,000
13 kilograms of a mixture or substance containing a detectable
14 amount of marijuana, or a class "B" felony punishable by
15 confinement of no more than 25 years if the controlled
16 substance involves more than 100 kilograms of marijuana but not
17 more than 1,000 kilograms.

18 The bill provides that an unauthorized person commits a
19 class "D" felony if the person violates new Code section
20 124F.2(1)(b) and the controlled substance involves more than
21 2 kilograms of marijuana but not more than 22 kilograms. A
22 class "D" felony is punishable by confinement for no more than
23 five years and a fine of at least \$1,025 but not more than
24 \$10,245. Currently, such a person commits a class "C" felony
25 if the controlled substance involves more than 50 kilograms of
26 marijuana but not more than 100 kilograms.

27 The bill provides that an unauthorized person commits an
28 aggravated misdemeanor if the person violates new Code section
29 124F.2(1)(c) and the controlled substance involves more than
30 12 ounces of marijuana but not more than 2 kilograms. An
31 aggravated misdemeanor is punishable by confinement for no more
32 than two years and a fine of at least \$855 but not more than
33 \$8,540. Currently, such a person commits a class "D" felony
34 if the controlled substance involves 50 kilograms or less of
35 marijuana.

1 The bill provides that an unauthorized person commits a
2 serious misdemeanor if the person violates new Code section
3 124F.2(1)(d) and the controlled substance involves more than
4 4 ounces of marijuana but not more than 12 ounces. A serious
5 misdemeanor is punishable by confinement for no more than one
6 year and a fine of at least \$430 but not more than \$2,560.
7 Currently, such a person commits a class "D" felony.

8 The bill provides that an unauthorized person commits a
9 simple misdemeanor if the person violates new Code section
10 124F.2(1)(e) and the controlled substance involves 4 ounces or
11 less of marijuana except as otherwise provided in the bill. A
12 simple misdemeanor is punishable by confinement for no more
13 than 30 days and a fine of at least \$105 but not more than \$855.
14 Currently, such a person commits a class "D" felony.

15 POSSESSION OF MARIJUANA. The bill provides that if a person
16 unlawfully possesses more than 6 ounces of marijuana but not
17 more than 12 ounces, the person commits a serious misdemeanor.

18 The bill provides that if a person unlawfully possesses more
19 than one-half ounce of marijuana but not more than 6 ounces,
20 the person commits a simple misdemeanor.

21 The bill provides that if a person 21 years of age or older
22 possesses one-half ounce or less of marijuana, the person
23 does not commit a criminal offense but shall be assessed a
24 civil penalty in the amount of \$100. If the person is under
25 21 years of age, the offense shall be punishable as a serious
26 misdemeanor, which may be expunged after two years if the
27 person does not commit additional criminal violations other
28 than traffic offenses. The bill provides that any records
29 relating to the civil penalty shall not be displayed for public
30 viewing on the Iowa court information system and such records
31 shall not be kept in the criminal history files maintained by
32 the department of public safety.

33 The bill allows a municipality to adopt an ordinance to allow
34 for the legal possession of marijuana.

35 RETAIL MARIJUANA — POSSESSION LIMITS. The bill establishes

1 possession limits for retail marijuana, defined in the
2 bill. The bill prohibits a resident of Iowa 21 years of
3 age or older from possessing more than 30 grams of marijuana
4 flower, 5 grams of marijuana concentrate, or 500 milligrams
5 of tetrahydrocannabinol contained in a product infused with
6 marijuana. Persons 21 years of age or older who are not
7 residents of Iowa may possess retail marijuana of no more
8 than 15 grams of marijuana flower, 2.5 grams of marijuana
9 concentrate, or 250 milligrams of tetrahydrocannabinol
10 contained in a product infused with marijuana. A person in
11 possession of retail marijuana in excess of amounts equivalent
12 to the amounts specified in the bill for the possession of
13 marijuana is subject to prosecution for a simple or serious
14 misdemeanor or a civil penalty. A retail marijuana store that
15 sells retail marijuana in excess of such amounts is subject to
16 a fine or other discipline imposed by the division.

17 Currently, if a person unlawfully possesses marijuana, the
18 person shall be punished by imprisonment in the county jail for
19 not more than six months or by a fine of not more than \$1,000,
20 or by both for a first offense. If the person has previously
21 been convicted of marijuana possession, the person commits a
22 serious misdemeanor under current law, and if the person has
23 been convicted of marijuana possession two or more times, the
24 person commits an aggravated misdemeanor.

25 DELIVERY OR POSSESSION OF MARIJUANA — SMALL AMOUNTS. If
26 the amount of marijuana delivered or possessed with intent to
27 deliver is one ounce or less and no remuneration was provided,
28 the defendant shall not be prosecuted for a violation of the
29 bill.

30 MARIJUANA USE IN PUBLIC. The bill prohibits the consumption
31 of marijuana in areas open and accessible to the public,
32 including but not limited to public transportation facilities,
33 sporting or music venues, parks, playgrounds, sidewalks and
34 roads, outdoor cafes, or indoor but public locations. A person
35 who violates this provision commits a simple misdemeanor

1 punishable as a scheduled violation in the amount of \$50 for
2 a first offense and \$100 for a second or subsequent offense.
3 This violation may be expunged after two years if the person
4 does not commit additional criminal violations other than
5 traffic offenses.

6 JUVENILE MARIJUANA OFFENSES. The bill specifies that the
7 juvenile court shall have exclusive original jurisdiction in a
8 proceeding concerning a minor who is alleged to have committed
9 a violation of the bill.

10 GATHERINGS WHERE CONTROLLED SUBSTANCES UNLAWFULLY USED.

11 The bill strikes a provision making it a serious misdemeanor
12 for a person to sponsor, promote, or aid in the sponsoring
13 or promoting of a meeting or gathering with the knowledge or
14 intent that marijuana be distributed, used, or possessed at the
15 meeting or gathering in violation of Code chapter 124.

16 ACCOMMODATION OFFENSE. The bill strikes a provision
17 allowing a prosecution for unlawful delivery or possession with
18 intent to deliver marijuana, if the prosecution proves that
19 the defendant delivered or possessed with intent to deliver
20 one-half ounce or less of marijuana which was not offered for
21 sale, the defendant is guilty of an accommodation offense
22 and rather than being sentenced for a class "D" felony under
23 Code section 124.401(1)(d), the person is sentenced for a
24 misdemeanor in violation of Code section 124.401(5). The bill
25 makes conforming changes to Code sections 124.401G (Iowa hemp
26 Act) and 124.413 (mandatory minimum sentences — controlled
27 substances).

28 SECOND OR SUBSEQUENT OFFENSES. Currently, a person
29 convicted of a second or subsequent offense under Code chapter
30 124 may be punished by imprisonment for a period not to exceed
31 three times the term otherwise authorized, or fined not more
32 than three times the amount otherwise authorized. The bill
33 strikes the provision that allows for the use of a previous
34 marijuana conviction in determining if a person has been
35 convicted of a second or subsequent offense under Code chapter

1 124.

2 MARIJUANA IN MOTOR VEHICLES. The bill prohibits a driver
3 of a motor vehicle upon a public street or highway from using
4 marijuana in the passenger area of the motor vehicle. The bill
5 also prohibits a driver or passenger of or in a motor vehicle
6 upon a public street or highway from possessing marijuana in
7 the passenger area of a motor vehicle except in a sealed, odor
8 proof, child resistant container. The bill defines "passenger
9 area" as the area designed to seat the driver and passengers
10 while the motor vehicle is in operation and any area that is
11 readily accessible to the driver or a passenger while in their
12 seating positions, including the glove compartment. A person
13 who knowingly violates this provision of the bill is guilty of
14 a simple misdemeanor. A simple misdemeanor is punishable by
15 confinement for no more than 30 days and a fine of at least \$105
16 but not more than \$855.

17 DIVISION II — RETAIL MARIJUANA. Division II of the
18 bill relates to the regulation of retail marijuana in Iowa.
19 The bill grants the alcoholic beverages division of the
20 department of commerce (division) the authority to regulate the
21 cultivation, production, transportation, testing, and sale of
22 retail marijuana and retail marijuana products, including by
23 issuing appropriate licenses and promulgating rules.

24 The bill requires the division to transfer half of any
25 application fee collected to the local jurisdiction in which
26 the retail marijuana establishment will be located. The
27 bill allows local jurisdictions to impose limitations on the
28 operation of retail marijuana establishments, including by
29 prohibiting their operation.

30 The bill directs the division to develop and maintain a
31 seed-to-sale tracking system to track retail marijuana from the
32 seed or immature plant stage until it is sold to a consumer at a
33 retail marijuana establishment.

34 LOCAL LICENSES. The bill requires the division to transmit
35 any application for a retail marijuana establishment it

1 receives to the local jurisdiction where the establishment
2 will be located within seven days of receipt unless the
3 local jurisdiction has prohibited the operation of retail
4 marijuana establishments. The local jurisdiction must then
5 inform the division whether the application complies with
6 any local restrictions on the operation of retail marijuana
7 establishments it may have imposed. The bill requires a person
8 to receive approval from both the division and the local
9 jurisdiction before operating a retail marijuana establishment.

10 A person whose application for a license is denied is entitled
11 to a hearing and judicial review pursuant to Code chapter 17A.

12 LICENSES. Ninety days prior to the expiration date of an
13 existing license, the division shall notify the licensee of the
14 expiration date by first class mail at the licensee's address
15 of record with the division. A licensee may apply for the
16 renewal of an existing license to the division not less than 30
17 days prior to the date of expiration.

18 RETAIL MARIJUANA STORES. The bill allows a retail marijuana
19 store to purchase retail marijuana from a retail marijuana
20 cultivation facility. A retail marijuana store may also
21 sell prepackaged and labeled retail marijuana products. A
22 retail marijuana store must track all of its retail marijuana
23 and retail marijuana products from the point that they are
24 transferred to the retail marijuana store to the point of
25 sale. The bill prohibits a retail marijuana store from selling
26 more than one ounce of retail marijuana or its equivalent
27 in a single transaction to a person, excluding nonedible,
28 nonpsychoactive retail marijuana products.

29 Prior to initiating a sale, the bill requires a retail
30 marijuana store employee to verify that that purchaser has a
31 valid identification card showing that the person is 21 years
32 of age or older. If a purchaser presents a retail marijuana
33 store employee with fraudulent proof of age, any action taken
34 in reliance on that proof of age shall not be grounds for the
35 revocation or suspension of a license.

1 The bill allows a retail marijuana store to provide to the
2 state hygienic laboratory a sample of its products for testing
3 and research purposes. The retail marijuana store shall
4 maintain a record of what was provided to the laboratory and
5 the results of the testing.

6 The bill prohibits a retail marijuana store from selling
7 any products other than retail marijuana, retail marijuana
8 products, marijuana accessories, nonconsumable products such as
9 apparel, and marijuana products such as childproof packaging
10 containers.

11 RETAIL MARIJUANA CULTIVATION. The bill allows the division
12 to issue up to 20 retail marijuana cultivation facility
13 licenses to persons who cultivate retail marijuana for sale
14 and distribution to retail marijuana stores, manufacturers,
15 or other cultivation facilities. The bill requires a retail
16 marijuana cultivation facility to remit any applicable tax due.
17 The bill also requires a retail marijuana cultivation facility
18 to track the marijuana it cultivates from seed or immature
19 plant to wholesale purchase.

20 RETAIL MARIJUANA PRODUCTS MANUFACTURING LICENSES. The bill
21 allows the division to issue up to 20 retail marijuana products
22 manufacturing licenses to persons who manufacture retail
23 marijuana products. The bill requires a retail marijuana
24 products manufacturer to track all of its retail marijuana from
25 the point it is either transferred from its retail marijuana
26 cultivation facility or the point when it is delivered to the
27 retail marijuana products manufacturer from a retail marijuana
28 cultivation facility to the point of transfer to a retail
29 marijuana store.

30 The bill requires retail marijuana products to be
31 manufactured and prepared in a facility that only manufactures
32 retail marijuana products, except that premises may be shared
33 with a medical cannabidiol-infused products manufacturer so
34 long as a virtual or physical separation of inventory is
35 maintained.

1 RETAIL MARIJUANA TRANSPORTATION. The bill allows the
2 division to issue a retail marijuana transporter license to
3 a person to provide logistics, distribution, and storage of
4 retail marijuana and retail marijuana products. The bill
5 requires a retail marijuana transporter to use the seed-to-sale
6 tracking system to create shipping manifests documenting the
7 transport of retail marijuana and retail marijuana products.

8 RETAIL MARIJUANA USE — PROTECTIONS. The bill prohibits
9 the state and its political subdivisions from taking certain
10 actions against a person on the basis that the person has
11 engaged in conduct allowed by the bill. The state and its
12 political subdivisions shall not prosecute a person, deny a
13 person a professional license, deny a person a benefit or
14 entitlement, deny a person custody or visitation of a child,
15 deny a person employment or a contract, or deny a person
16 medical care on the basis that the person has engaged in
17 conduct allowed by the bill. The bill also prohibits the
18 state or a political subdivision from denying employment
19 or a contract to a person on the basis of a person's prior
20 conviction of a nonviolent marijuana offense that does not
21 involve distribution to a minor. The bill excludes engaging
22 in conduct allowed by the bill from being classified as a
23 violation of a condition of parole, probation, or pretrial
24 release unless there is a specific finding that the conduct
25 could create a danger to the individual or another person.
26 The bill does not prohibit a governmental employer from
27 disciplining an employee or contractor for ingesting marijuana
28 at work or working while impaired by marijuana, nor does it
29 prohibit a licensing board from imposing a penalty on a person
30 for engaging in conduct that would constitute negligence or
31 professional malpractice. The protections of the bill do not
32 apply to the extent that they conflict with a governmental
33 employer's obligations under federal law or would disqualify
34 a governmental employer from a monetary or licensing-related
35 benefit under federal law.

1 FEES. The bill allows the division to collect and charge
2 fees. The bill sets the application fee for a person applying
3 for a new retail marijuana establishment license at \$5,000,
4 which shall be divided evenly between the division and the
5 local jurisdiction where the license is proposed to be issued.
6 The bill permits a local jurisdiction to impose operating fees
7 on retail marijuana establishments to which it has granted a
8 license.

9 LICENSE DISCIPLINE. The bill permits the division, on its
10 own motion or complaint, and after investigation, notice,
11 a public hearing, and opportunity to be heard, to suspend
12 or revoke a license if the licensee or any of its agents or
13 employees violate a provision of the bill or a rule promulgated
14 by the division. The division may administer oaths and issue
15 subpoenas to require the presence of persons and the production
16 of documents. The division may impose discipline pursuant to
17 rules and Code chapter 17A.

18 INSPECTION. The bill requires a licensee to keep a complete
19 set of all records necessary to show fully the business
20 transactions of the licensee, all of which shall be open at all
21 times during business hours for the inspection and examination
22 by the division or its duly authorized representatives.

23 The bill requires the licensed premises of a retail
24 marijuana establishment, including any places of storage
25 where retail marijuana or retail marijuana products are
26 stored, cultivated, sold, dispensed, or tested to be subject
27 to inspection by the state or local jurisdictions and their
28 investigators, during all business hours and other times
29 of apparent activity, for the purpose of inspection or
30 investigation.

31 STATE EXCISE TAX. The bill imposes an excise tax on
32 consumers at the rate of 20 percent of the sale price on
33 each sale of retail marijuana. The tax shall be paid by the
34 consumer to the retail marijuana establishment at the time
35 of sale, and each retail marijuana establishment shall remit

1 the tax collected to the division on the 15th day of each
2 month. Revenues generated by the excise tax shall be used to
3 administer the retail marijuana program. Excess funds shall be
4 distributed as provided by the bill to the Iowa department of
5 public health, the department of public safety, and the general
6 fund of the state.

7 OCCUPATIONAL LICENSING PROTECTIONS. The bill prohibits a
8 professional or occupational licensing board from imposing
9 discipline on a licensee for providing services related to
10 retail marijuana establishments. The bill also prohibits a
11 professional or occupational licensing board from denying a
12 license to a person based on a person's past employment with a
13 retail marijuana establishment.

14 RULEMAKING. The bill requires the alcoholic beverages
15 division to adopt rules within 180 days of the effective date
16 of the bill to adopt rules for the implementation of the bill.
17 The rules shall not prohibit the operation of retail marijuana
18 establishments or make the operation of retail marijuana
19 establishments so costly as to be impractical. Required rules
20 include but are not limited to rules relating to applications,
21 fees, licensure, security requirements, labeling requirements,
22 health and safety requirements, restrictions on advertising,
23 cultivation, testing, and penalties. The division shall also
24 develop and regularly update safety materials to be distributed
25 upon the sale of retail marijuana.

26 ACTS PROHIBITED. The bill does not allow driving while under
27 the influence of or impaired by marijuana and does not allow
28 the transfer of marijuana to a person under 21 years of age or
29 the possession of marijuana by a person under 21 years of age.

30 PROPERTY RIGHTS. The bill does not require the owner of
31 a property to allow the consumption, cultivation, display,
32 sale, or transfer of marijuana at that property. However, in
33 the case of a residential dwelling, a landlord or property
34 manager shall not prohibit the possession of retail marijuana
35 or the consumption of retail marijuana by means other than

1 smoking except under certain circumstances. The bill allows
2 a landlord to take action against a tenant after a warning if
3 the tenant's use of marijuana creates an odor that interferes
4 with the peaceful enjoyment of property by other tenants. The
5 bill prohibits a landlord from discriminating against a tenant
6 or applicant on the basis of a past conviction of a marijuana
7 offense that would have been legal under the bill.

8 CONTRACTS. The bill states that it is the public policy
9 of the state that contracts relating to retail marijuana
10 shall not be unenforceable on the basis that the production,
11 distribution, and possession of marijuana is prohibited by
12 federal law.

13 LAW ENFORCEMENT. The bill prohibits law enforcement
14 agencies from expending resources on the investigation of or
15 arrest for activity related to marijuana that is in violation
16 of federal law if the officer performing the investigation
17 or arrest has reason to believe that the activity complies
18 with the requirements of the bill. The bill also prohibits
19 an agency or political subdivision of the state from taking
20 an adverse action against a person on the sole basis that the
21 person has violated a federal law related to marijuana.

22 LOCAL EXCISE TAX. The bill allows a municipality to adopt
23 by ordinance an excise tax of no more than 3 percent on retail
24 marijuana sold in the municipality. The bill requires a
25 municipality to inform the department of revenue at least 90
26 days prior to the first day of the tax quarter when the excise
27 tax will be collected. The tax shall be paid by the consumer
28 to the retail marijuana establishment at the time of sale,
29 and each retail marijuana establishment shall remit the tax
30 collected to the municipality on the 15th day of each month.

31 The bill takes effect January 1, 2024, except that the
32 alcoholic beverages division may adopt rules prior to that date
33 for the implementation of the bill.