



*Iowa Association of
Business and Industry*

IOWA CANNABIS LEGISLATION: WHAT'S ON THE HORIZON AND WHAT CAN WE LEARN FROM OTHER STATES

September 25, 2019

PRESENTATION OVERVIEW

- Brief ABI background
- 2020 policy preview
- Current law as it pertains to medical cannabis
- Other states
- What's ahead in Iowa
- Proposed legislation to enhance workplace safety
- Opportunities for engagement

IOWA ASSOCIATION OF BUSINESS AND INDUSTRY

- Established in 1903 as the Iowa Manufacturers Association before expanding to represent companies in all industries across the state.
- The largest statewide business organization with 1,500 member companies representing 330,000 employees in all 99 counties.
- ABI's mission is to nurture a favorable business, economic, governmental and social climate within the state of Iowa so our citizens can have the opportunity to enjoy the highest possible quality of life.

WHAT WE DO

- **YOUR VOICE AT THE CAPITOL:** Two full-time lobbyists working with legislators and state officials every day to ensure business interests are represented in the legislative and rules-making process.
- **PROMOTING BUSINESS PRIORITIES:** Five member-driven public policy committees that establish priorities before each legislative session.
- **ELECTING PRO-JOBS CANDIDATES:** ABI vets candidates and offers endorsements and financial support to those running for office who are committed to sustaining a favorable business climate in Iowa.

ABI PUBLIC POLICY TEAM



NICOLE CRAIN
Senior Vice President,
Public Policy



BRAD HARTKOPF
Director, Public Policy

ABI POLICY PROCESS

Grassroots, member-driven policy process to develop 2020 policies and priorities

- Regional Meetings
- Five public policy meetings
- ABI Legislative Committee
- Board Approved on Sept. 11

Total Member Involvement:

- Almost 300 different individuals
- 159 different companies

2020 PREVIEW

- All legislation considered “ALIVE” once again.
- Tax credit review committee – Late Fall 2019
- Tax Reform 2.0
 - Accelerate triggers
 - Corporate reduction?
 - 3/8 sales tax coupled with tax reform
- Workforce
 - Future Ready Iowa
 - Housing credits – urban backlog
 - Broadband – More funding
 - Child care

ABI 2020 PRIORITIES

- Workforce
 - Future Ready Iowa
 - Child Care
 - Workforce Housing
 - Drug and alcohol use
- Competitive Business Climate
 - Broadband
 - Business-friendly tax system
- Regulatory Reform
 - Streamline environmental permitting requirements
 - Notification requirements in drug testing
 - Eliminate policies that hinder small business expansion

MEDICAL CANNABIS IN IOWA

- Today: Law is very narrow - Iowa Code 124E
- Nine conditions listed in code
- Medical cannabidiol board can recommend new conditions to include and has oversight responsibility
- Law includes several aspects, ABI focuses on employer portion
- Immunity language in current code under 730.5

CURRENT CODE LANGUAGE

730.5 (11) 11.*Employer immunity.* A cause of action shall not arise against an employer who has established a policy and initiated a testing program in accordance with the testing and policy safeguards provided for under this section, for any of the following:

f. Testing or taking action against an employee or prospective employee with a confirmed positive test result due to the employee's or prospective employee's use of medical cannabidiol as authorized under chapter 124E.

2019 PROPOSAL

- HF 732 – Eliminates the 3% THC cap and replaces with a 25 grams of THC per patient per 90 day period limit.
 - Passed House and Senate by resounding margins
 - Vetoed by Governor Reynolds
 - Would have allowed user to have 277 milligrams of THC per day – greater amount than what a recreational user would take daily
 - Legislative leaders have indicated this will be addressed next year

NATIONWIDE LANDSCAPE

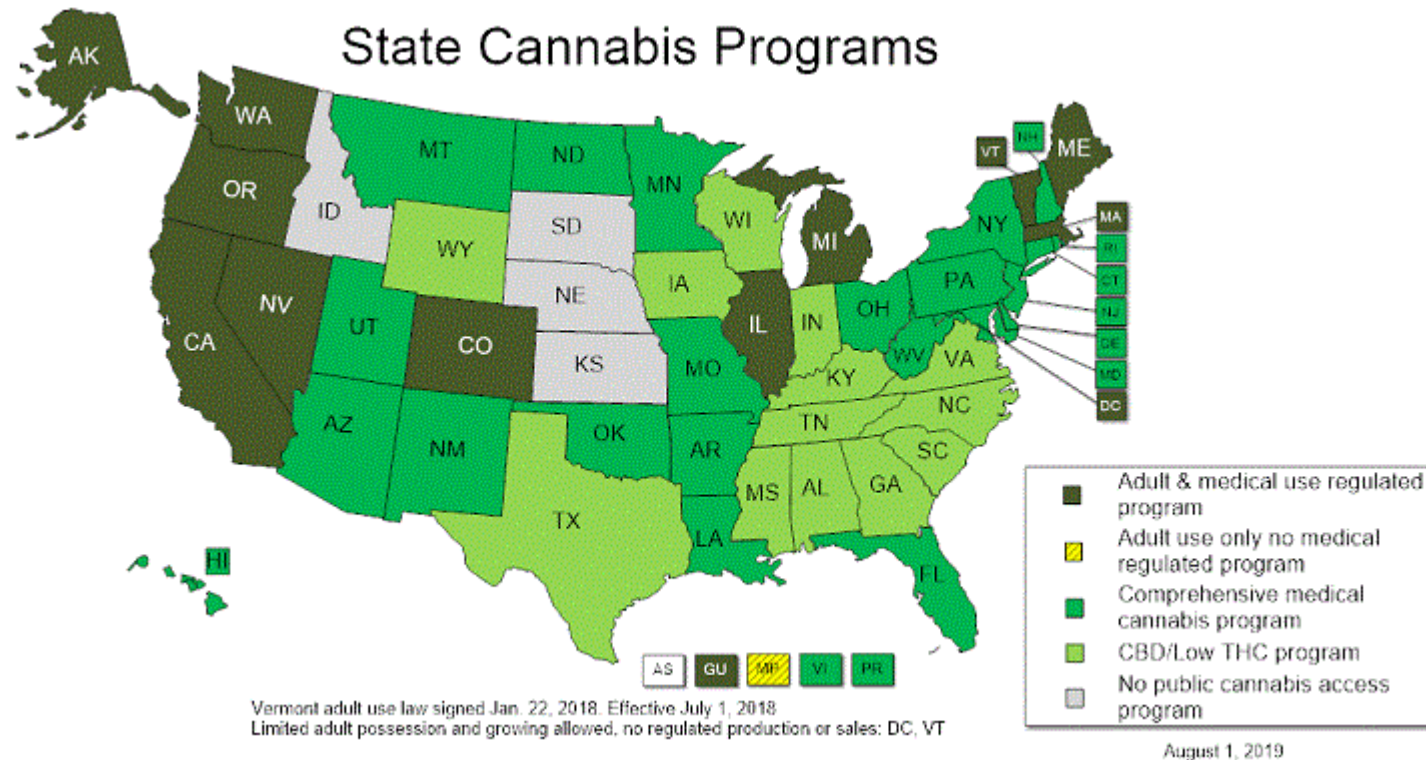
- 33 states, District of Columbia, Guam, Puerto Rico and US Virgin Islands have approved a comprehensive, publicly available medical marijuana/cannabis programs.
- 13 states (including Iowa) allow use of "low THC, high cannabidiol (CBD)" products for medical reasons in limited situations or as a legal defense.

*This information is provided by [NCSL](#), the National Conference of State Legislatures.

SURROUNDING STATES

- CO recreational marijuana passed on ballot in 2012
- IL recreational marijuana passed legislature in 2019
- Other states have medical cannabis programs

NCSL MAP



<http://www.ncsl.org/research/health/state-medical-marijuana-laws.aspx>

EMPLOYER CONCERNS

- Safety of employees and property
- Termination of individual who has medical card when there is a positive test result
- Discrimination litigation
- Health care coverage mandates
- Different state and federal laws

AROUND THE COUNTRY

- Nevada-AB 32 – Goes into effect Jan. 1, 2020
 - Disallows prohibition of employment when prospective employee takes drug test and results indicate presence of marijuana.
 - Provides exception for: firefighter, EMT, federal motor vehicle laws, and when employer determines it could adversely affect safety of others.
- Illinois HB 1438 – May 31, 2019
 - Prohibits employers from taking action against employee who uses during non-work or non-call hours.
 - Does provide some employer protections in the legislation.
 - Also includes language related to different cost of insurance policies for users.
- New Mexico SB 406 – July 1, 2019
 - Barring any federal government contract monetary/licensing loss, prohibits employer from taking adverse action against an employee for use of, or being impaired by, medical cannabis on the premises of the place of employment or during the hours of employment
 - Does not apply to safety sensitive positions

COURTS ADD TO GRAY AREA

- Historic decisions have sided with employer
- Recently, some courts have allowed lawsuits to proceed that would tilt the balance to employee and increase risk for employers in hiring and with workplace safety
- ABI prefers to have clear legislation, rather than leaving up to courts to decide

PROPOSED LANGUAGE

(1) Notwithstanding any other provision of law:

(a) an employer shall not be required to permit or accommodate the use, consumption, possession, transfer, display, transportation, sale, or growing of marijuana in the workplace;

(b) an employer may implement policies restricting the use of marijuana by employees for the purpose of promoting workplace health and safety;

(c) no government medical assistance program, private health insurer, workers'

compensation carrier, or self-insured employer providing workers' compensation benefits shall be required to reimburse a person for costs associated with the medical use of marijuana;

(d) an employer may include in a contract a provision prohibiting the use of marijuana;

(e) a person, employer, corporation, or any other entity that occupies, owns, or controls a property may prohibit or otherwise regulate the possession, consumption, use, display, transfer, distribution, sale, transportation, or growing of marijuana on or in that property;

PROPOSED LANGUAGE CON'T

(f) an employer may establish and enforce a drug testing policy, drug-free workplace policy, or zero-tolerance drug policy; and

(g) an employer shall not be subject to any claim, cause of action, sanction, or penalty, for wrongful discharge or discrimination, or under any other theory of liability, based on an act, omission, policy, or contractual provision permissible under this section.

(2) A person who is discharged from employment for ingesting marijuana in the workplace, working while under the influence of marijuana, or testing positive for a controlled substance shall not be eligible to receive Iowa unemployment insurance benefits.

WHY IS THIS NECESSARY?

- Safety of employee
- Safety of other employees
- Legal protection of employers
- Future legislation that expands existing program or results in recreational marijuana

RELATED ISSUES

- Synthetic urine
 - ABI is supporting legislation that will ban the sale, possession or use of synthetic urine in Iowa.
 - Companies have seen an increase in an effort to “trick” pre-employment drug screens.
 - 18 states have banned synthetic urine with others proposing to do the same.
- Iowa Law-Drug Testing Notification Requirements
 - Current law requires certified mail
 - ABI supports updating to eliminate mailed notification requirements and support electronic notification

ELECTIONS MATTER-2019

- Iowa requires photo identification at polls
- School Board elections – November 2019
- Municipal and county elections – November 2019
- First time elections held at same time
- Historically low turnout, although local government decisions affect business property tax bills the most

IAVOTES.COM

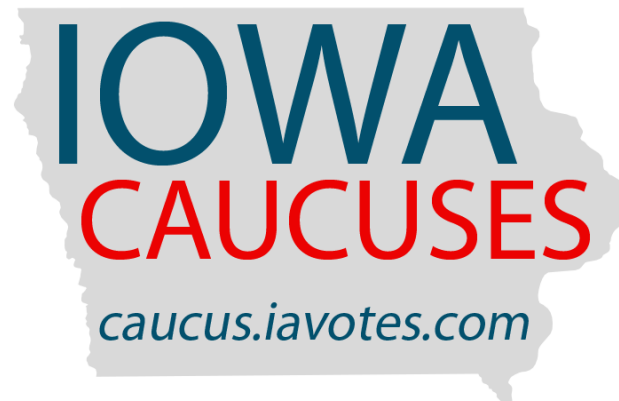
- Register To Vote
- Find Your Candidate
- Find Your Elected Official
- State Issue Information
- State Legislative Voting Records
- Absentee Ballot Request



IOWA
EMPLOYEES
VOTE

WHY YOU SHOULD CAUCUS

- ELECTIONS MATTER
- Make your voice heard!
- It's fun and easy
- ABI has all of the tools needed to learn more about how to caucus



ELECTIONS MATTER-2020 EDITION

- Preparing for 2020 – those up for election
 - President
 - U.S. Senate – approximately 33 members
 - U.S. House – all 435 members
 - Iowa House – all 100 members
 - Iowa Senate – 25 members
- Iowa Races:
 - 1 US Senate seat – Sen. Joni Ernst first re-elect. Millions being spent already.
 - 4 US House Seats – Competitive races and/or primaries in all four districts. Candidates announced early and campaigns have started hiring.

SAVE THE DATE

Manufacturing Day

Friday, October 4, 2019

Election Day (Municipal & School)

Tuesday, November 5, 2019

ABI Legislative Briefing & Reception

Wednesday, January 15, 2020

(Community Choice Convention Center-Des Moines)

STAY CONNECTED



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[@Nicole4ABI](#)

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