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3 MELSON SUBSTITUTE FOR SB165
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8 SYNOPSIS: Under existing law, unlawful possession of
9 marijuana in the first degree is a Class C or Class
10 D felony, and unlawful possession of marijuana in
11 the second degree is a Class A misdemeanor.

12 This bill would create the Compassion Act.

13 This bill would authorize certain residents
14 of this state diagnosed with a qualifying medical
15 condition and designated caregivers to be
16 registered and obtain a medical cannabis card,
17 thereby authorizing the patient to use cannabis for
18 medical use.

19 This bill would establish the Alabama
20 Medical Cannabis Commission, provide for commission
21 membership, and impose the following duties:
22 Establish and administer a patient registry system;
23 issue medical cannabis cards; issue licenses for
24 the cultivating, processing, dispensing,
25 transporting, and testing of medical cannabis;
26 adopt rules; impose restrictions on licensee

1 activity; and generally regulate, administer, and
2 enforce a medical cannabis program in the state.

3 This bill would require a seed-to-sale
4 system to track all aspects of medical cannabis
5 production, from cultivation to sale of final
6 product.

7 This bill would require physicians to meet
8 certain qualifications established by rule by the
9 State Board of Medical Examiners in order for
10 physicians to recommend medical cannabis to
11 patients.

12 This bill would create the Medical Cannabis
13 Appeal Panel to permit the use of medical cannabis
14 in certain extenuating circumstances where a
15 patient would not otherwise qualify under the law
16 to use medical cannabis.

17 This bill would authorize the Department of
18 Agriculture and Industries to regulate the
19 cultivation of cannabis for medical use.

20 This bill would provide for sales taxes.

21 This bill would establish the Alabama
22 Medical Cannabis Commission Fund and provide for
23 expenditures.

24 This bill would provide for certain criminal
25 and civil immunities when an individual is acting
26 pursuant to this act.

1 This bill would prohibit the ingestion of
2 any raw plant material, and would prohibit any
3 smokeable or vaping product.

4 This bill would provide certain legal
5 protections to employers.

6 This bill would prevent an employee who uses
7 medical cannabis from qualifying for workers'
8 compensation in certain circumstances.

9 This bill would create the Medical Cannabis
10 Research Consortium to provide grant monies using
11 tax proceeds for research on cannabis and medical
12 cannabis.

13 This bill would provide public health and
14 safety safeguards, including security measures,
15 packaging and labeling requirements, and criminal
16 background checks for licensed facility employees.

17 This bill would also revise the crime of
18 trespass in the first degree.

19 Amendment 621 of the Constitution of Alabama
20 of 1901, now appearing as Section 111.05 of the
21 Official Recompilation of the Constitution of
22 Alabama of 1901, as amended, prohibits a general
23 law whose purpose or effect would be to require a
24 new or increased expenditure of local funds from
25 becoming effective with regard to a local
26 governmental entity without enactment by a 2/3 vote
27 unless: it comes within one of a number of

1 specified exceptions; it is approved by the
2 affected entity; or the Legislature appropriates
3 funds, or provides a local source of revenue, to
4 the entity for the purpose.

5 The purpose or effect of this bill would be
6 to require a new or increased expenditure of local
7 funds within the meaning of the amendment. However,
8 the bill does not require approval of a local
9 governmental entity or enactment by a 2/3 vote to
10 become effective because it comes within one of the
11 specified exceptions contained in the amendment.

12
13 A BILL
14 TO BE ENTITLED
15 AN ACT
16

17 Relating to the medical use of cannabis; to add a
18 new Chapter 2A to Title 20, Code of Alabama 1975; to amend
19 Section 13A-7-2, Code of Alabama 1975; to create the
20 Compassion Act; to provide civil and criminal protections to
21 certain patients with a qualifying medical condition who have
22 a valid medical cannabis card for the medical use of cannabis;
23 to establish the Alabama Medical Cannabis Commission and
24 provide for its membership and duties; to provide for
25 certification of patients to authorize use of medical
26 cannabis; to license and regulate the cultivation, processing,
27 transporting, testing, and dispensing of medical cannabis; to

1 prohibit certain types of medical cannabis products; to
2 provide for patient registry and seed-to-sale tracking; to
3 impose taxes; to provide certain legal protections for users
4 of medical cannabis; to provide certain legal protections for
5 employers; to provide further for workers' compensation
6 benefits in certain circumstances where an employee uses
7 medical cannabis; to amend the crime of trespass in the first
8 degree; to establish the Medical Cannabis Research Consortium
9 to award research grants using tax proceeds; and in connection
10 therewith would have as its purpose or effect the requirement
11 of a new or increased expenditure of local funds within the
12 meaning of Amendment 621 of the Constitution of Alabama of
13 1901, now appearing as Section 111.05 of the Official
14 Recompilation of the Constitution of Alabama of 1901, as
15 amended.

16 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

17 Section 1. Chapter 2A, commencing with Section
18 20-2A-1, is added to Title 20, Code of Alabama 1975, to read
19 as follows:

20 Article 1. General Provisions.

21 §20-2A-1.

22 This chapter shall be known and may be cited as the
23 Compassion Act.

24 §20-2A-2.

25 The Legislature finds all of the following:

1 (1) It is not the intent of this chapter to provide
2 for or enable recreational use of marijuana in the State of
3 Alabama.

4 (2) Medical research indicates that the
5 administration of medical cannabis can successfully treat
6 various medical conditions and alleviate the symptoms of
7 various medical conditions.

8 (3) There are residents in Alabama suffering from a
9 number of medical conditions whose symptoms could be
10 alleviated by the administration of medical cannabis products
11 if used in a controlled setting under the supervision of a
12 physician licensed in this state.

13 (4) A majority of states have adopted a program
14 providing for the administration of cannabis or cannabis
15 derivatives for medical use for residents of their states.

16 (5) Establishing a program providing for the
17 administration of cannabis derivatives for medical use in this
18 state can not only benefit patients by providing relief to
19 pain and other debilitating symptoms, provide opportunities
20 for patients with these debilitating conditions to function
21 and have a better quality of life, but also provide employment
22 and business opportunities for farmers and other residents of
23 this state and revenue to state and local governments.

24 (6) It is important to balance the needs of
25 employers to have a strong functioning workforce with the
26 needs of employees who will genuinely benefit from using

1 cannabis for a medical use in a manner that makes the employee
2 a productive employee.

3 §20-2A-3.

4 As used in this chapter, the following terms have
5 the following meanings:

6 (1) BOARD. The State Board of Medical Examiners.

7 (2) CANNABIS. a. Except as provided in paragraph b.,
8 all parts of any plant of the genus cannabis, whether growing
9 or not, including the seeds, extractions of any kind from any
10 part of the plant, and every compound, derivative, mixture,
11 product, or preparation of the plant.

12 b. The term does not include industrial hemp or hemp
13 regulated under Article 11 of Chapter 8 of Title 2.

14 (3) COMMISSION. The Alabama Medical Cannabis
15 Commission created pursuant to Section 20-2A-20.

16 (4) CULTIVATOR. An entity licensed by the Department
17 of Agriculture and Industries under Section 20-2A-62
18 authorized to grow cannabis pursuant to Article 4.

19 (5) DAILY DOSAGE. The total amount of one or more
20 cannabis derivatives, including, but not limited to,
21 cannabidiol and tetrahydrocannabinol, which may be present in
22 a medical cannabis product that may be ingested by a
23 registered qualified patient during a 24-hour period, as
24 determined by a registered certifying physician.

25 (6) DEPARTMENT. The Department of Agriculture and
26 Industries.

1 (7) DISPENSARY. An entity licensed by the commission
2 under Section 20-2A-64 authorized to dispense and sell medical
3 cannabis at dispensing sites to registered qualified patients
4 and registered caregivers pursuant to Article 4.

5 (8) DISPENSING SITE. A site operated by an
6 dispensary licensee or an integrated facility licensee
7 pursuant to Article 4.

8 (9) FACILITY or MEDICAL CANNABIS FACILITY. Any
9 facility, or land associated with a facility, of a licensee.

10 (10) INTEGRATED FACILITY. An entity licensed under
11 Section 20-2A-67 authorized to perform the functions of a
12 cultivator, processor, secure transporter, and dispensary
13 pursuant to Article 4.

14 (11) LICENSEE. A cultivator, processor, secure
15 transporter, state testing laboratory, dispensary, or
16 integrated facility licensed by the commission under Article
17 4.

18 (12) MEDICAL CANNABIS. a. A medical grade product in
19 the form of any of the following, as determined by rule by the
20 commission, that contains a derivative of cannabis for medical
21 use by a registered qualified patient pursuant to this
22 chapter:

- 23 1. Oral tablet, capsule, or tincture.
- 24 2. Gelatinous cube, gelatinous rectangular cuboid,
25 or lozenge in a cube or rectangular cuboid shape.
- 26 3. Gel, oil, cream, or other topical preparation.
- 27 4. Suppository.

1 5. Transdermal patch.

2 6. Nebulizer.

3 7. Liquid or oil for administration using an
4 inhaler.

5 b. The term does not include any of the following:

6 1. Raw plant material.

7 2. Any product administered by smoking, combustion,
8 or vaping.

9 3. A food product that has medical cannabis baked,
10 mixed, or otherwise infused into the product, such as cookies
11 or candies.

12 (13) MEDICAL CANNABIS APPEAL PANEL. The panel
13 created pursuant to Section 20-2A-23.

14 (14) MEDICAL CANNABIS CARD. A valid card issued
15 pursuant to Section 20-2A-35 or a temporary card issued
16 pursuant to Section 20-2A-36.

17 (15) MEDICAL USE or USE OF MEDICAL CANNABIS or USE
18 MEDICAL CANNABIS. The acquisition, possession, use, delivery,
19 transfer, or administration of medical cannabis authorized by
20 this chapter. The term does not include possession, use, or
21 administration of cannabis that was not purchased or acquired
22 from a licensed dispensary.

23 (16) PACKAGE. Any container that a processor may use
24 for enclosing and containing medical cannabis. The term does
25 not include any carry-out bag or other similar container.

26 (17) PATIENT REGISTRY. The Alabama Medical Cannabis
27 Patient Registry System that is an electronic integrated

1 system that tracks physician certifications, patient
2 registrations, medical cannabis cards, the daily dosage and
3 type of medical cannabis recommended to qualified patients by
4 registered certifying physicians, and the dates of sale,
5 amounts, and types of medical cannabis that were purchased by
6 registered qualified patients at licensed dispensaries.

7 (18) PHYSICIAN CERTIFICATION. A registered
8 certifying physician's authorization for a registered
9 qualified patient to use medical cannabis.

10 (19) PROCESSOR. An entity licensed by the commission
11 under Section 20-2A-63 authorized to purchase cannabis from a
12 cultivator and extract derivatives from the cannabis to
13 produce a medical cannabis product or products for sale and
14 transfer in packaged and labeled form to a dispensing site
15 pursuant to Article 4.

16 (20) QUALIFYING MEDICAL CONDITION. Any of the
17 following conditions or symptoms of conditions, but only after
18 documentation indicates that conventional medical treatment or
19 therapy has failed unless current medical treatment indicates
20 that use of medical cannabis is the standard of care:

- 21 a. Anxiety or panic disorder.
- 22 b. Autism Spectrum Disorder (ASD).
- 23 c. Cancer-related cachexia, nausea or vomiting,
24 weight loss, or chronic pain.
- 25 d. Crohn's Disease.
- 26 e. Epilepsy or a condition causing seizures.
- 27 f. Fibromyalgia.

- 1 g. HIV/AIDS-related nausea or weight loss.
- 2 h. Persistent nausea that is not significantly
- 3 responsive to traditional treatment, except for nausea related
- 4 to pregnancy, cannabis-induced cyclical vomiting syndrome, or
- 5 cannabinoid hyperemesis syndrome.
- 6 i. Post Traumatic Stress Disorder (PTSD).
- 7 j. Sleep disorders.
- 8 k. Spasticity associated with a motor neuron
- 9 disease, including Amyotrophic Lateral Sclerosis.
- 10 l. Spasticity associated with Multiple Sclerosis or
- 11 a spinal cord injury.
- 12 m. A terminal illness.
- 13 n. Tourette's Syndrome.
- 14 o. A condition causing chronic or intractable pain
- 15 in which conventional therapeutic intervention and opiate
- 16 therapy is contraindicated or has proved ineffective.
- 17 p. Any other condition approved by the Medical
- 18 Cannabis Appeal Panel.

19 (21) REGISTERED CAREGIVER. An individual who meets
20 the requirements described in subsection (c) of Section
21 20-2A-30 and is authorized to acquire and possess medical
22 cannabis and to assist one or more registered qualified
23 patients with the use of medical cannabis pursuant to this
24 chapter.

25 (22) REGISTERED CERTIFYING PHYSICIAN. A physician
26 authorized by the State Board of Medical Examiners to certify

1 patients for the use of medical cannabis pursuant to this
2 chapter.

3 (23) REGISTERED QUALIFIED PATIENT. Either of the
4 following:

5 a. An adult who meets the requirements described in
6 subsection (a) of Section 20-2A-30 and is authorized to
7 acquire, possess, and use medical cannabis pursuant to this
8 chapter.

9 b. A minor who meets the requirements described in
10 subsection (b) of Section 20-2A-30 and is authorized to use
11 medical cannabis pursuant to this chapter with the assistance
12 of a registered caregiver.

13 (24) SECURE TRANSPORTER. An entity licensed by the
14 commission under Section 20-2A-65 authorized to transport
15 cannabis or medical cannabis from one licensed facility or
16 site to another licensed facility or site.

17 (25) STATE TESTING LABORATORY. An entity licensed
18 under Section 20-2A-66 authorized to test cannabis and medical
19 cannabis to ensure the product meets safety qualifications
20 required under this chapter.

21 (26) STATEWIDE SEED-TO-SALE TRACKING SYSTEM. The
22 tracking system established pursuant to Section 20-2A-54 that
23 tracks all cannabis and medical cannabis in the state.

24 (27) UNIVERSAL STATE SYMBOL. The image established
25 by the commission pursuant to Section 20-2A-53 made available
26 to processors which indicates the package contains medical
27 cannabis.

1 §20-2A-4.

2 This chapter supersedes state criminal and civil
3 laws pertaining to the acquisition, possession, use,
4 cultivation, manufacturing, processing, research and
5 development, and sale of medical cannabis. The acquisition,
6 possession, use, cultivation, manufacturing, processing,
7 research and development, transportation, testing, or sale of
8 cannabis or medical cannabis in compliance with this chapter
9 and rules of the commission does not constitute a violation of
10 Article 5 of Chapter 12 of Title 13A, or any other law to the
11 contrary.

12 §20-2A-5.

13 All data related to the implementation of this
14 chapter, including, but not limited to, application forms,
15 licensing information, physician certifications, registration
16 of qualified patients and designated caregivers, compliance,
17 and the status of cannabis research programs must be
18 maintained in a secure system developed or procured by the
19 commission. Data may not be sold, and patient information
20 shall remain confidential, except as otherwise permitted
21 pursuant to this chapter, and may not be transferred or sold.

22 §20-2A-6.

23 (a) This chapter does not do any of the following:

24 (1) Require an insurer, organization for managed
25 care, health benefit plan, or any individual or entity
26 providing coverage for a medical or health care service to pay

1 for or to reimburse any other individual or entity for costs
2 associated with the use of medical cannabis.

3 (2) Require any employer to permit, accommodate, or
4 allow the use of medical cannabis, or to modify any job or
5 working conditions of any employee who engages in the use of
6 medical cannabis or for any reason seeks to engage in the use
7 of medical cannabis.

8 (3) Prohibit any employer from refusing to hire,
9 discharging, disciplining, or otherwise taking an adverse
10 employment action against an individual with respect to
11 hiring, discharging, tenure, terms, conditions, or privileges
12 of employment as a result, in whole or in part, of that
13 individual's use of medical cannabis, regardless of the
14 individual's impairment or lack of impairment resulting from
15 the use of medical cannabis.

16 (4) Prohibit or limit the ability of any employer
17 from establishing or enforcing a drug testing policy,
18 including, but not limited to, a policy that prohibits the use
19 of medical cannabis in the workplace or from implementing a
20 drug-free workforce program established in accordance with
21 Article 13, commencing with Section 25-5-330, of Chapter 5 of
22 Title 25.

23 (5) Prohibit or limit any employer from adopting an
24 employment policy requiring its employees to notify the
25 employer if an employee possesses a medical cannabis card.

26 (6) Interfere with, impair, or impede, any federal
27 restrictions on employment, including, but not limited to,

1 regulations adopted by the United States Department of
2 Transportation in Title 49, Code of Federal Regulations.

3 (7) Permit, authorize, or establish any individual's
4 right to commence or undertake any legal action against an
5 employer for refusing to hire, discharging, disciplining, or
6 otherwise taking an adverse employment action against an
7 individual with respect to hiring, discharging, tenure, terms,
8 conditions, or privileges of employment due to the
9 individual's use of medical cannabis.

10 (8) Require a government medical assistance program,
11 employer, property and casualty insurer, or private health
12 insurer to reimburse an individual for costs associated with
13 the use of medical cannabis.

14 (9) Affect, alter, or otherwise impact the workers'
15 compensation premium discount available to employers who
16 establish a drug-free workplace policy certified by the
17 Department of Labor, Workers' Compensation Division, in
18 accordance with Article 13, commencing with Section 25-5-330,
19 of Chapter 5 of Title 25.

20 (10) Affect, alter, or otherwise impact an
21 employer's right to deny, or establish legal defenses to, the
22 payment of workers' compensation benefits to an employee on
23 the basis of a positive drug test or refusal to submit to or
24 cooperate with a drug test, as provided under Section 25-5-51.

25 (b) For the purpose of obtaining needed medical
26 care, including organ transplants, a registered qualified
27 patient's authorized use of medical cannabis in accordance

1 with this chapter is considered the equivalent of the
2 authorized use of any other medication used at the direction
3 of a licensed health care professional and may not constitute
4 the use of an illicit substance or otherwise disqualify a
5 registered qualified patient from such needed medical care.

6 (c) An individual who is discharged from employment
7 because of that individual's use of medical cannabis, or
8 refusal to submit to or cooperate with a drug test, shall be
9 legally conclusively presumed to have been discharged for
10 misconduct if the conditions of paragraph a. of subdivision
11 (3) of Section 25-4-78 are otherwise met.

12 §20-2A-7.

13 (a) A registered qualified patient 19 years of age
14 or older or registered caregiver is not subject to arrest or
15 prosecution for unlawful possession of marijuana if he or she
16 possesses no more than 70 daily dosages of medical cannabis
17 and has a valid medical cannabis card.

18 (b) A registered certifying physician who acts in
19 good faith compliance with this chapter regarding the dosage
20 established under this chapter and the applicable
21 administrative rules established pursuant to this chapter
22 shall be immune from civil and criminal prosecution and is not
23 subject to arrest, prosecution, or penalty in any manner and
24 may not be denied any right or privilege, including, but not
25 limited to, protection from civil penalty for certifying
26 patients under Section 20-2A-33 or for otherwise stating that,
27 in the physician's professional opinion, a patient is likely

1 to receive therapeutic or palliative benefit from the medical
2 use of medical cannabis to treat or alleviate the patient's
3 qualifying medical condition or symptoms associated with the
4 qualifying medical condition, provided that nothing shall
5 prevent the board from disciplining a physician. Nothing in
6 this chapter shall modify, amend, repeal, or supersede any
7 provision of Section 6-5-333, the Alabama Medical Liability
8 Act of 1987, commencing with Section 6-5-540, or the Alabama
9 Medical Liability Act of 1996, commencing with Section
10 6-5-548, or any amendment to any of these laws or judicial
11 interpretation of these laws.

12 (c) A licensee or any employee of that licensee is
13 not subject to arrest or prosecution if the person is acting
14 pursuant to this chapter and within the scope of his or her
15 employment.

16 (d) A hospital, medical facility, or hospice program
17 where a registered qualified patient is receiving treatment in
18 accordance with this chapter is not subject to arrest,
19 prosecution, or penalty in any manner, or denied any right or
20 privilege solely for providing that treatment.

21 (e) Mere possession of, or application for, a
22 medical cannabis card does not constitute probable cause or
23 reasonable suspicion, nor shall it be used as the sole basis
24 to support the search of the person, property, or home of the
25 individual possessing or applying for the medical cannabis
26 card. The possession of, or application for, a medical

1 cannabis card does not preclude the existence of probable
2 cause if probable cause exists on other grounds.

3 (f) Nothing in this chapter shall preclude the
4 Alabama State Law Enforcement Agency or a local law
5 enforcement agency from searching a licensee where there is
6 probable cause to believe that a criminal law has been
7 violated and the search is conducted in conformity with
8 constitutional and state law.

9 §20-2A-8.

10 (a) (1) An individual may not distribute, possess,
11 manufacture, or use medical cannabis or a medical cannabis
12 product that has been diverted from a registered qualified
13 patient, a registered caregiver, or a licensed cultivator,
14 processor, secure transporter, dispensary, or a state testing
15 laboratory.

16 (2) An individual who violates this section is
17 guilty of a Class B felony.

18 (3) The penalty under this section is in addition to
19 any penalties that a person may be subject to for manufacture,
20 possession, or distribution of marijuana under Title 13A.

21 (b) This chapter does not permit any individual to
22 engage in, and does not prevent the imposition of any civil,
23 criminal, or other penalty for engaging in any of the
24 following conduct:

25 (1) Undertaking any task under the influence of
26 cannabis, when doing so would constitute negligence,

1 professional malpractice, or professional misconduct, or
2 violation of law.

3 (2) Possessing or using medical cannabis on any K-12
4 school property, in any correctional facility, or in a vehicle
5 unless the medical cannabis is in its original package and is
6 sealed and reasonably inaccessible while the vehicle is
7 moving.

8 §20-2A-9.

9 The commission shall provide annual written reports
10 to the Legislature, with the first due no later than January
11 1, 2022, tracking implementation of this chapter. The report
12 shall be made publicly available and posted on the
13 commission's website. The report shall include all of the
14 following:

15 (1) The number of patients applying for and
16 receiving medical cannabis cards.

17 (2) The qualifying medical conditions identified to
18 obtain the medical cannabis cards.

19 (3) Comments from physicians and other health care
20 providers and from pharmacists.

21 (4) Revenues and expenses of card issuance and
22 licensing of medical cannabis facilities.

23 (5) Relevant developments in other states' cannabis
24 laws.

25 (6) Relevant scientific research.

26 (7) Applicable tax revenue.

1 (8) The commission's annual operating expenses and
2 revenues.

3 (9) The number of total applicants for each type of
4 license under Article 4 and the number of veterans,
5 minorities, and women who applied and the number of these
6 applicants who were denied a license.

7 (10) Any other information available to the
8 commission that would inform public officials of how this
9 chapter affects the public.

10 (11) Any suggested legislative changes to this
11 chapter or other state laws, including all of the following:

12 a. Any suggestions to ensure that veterans, women,
13 and minorities are not unfairly discriminated against in
14 obtaining licenses under Article 4.

15 b. Changes to reflect changes in federal law or
16 regulation.

17 c. Changes based on additional medical or scientific
18 research.

19 §20-2A-10.

20 (a) There is created a special account in the State
21 Treasury to be known as the Medical Cannabis Commission Fund.
22 Expenditures from the Medical Cannabis Commission Fund may be
23 made only by the commission to implement, administer, and
24 enforce this chapter. Specifically, the Medical Cannabis
25 Commission Fund includes all of the following:

26 (1) Tax proceeds collected pursuant to subsections
27 (a) and (b) of Section 2 of the act adding this language, less

1 an amount sufficient to cover the cost of administration of
2 the tax levies imposed under subsections (a) and (b) of
3 Section 2, which shall be retained by the Department of
4 Revenue.

5 (2) License fees, civil penalties, and other fees or
6 charges collected pursuant to Article 4 of the act adding this
7 language.

8 (3) Any monies appropriated by the Legislature for
9 the initial operation of the commission.

10 (b) Amounts in the Medical Cannabis Commission Fund
11 shall be budgeted and allotted in accordance with Section
12 41-4-80 through 41-4-96 and Sections 41-19-1 through 41-19-12,
13 but shall not be limited by the fiscal year appropriation cap.

14 (c) Beginning October 1, 2025, any funds in the
15 Medical Cannabis Commission Fund in excess of actual expenses
16 from the previous fiscal year shall be distributed, less 10
17 percent, as follows:

18 (1) 60 percent shall be transferred to the General
19 Fund.

20 (2) 30 percent shall be transferred to the Medical
21 Cannabis Research Fund established pursuant to subsection (f)
22 of Section 4.

23 §20-2A-11.

24 The possession of a medical cannabis card lawfully
25 obtained pursuant to this chapter does not infringe on the
26 cardholder's state or federal constitutional rights.

27 Article 2. Alabama Medical Cannabis Commission.

1 §20-2A-20.

2 (a) The Alabama Medical Cannabis Commission is
3 established. The commission shall consist of the following
4 members, with initial members appointed not later than July 1,
5 2020:

6 (1) Three members appointed by the Governor, one of
7 whom is a physician licensed to practice medicine in this
8 state; one of whom is a licensed pharmacist; and one of whom
9 has experience in agricultural lending or banking. Initial
10 terms shall be four, three, and two years, respectively.

11 (2) Three members appointed by the Lieutenant
12 Governor, one of whom is a physician licensed to practice
13 medicine in this state certified in the specialty of
14 pediatrics; one of whom is licensed to practice law in this
15 state who specializes in health law; and one of whom is a
16 biochemist. Initial terms shall be one, four, and three years,
17 respectively.

18 (3) Two members appointed by the President Pro
19 Tempore of the Senate, one of whom is a physician licensed to
20 practice medicine in this state certified in the specialty of
21 oncology; and one of whom has experience in multiple crop
22 development and agricultural practices. Initial terms shall be
23 two and one years, respectively.

24 (4) Two members appointed by the Speaker of the
25 House of Representative, one of whom has a background and
26 experience in mental health or substance abuse counselling and
27 treatment; and one of whom has professional experience in

1 agricultural systems management. Initial terms shall be four
2 and three years, respectively.

3 (5) One member appointed by the Commissioner of
4 Agriculture and Industries who is experienced in agricultural
5 production or agronomic or other horticultural practices. The
6 initial term shall be two years.

7 (b) Each commission member appointed to the
8 commission is subject to confirmation by the Senate during the
9 legislative session in which the appointment is made or, if
10 the appointment is made when the Legislature is not in
11 session, during the next special or regular session. An
12 appointee may serve in the position pending confirmation by
13 the Senate. Each member of the committee shall serve after the
14 expiration of his or her term until his or her successor is
15 appointed.

16 (c) A member may not have any interest, financial or
17 otherwise, direct or indirect, in any facility licensed under
18 Article 4 in this state. Any current public official,
19 candidate for public office, current public employee, or
20 registered lobbyist may not serve as a member.

21 (d) Members must be at least 30 years of age and
22 residents of this state for at least five continuous years
23 immediately preceding their appointment. The appointing
24 officers shall coordinate their appointments so that diversity
25 of gender, race, and geographical areas is reflective of the
26 makeup of this state.

1 (e) After initial appointments, each member shall
2 serve a term of four years, but may be reappointed for one
3 additional term. If at any time there is a vacancy, a
4 successor member shall be appointed by the respective
5 appointing officer to serve for the remainder of the term.
6 Members may be removed for cause by the appointing authority.

7 (f) The commission shall elect from the membership
8 one member to serve as chair and one member to serve as
9 vice-chair.

10 (g) While serving on business of the commission,
11 members shall be entitled to a per diem of five hundred
12 dollars (\$500) per day, as well as actual travel expenses
13 incurred in the performance of duties as a member, as other
14 state employees are paid, when approved by the chair.

15 (h) The commission shall meet at least six times per
16 year and hold other meetings for any period of time as may be
17 necessary for the commission to transact and perform its
18 official duties and functions. A majority of members of the
19 commission shall constitute a quorum for the transaction of
20 any business, or in the performance of any duty, power, or
21 function of the commission, and the concurrence of a majority
22 of those present and voting in any matter within its duties is
23 required for a determination of matters within its
24 jurisdiction. A special meeting may be called by the chair, or
25 upon the written request of two or more members. All members
26 shall be duly notified by the commission director of the time
27 and place of any regular or special meeting at least thirty

1 days in advance of any meeting. Members may participate by
2 telephone, video conference, or by similar communications
3 equipment so that all individuals participating in the meeting
4 may hear each other at the same time. Participating by such
5 means shall constitute presence in person at a meeting for all
6 purposes. The chair shall be responsible for setting and
7 keeping a meeting schedule that ensures the commission meets
8 the requirements of this chapter. A member who misses more
9 than two meetings in one calendar year shall be subject to
10 removal by his or her appointing authority.

11 (i) (1) The commission may employ a director to serve
12 at the pleasure of the commission. The director's salary shall
13 be fixed by the commission and shall not be subject to Section
14 36-6-6. The director shall be at least 30 years of age and
15 have been a citizen and resident of this state for at least
16 five years prior to employment. The director is the chief
17 administrative officer of the commission, and all personnel
18 employed by the commission shall be under the director's
19 direct supervision. The director shall be solely responsible
20 to the commission for the administration and enforcement of
21 this chapter and responsible for the performance of all duties
22 and functions delegated by the commission.

23 (2) The director shall maintain all records of the
24 commission and also serve as secretary of the commission. The
25 director shall prepare and keep the minutes of all meetings
26 held by the commission, including a record of all business
27 transacted and decisions rendered by the commission. A copy of

1 the record of the minutes and business transacted and
2 decisions rendered shall be kept on file at the commission's
3 main office and shall be available for public inspection.

4 (3) If the director is licensed to practice law in
5 this state, he or she shall act and serve as hearing officer
6 when designated by the commission and shall perform such
7 duties as the regular hearing officer.

8 (j) The commission may employ an assistant director
9 who shall perform all duties and functions which may be
10 assigned by the director or the commission. The assistant
11 director, if licensed to practice law in this state, may also
12 be designated by the commission to sit, act, and serve as a
13 hearing officer, and when designated as a hearing officer, the
14 assistant director may perform the same duties and functions
15 as the regular hearing officer.

16 (k) Each member of the commission shall be entitled
17 to the immunity provided by Section 36-1-12.

18 (l) In any action or suit brought against the
19 members of the commission in their official capacity in a
20 court of competent jurisdiction, to review any decision or
21 order issued by the commission, service of process issued
22 against the commission may be lawfully served or accepted by
23 the director on behalf of the commission as though the members
24 of the commission were personally served with process.

25 (m) The commission may employ additional officers,
26 including an inspection officer. The director, assistant
27 director, and any other officer or employee shall be

1 reimbursed for actual travel expenses as other state employees
2 are paid, when approved by the chair.

3 (n) The commission shall retain legal counsel
4 familiar with the requirements of this chapter and medical
5 cannabis licensing and best practices in other states in order
6 to assist the commission and staff with establishing a
7 functional program and achieving compliance with applicable
8 laws.

9 (o) All employees of the commission shall not be
10 subject to the state Merit System Act.

11 (p) The commission shall be subject to the Alabama
12 Administrative Procedure Act.

13 §20-2A-21.

14 (a) A member of the commission and any individual
15 employed by the commission may not have any interest,
16 financial or otherwise, either direct or indirect, in any
17 licensee. In addition, a member or employee of the commission
18 may not have any family member who is employed by any
19 dispensary, cultivator, or manufacturer or who holds any
20 cannabis license in this state. A member or employee of the
21 commission or his or her family member may not have an
22 interest of any kind in any building, fixture, or premises
23 occupied by any person licensed under this chapter; and may
24 not own any stock or have any interest of any kind, direct or
25 indirect, pecuniary or otherwise, by a loan, mortgage, gift,
26 or guarantee of payment of a loan, in any dispensary,
27 cultivator, or manufacturer licensed under this chapter.

1 (b) A member or employee of the commission may not
2 accept any gift, favor, merchandise, donation, contribution,
3 or any article or thing of value, from any person licensed
4 under this chapter.

5 (c) Any individual violating this section shall be
6 terminated from employment or position, and as a consequence,
7 the individual shall forfeit any pay or compensation which
8 might be due.

9 (d) For purposes of this section, family member
10 includes a spouse, child, parent, or sibling, by blood or
11 marriage.

12 (e) In addition to any violation of Chapter 25 of
13 Title 36, a violation of this section is a Class C
14 misdemeanor.

15 §20-2A-22.

16 (a) The Alabama Medical Cannabis Commission shall
17 implement this chapter by making medical cannabis derived from
18 cannabis grown in Alabama available to registered qualified
19 patients and by licensing facilities that process, transport,
20 test, or dispense medical cannabis.

21 (b) The commission shall administer and enforce this
22 chapter and all rules adopted pursuant to this chapter.

23 §20-2A-23.

24 (a) There is established a Medical Cannabis Appeal
25 Panel comprised of registered certifying physicians appointed
26 as follows:

27 (1) Two members appointed by the Governor.

1 (2) One member each appointed by the Lieutenant
2 Governor, the President Pro Tempore of the Senate, and the
3 Speaker of the House of Representatives.

4 (b) Members of the panel shall serve two-year terms,
5 with the initial terms staggered. Members may be reappointed.

6 (c) Each member of the panel shall be entitled to
7 the immunity provided by Section 36-1-12.

8 (d) The panel shall review petitions seeking
9 approval of physician certification under subsection (c) of
10 Section 20-2A-33. Members shall grant approval if at least
11 three members, based on the information provided in the
12 petition, determine that the recommendation of the petitioning
13 registered certifying physician is justified and, based on an
14 examination of criteria established by rule by the board, it
15 may be in the patient's best interests to allow the use of
16 medical cannabis.

17 (e) Members may communicate with each other
18 electronically or by telephone and shall document their
19 decisions for granting or denying approval for physician
20 certification. The panel shall notify the commission, pursuant
21 to rules adopted by the commission, of all decisions to grant
22 or deny approval pursuant to this section.

23 (f) The commission may compensate members for their
24 service under this section.

25 Article 3. Physician Certifications, Medical
26 Cannabis Patient Registry, and Medical Cannabis Cards.

27 §20-2A-30.

1 (a) (1) A resident of this state who is 19 years of
2 age or older is a registered qualified patient if he or she
3 meets all of the following conditions:

4 a. Has been certified by a registered certifying
5 physician as having a qualifying medical condition.

6 b. Is registered with the commission.

7 c. Has been issued a valid medical cannabis card by
8 the commission.

9 (2) A registered qualified patient described in
10 subdivision (1) may purchase, possess, or use medical
11 cannabis, subject to subsection (d).

12 (b) (1) A resident of this state who is under the age
13 of 19 is a registered qualified patient if he or she meets all
14 of the following conditions:

15 a. Has been certified by a registered certifying
16 physician as having a qualifying medical condition.

17 b. Is registered with the commission.

18 c. Has a qualified designated caregiver who is the
19 patient's parent or legal guardian.

20 (2) A registered qualified patient described in
21 subdivision (1) may use medical cannabis but may not purchase
22 or possess medical cannabis.

23 (c) (1) A resident of this state who is 19 years of
24 age or older is a registered caregiver if he or she meets both
25 of the following conditions:

26 a. Is registered with the commission.

1 b. Has been issued a valid medical cannabis card by
2 the commission.

3 (2) A registered caregiver described in subdivision
4 (1) may purchase and possess medical cannabis, subject to
5 subsection (d), but may not use medical cannabis unless he or
6 she is also a registered qualified patient.

7 (3) The commission, by rule, may limit the number of
8 registered qualified patients a registered caregiver may have
9 under his or her care.

10 (4) A registered caregiver may receive compensation
11 for services provided to a registered qualified patient
12 pursuant to this chapter.

13 (d) Notwithstanding subdivision (2) of subsections
14 (a) and (c), a registered qualified patient or registered
15 caregiver may not purchase more than 60 daily dosages of
16 medical cannabis and may not renew the supply more than 10
17 days before the 60-day period expires. At no time may a
18 registered qualified patient or registered caregiver possess
19 more than 70 daily dosages of medical cannabis.

20 §20-2A-31.

21 (a) In order for a physician to qualify as a
22 registered certifying physician, he or she must meet the
23 following requirements:

24 (1) Hold an active license to practice medicine
25 under Chapter 24 of Title 34.

26 (2) Complete a four-hour course related to medical
27 cannabis and complete a subsequent examination, both of which

1 shall be offered by a multi-specialty statewide professional
2 organization of physicians in this state that is recognized to
3 accredit intrastate organizations to provide AMA PRA category
4 1 credits. The course must be administered at least annually
5 and may be offered in a distance learning format, including an
6 electronic online format upon request. The price of the course
7 may not exceed five hundred dollars (\$500). Every two years
8 thereafter, in order to requalify, a certifying physician must
9 complete a two-hour referresher course offered by an entity
10 described in this subdivision.

11 (3) Meet any additional qualifications established
12 by rule by the board.

13 (b) Upon meeting the requirements of subsection (a),
14 the board shall issue a registration certificate and
15 registration number to each registered certifying physician.
16 The board shall maintain on its website an updated list of
17 registered certifying physicians.

18 (c) The board, by rule, may establish requirements
19 for registered certifying physicians to remain qualified,
20 grounds for revoking registration, and a process for renewing
21 registration of qualified certifying physicians.

22 §20-2A-32.

23 A registered certifying physician may not do any of
24 the following:

25 (1) Except for the limited purpose of performing a
26 medical cannabis-related study, accept, solicit, or offer any
27 form of remuneration from or to a qualified patient,

1 designated caregiver, or any licensee, including a principal
2 officer, board member, agent, or employee of the licensee, to
3 certify a patient, other than accepting payment from a patient
4 for the fee associated with the examination, medical
5 consultation, or other treatment, including, but not limited
6 to, any third party reimbursement for the same.

7 (2) Accept, solicit, or offer any form of
8 remuneration from or to a dispensary for the purpose of
9 referring a patient to a specific dispensary.

10 (3) Offer a discount of any other item of value to a
11 qualified patient who uses or agrees to designate a specific
12 caregiver or use a specific dispensary to obtain medical
13 cannabis.

14 (4) Hold a direct or indirect economic interest in a
15 licensee.

16 (5) Serve on the board of directors or as an
17 employee of a licensee.

18 (6) Refer qualified patients to a specific caregiver
19 or a specific dispensary.

20 (7) Advertise in a dispensary.

21 (8) Advertise on the physician's website, brochures,
22 or any other media that generally describe the scope of
23 practice of the physician, any statement that refers to the
24 physician as a "medical cannabis" or "medical marijuana"
25 physician or doctor, or otherwise advertises his or her status
26 as a registered certifying physician, other than the
27 following: "Dr. _____ is qualified by the State of Alabama

1 to certify patients for medical cannabis use under the Alabama
2 Compassion Act."

3 §20-2A-33.

4 (a) In order to certify a patient, a registered
5 certifying physician must diagnose the patient with at least
6 one qualifying medical condition or confirm that the patient
7 has been medically diagnosed with at least one qualifying
8 medical condition.

9 (b) Not later than December 1, 2020, the board shall
10 adopt rules for the issuance of physician certifications for
11 patients to use medical cannabis as recommended by a
12 registered certifying physician. The rules shall include, but
13 not be limited to, all of the following:

14 (1) Requirements for patient examination and the
15 establishment of a physician-patient relationship.

16 (2) Requirements for relevant information to be
17 included in the patient's medical record.

18 (3) Requirements for review of the patient's
19 controlled drug prescription history in the controlled
20 substance prescription database established under Article 10
21 of Chapter 2 of this title.

22 (4) Requirements for review of the patient registry.

23 (5) Requirements for obtaining the voluntary and
24 informed written consent from the patient to use medical
25 cannabis, or from the patient's designated caregiver to assist
26 the patient with the use of medical cannabis, on a form
27 created by the board and accessible at no charge on its

1 website. The form shall include, but not be limited to,
2 information relating to all of the following:

3 a. The federal and state classification of cannabis
4 as a Schedule I controlled substance.

5 b. The approval and oversight status of cannabis by
6 the Food and Drug Administration.

7 c. The current state of research on the efficacy of
8 cannabis to treat the qualifying medical condition or
9 conditions.

10 d. The potential for addiction.

11 e. The potential effect that cannabis may have on a
12 patient's coordination, motor skills, and cognition, including
13 a warning against operating heavy machinery, operating a motor
14 vehicle, or engaging in activities that require an individual
15 to be alert or respond quickly.

16 f. The potential side effects of cannabis use.

17 g. The risks, benefits, and drug interactions of
18 cannabis.

19 h. A statement that the use of medical cannabis
20 could result in termination from employment without recourse
21 and that costs may not be covered by insurance or government
22 programs.

23 i. That the patient's de-identified health
24 information contained in the patient's medical record,
25 physician certification, and patient registry may be used for
26 research purposes or used to monitor compliance with this

1 chapter, as further provided in subsection (c) of Section 20-2A-34.

2 (6) Requirements for the issuance and reissuance of
3 physician certifications by certifying physicians, the
4 permissible length of duration of a physician certification,
5 and the process and circumstances under which a physician
6 certification may be deactivated, as well as stipulations for
7 timely updating of physician certifications on the patient
8 registry.

9 (c) A registered certifying physician who is
10 treating a patient for a medical condition other than a
11 qualifying medical condition may petition the Medical Cannabis
12 Appeal Panel for approval of physician certification by
13 submitting a petition to the panel, on a form established by
14 the board in consultation with the commission, that includes,
15 but is not limited to, relevant treatment history and other
16 information to assist the Medical Cannabis Appeal Panel in
17 determining whether to grant approval of physician
18 certification, as further provided in Section 20-2A-23. If
19 approved by the panel, the petitioning registered certifying
20 physician may issue a physician certification.

21 (d) At the time of physician certification, the
22 registered certifying physician shall enter electronically in
23 the patient registry, in a manner determined by rule by the
24 board, relevant information necessary to appropriately
25 identify the patient; the respective qualifying medical
26 condition or conditions of the patient; the daily dosage and

1 type of medical cannabis recommended for medical use; and any
2 other information the board, by rule, deems relevant.

3 (e) A physician certification does not constitute a
4 prescription for medical cannabis.

5 (f) A physician certification shall be valid for a
6 period of time as determined by the board, but in no event may
7 a physician certification exceed 12 months in duration.

8 (g) The commission, by rule, shall specify, by form
9 and tetrahydrocannabinol content, a maximum daily dosage of
10 medical cannabis that may be recommended by a registered
11 certifying physician for a particular qualifying medical
12 condition.

13 §20-2A-34.

14 (a) In order to commence, use, and maintain a
15 reliable system to track all aspects of patient and caregiver
16 qualification not later than September 1, 2021, the commission
17 shall do all of the following:

18 (1) Establish and administer an integrated,
19 electronic patient and caregiver registry, known as the
20 Alabama Medical Cannabis Patient Registry System, that does
21 all of the following:

22 a. Receives and records physician certifications.

23 b. Receives and tracks qualified patient
24 registration and issuance of medical cannabis cards.

25 c. Receives and tracks designated caregiver
26 registration and issuance of medical cannabis cards.

1 d. Includes in the patient registry database for
2 each qualified patient registrant the name of the qualified
3 patient and the patient's designated caregiver, if applicable,
4 the patient's registered certifying physician, the respective
5 qualifying medical condition or conditions, the recommended
6 daily dosage and type of medical cannabis, and any other
7 information the commission, by rule, deems relevant.

8 e. Verifies that a medical cannabis card is current
9 and valid and has not been suspended, revoked, or denied.

10 f. Tracks purchases of medical cannabis at
11 dispensaries by date, time, amount, and type.

12 g. Determines whether a particular sale of medical
13 cannabis transaction exceeds the permissible limit.

14 h. Tracks medical cannabis cards that are denied,
15 revoked, or suspended.

16 i. Interfaces as necessary with the statewide
17 seed-to-sale tracking system established under Article 4.

18 j. Provides access as further provided in subsection
19 (b).

20 (b) The patient registry shall be accessible to the
21 following:

22 (1) State and local law enforcement agencies,
23 provided the database may only be accessed upon probable cause
24 or reasonable suspicion of a violation of a controlled
25 substance law or of driving under the influence, and access is
26 strictly limited to information that is necessary to verify
27 that an individual is registered and possesses a valid and

1 current medical cannabis card and, if appropriate, to verify
2 that the amount and type of product in the individual's
3 possession complies with the daily dosage limit and type of
4 medical cannabis recommended.

5 (2) Health care practitioners licensed to prescribe
6 prescription drugs.

7 (3) Registered certifying physicians.

8 (4) Dispensaries.

9 (5) The State Board of Medical Examiners.

10 (c) The commission may monitor patient registrations
11 in the patient registry for practices that could facilitate
12 unlawful diversion or misuse of cannabis and shall recommend
13 disciplinary action to the board as appropriate.

14 §20-2A-35.

15 (a) Once certified, a patient and, if applicable,
16 the patient's designated caregiver, shall register in the
17 patient registry. The commission shall develop the application
18 and renewal process for patient and designated caregiver
19 registration, that shall include, but not be limited to, an
20 application form, relevant information that must be included
21 on the form, any additional requirements for eligibility the
22 commission deems necessary, and an application fee not to
23 exceed sixty-five dollars (\$65).

24 (b) If the certified patient or designated caregiver
25 meets the criteria for registration, the commission shall
26 place the patient or caregiver on the patient registry and
27 issue the patient or designated caregiver a medical cannabis

1 card. The commission shall determine the criteria for revoking
2 or suspending a medical cannabis card. Medical cannabis cards
3 shall be resistant to counterfeiting and tampering and, at a
4 minimum, shall include all of the following:

5 (1) The name, address, and date of birth of the
6 qualified patient or caregiver, as applicable.

7 (2) A photograph of the qualified patient or
8 caregiver, as applicable.

9 (3) Identification of the cardholder as a qualified
10 patient or a caregiver.

11 (4) The expiration date, as determined by commission
12 rule.

13 (5) The following statement: "This card is only
14 valid in the State of Alabama".

15 (c) Once a patient or designated caregiver is
16 registered and issued a medical cannabis card, he or she is
17 qualified to acquire, possess, or use medical cannabis, as
18 applicable.

19 (d) If a registered qualified patient or registered
20 caregiver loses his or her medical cannabis card, he or she
21 shall notify the commission within 10 days of becoming aware
22 the card is lost or stolen. The commission, by rule, shall
23 determine the process and fee for replacing a lost or stolen
24 card, including a process for invalidating the lost or stolen
25 card.

1 (e) The commission shall adopt rules to implement
2 this section and may impose civil penalties for violations of
3 this section.

4 §20-2A-36.

5 (a) A nonresident patient or caregiver who holds a
6 valid medical cannabis or medical marijuana card issued in
7 another state may register on a temporary basis in the patient
8 registry and be issued a temporary medical cannabis card that
9 permits the temporary cardholder to access dispensaries in
10 this state, as further provided in this section and pursuant
11 to commission rules; provided, however, the commission may
12 only register the nonresident patient or caregiver on a
13 temporary basis and issue a temporary card if the commission
14 can determine that a medical cannabis product comparable to
15 the type of product the patient or caregiver is permitted to
16 use in his or her home state is available and can be dispensed
17 in this state.

18 (b) A nonresident patient or caregiver shall
19 complete an application, which shall be in a form
20 substantially similar to the application required under
21 Section 20-2A-35, along with proof, as determined by
22 commission rule, that the applicant has lawful permission in
23 his or her home state to purchase a medical cannabis or
24 medical marijuana product that is comparable to a type of
25 medical cannabis product dispensed in this state. An applicant
26 shall pay a processing fee to cover the costs incurred by the

1 commission to administer this section as determined by
2 commission rule.

3 (c) A temporary medical cannabis card shall be in a
4 form substantially similar to medical cannabis cards issued
5 under Section 20-2A-35.

6 (d) A temporary medical cannabis card is valid for a
7 period determined by the commission by rule, but in no event
8 more than 60 days. A temporary medical cannabis card may not
9 be renewed.

10 (e) If requested by the regulatory agency of the
11 nonresident's home state which issued the nonresident a valid
12 medical cannabis or medical marijuana card, the commission
13 shall notify that regulatory agency of the nonresident's
14 purchase of medical cannabis pursuant to this section.

15 (f) To the extent practicable, the commission shall
16 coordinate with any other state that has a medical cannabis or
17 medical marijuana program and may request notification by the
18 regulatory agency of that other state when an Alabama resident
19 with a medical cannabis card purchases medical cannabis
20 through the reciprocal medical cannabis or medical marijuana
21 program in that state. Notification shall include the dosage
22 or amount and type of product the cardholder purchases.

23 Article 4. Cultivation, Processing, and Dispensing
24 of Medical Cannabis.

25 §20-2A-50.

26 (a) The state hereby preemptively regulates medical
27 cannabis from seed to sale and shall reasonably regulate and

1 control all aspects of the medical cannabis industry to meet
2 the intent of this chapter. All functions and activities
3 relating to the production of medical cannabis in the state
4 shall be licensed, and licenses shall be granted to integrated
5 facilities, as well as to independent entities in the
6 following categories: Cultivator, processor, dispensary,
7 secure transporter, and testing laboratory.

8 (b) The commission shall license and regulate all
9 aspects of medical cannabis under this article, excluding
10 cultivation. The Department of Agriculture and Industries
11 shall license and regulate the cultivation of cannabis. For
12 integrated facility licenses, the commission and the
13 department shall enter into a memorandum of understanding
14 relating to the sharing of regulatory and licensing and
15 enforcement authority over licensees with regard to the
16 cultivation function.

17 §20-2A-51.

18 Where the commission is authorized under this
19 article to determine the number of licenses of a specific
20 license category the commission will grant, or increase the
21 number of licenses of a specific license category to grant,
22 the commission shall consider the population of the state, the
23 number of active registered qualified patients, market demand,
24 the unemployment rate, the need for agricultural and other
25 business opportunities in communities, access to health care,
26 infrastructure, and other factors the commission deems
27 relevant in providing the greatest benefits to the residents

1 of this state and taking into account the racial and economic
2 makeup of the state.

3 §20-2A-52.

4 (a) The commission, and the department with regard
5 to cultivation facilities, shall have all powers necessary and
6 proper to fully and effectively oversee the operation of
7 medical cannabis facilities licensed pursuant to this article,
8 including the authority to do all of the following:

9 (1) Investigate applicants for licenses, determine
10 the eligibility for licenses, and grant licenses to applicants
11 in accordance with this article and the rules.

12 (2) Investigate all individuals employed by
13 licensees.

14 (3) At any time, through its investigators, agents,
15 or auditors, without a warrant and without notice to the
16 licensee, enter the premises, offices, facilities, or other
17 places of business of a licensee, if evidence of compliance or
18 noncompliance with this article or rules is likely to be found
19 and consistent with constitutional limitations, for the
20 following purposes:

21 a. To inspect and examine all premises of licensees.

22 b. To inspect and examine relevant records of the
23 licensee and, if the licensee fails to cooperate with an
24 investigation, impound, seize, assume physical control of, or
25 summarily remove from the premises all books, ledgers,
26 documents, writings, photocopies, correspondence, records, and

1 videotapes, including electronically stored records, money
2 receptacles, or equipment in which the records are stored.

3 c. To inspect the person, and inspect or examine
4 personal effects present in a licensee, of any holder of a
5 state operating license while that individual is present in a
6 licensee.

7 d. To investigate alleged violations of this
8 article.

9 (4) Investigate alleged violations of this article
10 or rules and take appropriate disciplinary action against a
11 licensee.

12 (5) Require all relevant records of licensees,
13 including financial or other statements, to be kept on the
14 premises authorized for operation of the licensee or in the
15 manner prescribed by the commission.

16 (6) Eject, or exclude or authorize the ejection or
17 exclusion of, an individual from the premises of a licensee if
18 the individual violates this article, rules, or final orders
19 of the commission; provided, however, the propriety of the
20 ejection or exclusion is subject to a subsequent hearing by
21 the commission.

22 (7) Conduct periodic audits of licensees.

23 (8) Take disciplinary action as the commission
24 considers appropriate to prevent practices that violate this
25 article and rules.

26 (9) Take any other reasonable or appropriate action
27 to enforce this article and rules.

1 (b) The commission and department shall adopt rules
2 addressing the frequency of conducting periodic inspections
3 and audits of respective licensees.

4 (c) The commission and department may seek and shall
5 receive the cooperation and assistance of the Alabama State
6 Law Enforcement Agency in conducting criminal background
7 checks and in fulfilling its responsibilities under this
8 article. The Alabama State Law Enforcement Agency may recover
9 its costs of cooperation under this article.

10 (d) The commission and department shall assist any
11 prosecuting agency in the investigation or prosecution of a
12 violation of a controlled substances law.

13 (e) Nothing in this article shall affect the
14 authority of the Alabama Department of Environmental
15 Management to administer and enforce any existing law over
16 which the Alabama Department of Environmental Management has
17 jurisdiction.

18 §20-2A-53.

19 (a) The commission, and the department with regard
20 to cultivation, shall adopt rules as necessary to implement,
21 administer, and enforce this article in a timely manner that
22 allows persons to begin applying for a license by September 1,
23 2021. Rules must ensure safety, security, and integrity of the
24 operation of medical cannabis facilities, that do all of the
25 following for each category of license:

1 (1) Establish operating standards to ensure the
2 health, safety, and security of the public and the integrity
3 of medical cannabis facility operations.

4 (2) Require a minimum of two million dollars
5 (\$2,000,000) of liability and casualty insurance and establish
6 minimum levels of other financial guarantees, if appropriate,
7 that licensees must maintain.

8 (3) Establish qualifications and restrictions for
9 individuals participating in or involved with operating
10 medical cannabis facilities.

11 (4) Establish an on-site inspection process to be
12 conducted at each facility of an applicant prior to being
13 issued a license, as well as ongoing on-site inspections of
14 the facilities of a licensee.

15 (5) Establish standards or requirements to ensure
16 cannabis and medical cannabis remains secure at all times,
17 including, but not limited to, requirements that all
18 facilities of licensees remain securely enclosed and locked as
19 appropriate.

20 (6) Subject to Section 20-2A-66, establish testing
21 standards, procedures, and requirements for medical cannabis
22 sold at dispensaries.

23 (7) Provide for the levy and collection of fines for
24 a violation of this article or rules.

25 (8) Establish annual license fees for each type of
26 license, provided the fee shall be not less than ten thousand

1 dollars (\$10,000) and not more than fifty thousand dollars
2 (\$50,000), depending on the category of license.

3 (9) Establish quality control standards, procedures,
4 and requirements.

5 (10) Establish chain of custody standards,
6 procedures, and requirements.

7 (11) In compliance with Chapters 27 and 30 of Title
8 22, establish standards, procedures, and requirements for
9 waste product storage and disposal and chemical storage.

10 (12) Establish standards, procedures, and
11 requirements for securely and safely transporting medical
12 cannabis between facilities.

13 (13) Establish standards, procedures, and
14 requirements for the storage of cannabis and medical
15 cannabis.

16 (14) Subject to Section 20-2A-63, establish
17 packaging and labeling standards, procedures, and requirements
18 for medical cannabis sold at dispensaries.

19 (15) Establish marketing and advertising
20 restrictions for medical cannabis products and medical
21 cannabis facilities.

22 (16) Establish standards and procedures for the
23 renewal, revocation, suspension, and nonrenewal of licenses.

24 (b) The commission, by rule, shall design a
25 universal state symbol that is a color image and made
26 available to licensed processors to include on all packages of
27 medical cannabis, as required under Section 20-2A-63.

1 §20-2A-54.

2 (a) In order to ensure that all medical cannabis
3 sold in the state maintains product quality to protect the
4 health and welfare of state residents, the commission shall
5 establish a statewide seed-to-sale tracking system for use as
6 an integrated cannabis and medical cannabis tracking,
7 inventory, and verification system. The system must allow for
8 interface with third-party inventory and tracking systems as
9 described in Section 20-2A-60 to provide for access by this
10 state, licensees, and law enforcement personnel, to the extent
11 that they need and are authorized to receive or submit the
12 information, to comply with, enforce, or administer this
13 chapter.

14 (b) At a minimum, the system must be capable of
15 storing and providing access to information that, in
16 conjunction with the patient registry and with one or more
17 third-party inventory control and tracking systems under
18 Section 20-2A-60, allows all of the following:

19 (1) Retention of a record of the date, time, amount,
20 and price of each sale or transfer of medical cannabis to a
21 registered qualified patient or registered caregiver.

22 (2) Effective seed-to-sale tracking of cannabis and
23 medical cannabis sales and transfers among licensees and with
24 regard to integrated facility licensees, among facilities of
25 the licensee.

1 (3) Receipt and integration of information from
2 third-party inventory control and tracking systems under
3 Section 20-2A-60.

4 (c) The commission shall seek bids to establish,
5 operate, and maintain the statewide seed-to-sale tracking
6 system under this section. The commission shall do all of the
7 following:

8 (1) Evaluate bidders based on the cost of the
9 service and the ability to meet all of the requirements of
10 this chapter.

11 (2) Give strong consideration to the bidder's
12 ability to prevent fraud, abuse, and other unlawful or
13 prohibited activities associated with the commercial trade in
14 cannabis and medical cannabis in this state, and the ability
15 to provide additional tools for the administration and
16 enforcement of this chapter.

17 (3) Institute procedures to ensure that the person
18 awarded the contract does not disclose or use the information
19 in the system for any use or purpose except for the
20 enforcement, oversight, and implementation of this chapter.

21 (4) Require the person awarded the contract to
22 deliver the functioning system by 180 days after award of the
23 contract.

24 (d) The commission may terminate a contract with the
25 person awarded the contract for a violation of this chapter.

26 (e) The information in the system is confidential
27 and is exempt from disclosure under the Open Records Act,

1 Article 3 of Chapter 12 of Title 36; provided, however,
2 information in the system may be disclosed for purposes of
3 enforcing this chapter.

4 §20-2A-55.

5 (a) Beginning September 1, 2021, a person may apply
6 to the commission for a license for an integrated facility or
7 for a license in one of the following independent categories:
8 Cultivator, processor, secure transporter, state testing
9 laboratory, or dispensary. The application shall be made under
10 oath on a form provided by the commission and shall contain
11 information as prescribed by the commission, including, but
12 not limited to, all of the following:

13 (1) The name, business address, business telephone
14 number, and Social Security number or if applicable, federal
15 tax identification number, of the applicant.

16 (2) The identity of every individual having any
17 ownership interest in the applicant with respect to which the
18 license is sought. If the disclosed entity is a trust, the
19 application shall disclose the names and addresses of all
20 trustees and beneficiaries; if a privately held corporation,
21 the names and addresses of all shareholders, officers, and
22 directors; if a publicly held corporation, the names and
23 addresses of all shareholders holding a direct or indirect
24 interest of greater than five percent, officers, and
25 directors; if a partnership or limited liability partnership,
26 the names and addresses of all partners; if a limited
27 partnership or limited liability limited partnership, the

1 names of all partners, both general and limited; or if a
2 limited liability company, the names and addresses of all
3 members and managers.

4 (3) An identification of any business that is
5 directly or indirectly involved in the cultivation,
6 processing, packaging, labeling, testing, transporting, or
7 sale of cannabis, including, if applicable, the state of
8 incorporation or registration, in which an applicant or, if
9 the applicant is an individual, the applicant's spouse,
10 parent, or child has any equity interest. If an applicant is a
11 corporation, partnership, or other business entity, the
12 applicant shall identify any other corporation, partnership,
13 or other business entity that is directly or indirectly
14 involved in the cultivation, processing, packaging, labeling,
15 testing, transporting, or sale of cannabis in which it has any
16 equity interest, including, if applicable, the state of
17 incorporation or registration. An applicant may comply with
18 this subdivision by filing a copy of the applicant's
19 registration with the Securities and Exchange Commission if
20 the registration contains the information required by this
21 subdivision.

22 (4) Whether an applicant has been indicted for,
23 charged with, arrested for, or convicted of, pled guilty or
24 nolo contendere to, forfeited bail concerning any criminal
25 offense under the laws of any jurisdiction, either felony or
26 controlled substance-related misdemeanor, not including
27 traffic violations, regardless of whether the offense has been

1 reversed on appeal or otherwise, including the date, the name
2 and location of the court, arresting agency, and prosecuting
3 agency, the case caption, the docket number, the offense, the
4 disposition, and the location and length of incarceration.

5 (5) Whether an applicant has ever applied for or has
6 been granted any commercial license or certificate issued by a
7 licensing board or commission in this state or any other
8 jurisdiction that has been denied, restricted, suspended,
9 revoked, or not renewed and a statement describing the facts
10 and circumstances concerning the application, denial,
11 restriction, suspension, revocation, or nonrenewal, including
12 the licensing board or commission, the date each action was
13 taken, and the reason for each action.

14 (6) Whether an applicant has filed, or been served
15 with, a complaint or other notice filed with any public body,
16 regarding the delinquency in the payment of, or a dispute over
17 the filings concerning the payment of, any tax required under
18 federal, state, or local law, including the amount, type of
19 tax, taxing agency, and time periods involved.

20 (7) A statement listing the names and titles of all
21 public officials of any unit of government, and the spouses,
22 parents, and children of those public officials, who, directly
23 or indirectly, own any financial interest in, have any
24 beneficial interest in, are the creditors of or hold any debt
25 instrument issued by, or hold or have any interest in any
26 contractual or service relationship with an applicant.

1 (8) The anticipated or actual number of employees;
2 and projected or actual gross receipts.

3 (9) Financial information in the manner and form
4 required by rule by the commission.

5 (b) An individual with a controlling interest in an
6 applicant shall be subject to a state and national criminal
7 background check. The commission shall determine the manner in
8 which fingerprints of the individual shall be submitted to the
9 Alabama State Law Enforcement Agency along with a sufficient
10 fee required to perform the criminal history records check by
11 the agency and by the Federal Bureau of Investigation. The
12 applicant shall submit with its application the individual's
13 written consent to the criminal history records check.

14 (c) A false application is cause for the commission
15 to deny a license. The commission shall not consider an
16 incomplete application but, within a reasonable time, shall
17 return the application to the applicant with notification of
18 the deficiency and instructions for submitting a corrected
19 application. Information the commission obtains from the
20 background investigation is exempt from disclosure under the
21 Open Records Act, Article 3 of Chapter 12 of Title 36.

22 (d) An applicant shall provide written consent to
23 the inspections, examinations, searches, and seizures provided
24 for in subdivision (a) (3) of Section 20-2A-52 and to
25 disclosure to the commission and its agents of otherwise
26 confidential records, including tax records held by any
27 federal, state, or local agency, or credit bureau or financial

1 institution, while applying for or holding a license.

2 Information the commission receives under this subsection is
3 exempt from disclosure under the Open Records Act.

4 (e) An applicant shall certify that the applicant
5 does not have an interest in any other license under this
6 article.

7 (f) A nonrefundable application fee of two thousand
8 five hundred dollars (\$2,500) shall be paid at the time of
9 filing to defray the costs associated with the background
10 investigation conducted by the commission. If the costs of the
11 investigation and processing the application exceed the
12 application fee, the applicant shall pay the additional amount
13 to the commission. All information, records, interviews,
14 reports, statements, memoranda, or other data supplied to or
15 used by the commission in the course of its review or
16 investigation of an application for a license under this
17 article shall be disclosed only in accordance with this
18 article. The information, records, interviews, reports,
19 statements, memoranda, or other data are not admissible as
20 evidence or discoverable in any action of any kind in any
21 court or before any department, agency, board, commission, or
22 authority, except for any action considered necessary by the
23 commission, unless so ordered by a court of competent
24 jurisdiction according to the Rules of Civil Procedure.

25 (g) If the commission identifies a deficiency in an
26 application, the commission shall provide the applicant with a

1 reasonable period of time, as determined by the commission by
2 rule but not more than 60 days, to correct the deficiency.

3 §20-2A-56.

4 (a) An applicant is ineligible to receive a license
5 if any of the following circumstances exist:

6 (1) The applicant has been convicted of or released
7 from incarceration for a felony under the laws of this state,
8 any other state, or the United States within the past 10 years
9 or has been convicted of a controlled substance-related felony
10 within the past 10 years; provided, however, the commission
11 shall not consider any conviction overturned on appeal or any
12 charge that has been expunged pursuant to Chapter 27 of Title
13 15.

14 (2) The applicant has knowingly submitted an
15 application for a license under this article that contains
16 false information.

17 (3) The applicant is a member of the commission.

18 (4) The applicant fails to demonstrate the
19 applicant's ability to maintain adequate minimum levels of
20 liability and casualty insurance or other financial guarantees
21 for its proposed facility.

22 (5) The applicant fails to meet other criteria
23 established by rule.

24 (b) In determining whether to grant a license to an
25 applicant, the commission may consider all of the following:

26 (1) The integrity, moral character, and reputation;
27 personal and business probity; financial ability and

1 experience; and responsibility or means to operate or maintain
2 a facility of the applicant and of any other individual that
3 meets either of the following:

4 a. Controls, directly or indirectly, the applicant.

5 b. Is controlled, directly or indirectly, by the
6 applicant or by a person who controls, directly or indirectly,
7 the applicant.

8 (2) The financial ability of the applicant to
9 maintain required financial guarantees.

10 (3) The sources and total amount of the applicant's
11 capitalization to operate and maintain the proposed facility.

12 (4) Whether the applicant has been indicted for,
13 charged with, arrested for, or convicted of, pled guilty or
14 nolo contendere to, forfeited bail concerning, or had expunged
15 any relevant criminal offense under the laws of any
16 jurisdiction, either felony or misdemeanor, not including
17 traffic violations, regardless of whether the offense has been
18 expunged, pardoned, or reversed on appeal or otherwise.

19 (5) Whether the applicant has filed, or had filed
20 against it, a proceeding for bankruptcy within the past seven
21 years.

22 (6) Whether the applicant has been served with a
23 complaint or other notice filed with any court or public
24 agency regarding payment of any tax required under federal,
25 state, or local law that has been delinquent for one or more
26 years.

1 (7) Whether the applicant has a history of
2 noncompliance with any regulatory requirements in this state
3 or any other jurisdiction.

4 (8) Whether at the time of application the applicant
5 is a defendant in litigation involving its business practices.

6 (9) The applicant's ability to capitalize and
7 conduct operations as proposed in its business plan, including
8 business experience in related fields.

9 (10) The applicant's history of business activities
10 as it applies to the specific license for which the applicant
11 is seeking licensure.

12 (11) The proposed location of all operations as
13 being suitable for all activities, not inconsistent with
14 applicable zoning, and the applicant's ability to serve an
15 identifiable geographic area.

16 (12) Whether the applicant meets other standards or
17 requirements established under this article or by rules
18 applicable to the license category.

19 (c) The commission shall review all applications for
20 licenses and shall determine whether to grant or deny a
21 license not more than 60 days after the date a license
22 application was submitted, or if an applicant was notified of
23 a deficiency under subsection (g) of Section 20-2A-55, the
24 commission shall grant or deny a license not more than 60 days
25 after the deficiency was corrected.

26 (d) After denial of a license, the commission, upon
27 request, shall provide a public investigative hearing at which

1 the applicant is given the opportunity to present testimony
2 and evidence to establish its suitability for a license. Other
3 testimony and evidence may be presented at the hearing, but
4 the commission's decision must be based on the whole record
5 before the commission and is not limited to testimony and
6 evidence submitted at the public investigative hearing.

7 (e) Before issuing a license, the applicant shall
8 pay the annual license fee, as established by the commission.

9 (f) A license shall be issued annually. Except as
10 otherwise provided in this article, the commission shall renew
11 a license if both of the following requirements are met:

12 (1) The licensee applies to the commission in a
13 timely manner on a renewal form provided by the commission
14 that requires information prescribed in rules and pays the
15 annual license fee.

16 (2) The licensee meets the requirements of this
17 article and any other renewal requirements set forth in the
18 rules.

19 (g) If a license renewal application is not
20 submitted by the license expiration date, the license may be
21 renewed within 60 days after its expiration date upon
22 application, payment of the annual license fee, and
23 satisfaction of any renewal requirement and late fee set forth
24 in rules. The licensee may continue to operate during the 60
25 days after the license expiration date if the license is
26 renewed by the end of the 60-day period.

1 (h) License expiration does not terminate the
2 commission's authority to impose sanctions on a licensee whose
3 license has expired.

4 (i) A licensee shall consent in writing to
5 inspections, examinations, searches, and seizures that are
6 permitted under this article.

7 (j) An applicant or licensee has a continuing duty
8 to provide information requested by the commission and to
9 cooperate in any investigation, inquiry, or hearing conducted
10 by the commission.

11 §20-2A-57.

12 (a) If any of the following occurs, the commission
13 may deny, suspend, revoke, or restrict a license:

14 (1) An applicant or licensee fails to comply with
15 this article or rules.

16 (2) A licensee no longer meets the eligibility
17 requirements for a license under this article.

18 (3) An applicant or licensee fails to provide
19 information the commission requests to assist in any
20 investigation, inquiry, or commission hearing.

21 (b) The commission may impose civil fines of up to
22 five thousand dollars (\$5,000) against an individual and up to
23 twenty-five thousand dollars (\$25,000) or an amount equal to
24 the daily gross receipts, whichever is greater, against a
25 licensee for each violation of this article, rules, or an
26 order of the commission. Assessment of a civil fine under this
27 subsection is not a bar to the investigation, arrest,

1 charging, or prosecution of an individual for any other
2 violation of this article and is not grounds to suppress
3 evidence in any criminal prosecution that arises under this
4 article or any other law of this state.

5 (c) The commission shall comply with the hearing
6 procedures of the Administrative Procedure Act when denying,
7 revoking, suspending, or restricting a license or imposing a
8 fine. The commission may suspend a license without notice or
9 hearing upon a determination that the safety or health of
10 patrons or employees is jeopardized by continuing a facility's
11 operation. If the commission suspends a license under this
12 subsection without notice or hearing, a prompt post-suspension
13 hearing must be held to determine if the suspension should
14 remain in effect. The suspension may remain in effect until
15 the commission determines that the cause for suspension has
16 been abated. The commission may revoke the license or approve
17 a transfer or sale of the license upon a determination that
18 the licensee has not made satisfactory progress toward abating
19 the hazard.

20 (d) Any party aggrieved by an action of the
21 commission suspending, revoking, restricting, or refusing to
22 renew a license, or imposing a fine, shall be given a hearing
23 before the commission upon request. A request for a hearing
24 must be made to the commission in writing within 21 days after
25 service of notice of the action of the commission. Notice of
26 the action of the commission must be served either by personal
27 delivery or by certified mail, postage prepaid, to the

1 aggrieved party. Notice served by certified mail is considered
2 complete on the business day following the date of the
3 mailing.

4 (e) The commission may conduct investigative and
5 contested case hearings; issue subpoenas for the attendance of
6 witnesses; issue subpoenas duces tecum for the production of
7 books, ledgers, records, memoranda, electronically retrievable
8 data, and other pertinent documents; and administer oaths and
9 affirmations to witnesses as appropriate to exercise and
10 discharge the powers and duties of the commission under this
11 article.

12 (f) Any person aggrieved by an action of the
13 commission or the department under this article, within 30
14 days after receiving notice of the action, may appeal the
15 action to the circuit court in the county where the commission
16 or department is located.

17 §20-2A-58.

18 (a) Each license is exclusive to the licensee. A
19 license, and any interest in or rights under a license, and
20 any ownership interest or other beneficial interest in a
21 licensed entity, may not be sold, transferred, assigned,
22 conveyed, or otherwise disposed of in any manner, in whole or
23 in part, voluntarily or involuntarily, directly or indirectly,
24 except upon application to and approval of the commission.

25 (b) A nonrefundable application fee of two thousand
26 five hundred dollars (\$2,500) shall be paid to the commission

1 at the time of filing any transfer request under subsection
2 (a).

3 (c) The attempted transfer, sale, or other
4 conveyance of an interest or right in a license, or transfer
5 of an ownership interest or other beneficial interest in a
6 licensed entity, without the approval of the commission, shall
7 be grounds for suspension or revocation of the license or for
8 other sanction considered appropriate by the commission.

9 §20-2A-59.

10 (a) Before hiring a prospective employee, a licensee
11 shall conduct a background check of the prospective employee.
12 If the background check indicates a pending charge or
13 conviction within the past five years for a controlled
14 substance-related felony or a controlled substance-related
15 misdemeanor, a licensee may not hire the prospective employee
16 without written permission of the commission; provided,
17 however, a licensee shall not consider any conviction
18 overturned on appeal or any charge that has been expunged
19 pursuant to Chapter 27 of Title 15.

20 (b) Each licensee shall enter all transactions,
21 current inventory, and other information into the statewide
22 seed-to-sale tracking system in accordance with rules adopted
23 by the commission and the Department of Agriculture and
24 Industries.

25 §20-2A-60.

26 (a) Except as otherwise provided in subsection (b),
27 a licensee shall adopt and use a third-party inventory control

1 and tracking system that is capable of interfacing with the
2 statewide seed-to-sale tracking system to allow the licensee
3 to enter or access information in the statewide seed-to-sale
4 tracking system as required under this article and rules. The
5 third-party inventory control and tracking system must have
6 all of the following capabilities necessary for the licensee
7 to comply with the requirements applicable to the licensee's
8 license type:

9 (1) Tracking all cannabis plants, medical cannabis
10 products, patient and caregiver purchase totals, waste,
11 transfers, conversions, sales, and returns that are linked to
12 unique identification numbers.

13 (2) Tracking lot and batch information throughout
14 the entire chain of custody.

15 (3) Tracking all products, conversions, and
16 derivatives throughout the entire chain of custody.

17 (4) Tracking cannabis plant, batch, and product
18 destruction.

19 (5) Tracking transportation of product.

20 (6) Performing complete batch recall tracking that
21 clearly identifies all of the following details relating to
22 the specific batch subject to the recall:

23 a. Sold product.

24 b. Product inventory that is finished and available
25 for sale.

26 c. Product that is in the process of transfer.

27 d. Product being processed into another form.

1 e. Postharvest raw product, such as product that is
2 in the drying, trimming, or curing process.

3 (7) Reporting and tracking loss, theft, or diversion
4 of product containing cannabis.

5 (8) Reporting and tracking all inventory
6 discrepancies.

7 (9) Reporting and tracking adverse patient responses
8 or dose-related efficacy issues.

9 (10) Reporting and tracking all sales and refunds.

10 (11) Receiving testing results electronically from a
11 state testing laboratory via a secured application program
12 interface into the system and directly linking the testing
13 results to each applicable source batch and sample.

14 (12) Identifying test results that may have been
15 altered.

16 (13) Providing the licensee with access to
17 information in the tracking system that is necessary to verify
18 that the licensee is carrying out all transactions authorized
19 under the licensee's license in accordance with this article.

20 (14) Providing information to cross-check that
21 product sales are made to a registered qualified patient, or a
22 registered caregiver on behalf of a registered qualified
23 patient, and that the product received the required testing.

24 (15) Providing the commission and state agencies
25 with access to information in the database that they are
26 authorized to access.

1 (16) Providing licensees with access only to the
2 information in the system that they are required to receive
3 before a sale, transfer, transport, or other activity
4 authorized under a license issued under this article.

5 (17) Securing the confidentiality of information in
6 the database by preventing access by a person who is not
7 authorized to access the statewide seed-to-sale tracking
8 system or is not authorized to access the particular
9 information.

10 (18) Providing analytics to the commission regarding
11 key performance indicators such as the following:

- 12 a. Total daily sales.
- 13 b. Total cannabis plants in production.
- 14 c. Total cannabis plants destroyed.
- 15 d. Total inventory adjustments.

16 (b) If the statewide seed-to-sale tracking system is
17 capable of allowing a licensee to access or enter information
18 into the statewide seed-to-sale tracking system without use of
19 a third-party inventory control and tracking system, a
20 licensee may access or enter information into the statewide
21 seed-to-sale tracking system directly and the licensee is not
22 required to adopt and use a third-party inventory control and
23 tracking system.

24 §20-2A-61.

25 (a) (1) With regard to any physical structure or
26 vehicle owned, leased, or otherwise used by a licensee, the
27 licensee may not do either of the following:

1 a. Advertise medical cannabis brand names or use
2 graphics related to cannabis or paraphernalia on the exterior
3 of the physical structure or vehicle.

4 b. Display medical cannabis products or
5 paraphernalia so as to be clearly visible from the exterior of
6 the physical structure or vehicle.

7 (2) Restrictions in this subsection shall apply to
8 any item located on real property on which a licensee's
9 physical structures are located

10 (b) Advertising for medical cannabis may not contain
11 any statements, illustrations, or other material that would be
12 appealing to minors.

13 (c) The commission shall adopt rules that establish
14 restrictions and requirements for advertising, including
15 signage, that may include limiting the media or forums where
16 advertising may occur.

17 §20-2A-62.

18 (a) (1) A cultivator license authorizes all of the
19 following:

20 a. The cultivation of cannabis.

21 b. The sale or transfer of cannabis to a processor.

22 c. If the cultivator contracts with a processor to
23 process its cannabis into medical cannabis on the cultivator's
24 behalf, the sale or transfer of medical cannabis to a
25 dispensary.

26 (2) A cultivator license authorizes the cultivator
27 to transfer cannabis only by means of a secure transporter.

1 (b) The commission shall consult with the Department
2 of Agriculture and Industries when determining the number of
3 cultivator licenses to issue, provided the commission shall
4 issue at least three cultivator licenses.

5 (c) An applicant for a license under this section
6 shall meet the following requirements:

7 (1) Provide records indicating continuous, full-time
8 business experience in the field of commercial horticulture or
9 agronomic production for a period of at least eight years.

10 (2) Provide records indicating that majority
11 ownership is attributable to an individual or individuals with
12 proof of residency in this state for a continuous period of no
13 less than eight years preceding the application date.

14 (3) Demonstrate the ability to secure and maintain
15 cultivation facilities.

16 (4) Demonstrate the ability to obtain and use an
17 inventory control and tracking system as required under
18 Section 20-2A-60.

19 (5) Demonstrate the ability to commence cultivation
20 of cannabis within 60 days of application approval
21 notification.

22 (6) Demonstrate the ability to destroy unused or
23 waste cannabis in accordance with rules adopted by the
24 Department of Agriculture and Industries.

25 (7) Demonstrate the financial stability to provide
26 proper testing of individual lot and batches.

1 (d) A licensed cultivator shall comply with all of
2 the following, in accordance with rules adopted by the
3 Department of Agriculture and Industries:

4 (1) All facilities shall be protected by a monitored
5 security alarm system, be enclosed, and remain locked at all
6 times.

7 (2) All individuals entering and exiting facilities
8 shall be monitored by video surveillance and keypad or access
9 card entry.

10 (3) All employees may not have any conviction within
11 the past 10 years for a controlled substance-related felony or
12 a controlled substance-related misdemeanor other than a
13 conviction that was overturned on appeal or a charge that was
14 expunged pursuant to Chapter 27 of Title 15.

15 (4) Cultivars selected by a licensee must be
16 approved by the department prior to acquisition of plant
17 material for cultivation.

18 (e) A cultivator shall be subject to inspection by
19 the Department of Agriculture and Industries.

20 (f) The cultivation of cannabis pursuant to this
21 chapter shall be considered an agricultural purpose for
22 purposes of Section 40-23-4.

23 (g) Nothing in this section shall be construed to
24 prohibit the hydroponic growing of cannabis.

25 (h) The Department of Agriculture and Industries
26 shall consult with the commission when adopting rules pursuant
27 to this article.

1 §20-2A-63.

2 (a) (1) A processor license authorizes all of the
3 following:

4 a. The purchase or transfer of cannabis from a
5 cultivator.

6 b. The processing of cannabis into medical cannabis
7 which shall include properly packaging and labeling medical
8 cannabis products, in accordance with this section.

9 c. The sale or transfer of medical cannabis to a
10 dispensary.

11 (2) A processor license authorizes the processor to
12 transfer medical cannabis only by means of a secure
13 transporter.

14 (b) The commission shall issue no more than three
15 processor licenses.

16 (c) All medical cannabis products must be medical
17 grade product, manufactured using documented good quality
18 practices, such that the product is shown to meet intended
19 levels of purity and be reliably free of toxins and
20 contaminants. Medical cannabis products may not contain any
21 additives other than pharmaceutical grade excipients.

22 (d) Medical cannabis products may not be processed
23 into a form that is attractive to or targets children,
24 including all of the following which are prohibited:

25 (1) Any product bearing any resemblance to a cartoon
26 character, fictional character whose target audience is
27 children or youth, or pop culture figure.

1 (2) Any product bearing a reasonable resemblance to
2 a product available for consumption as a commercially
3 available candy.

4 (3) Any product whose design resembles, by any
5 means, another object commonly recognized as appealing to, or
6 intended for use by, children.

7 (4) Any product whose shape bears the likeness or
8 contains characteristics of a realistic or fictional human,
9 animal, or fruit, including artistic, caricature, or cartoon
10 rendering.

11 (e) All of the following shall apply to all packages
12 and labels of medical cannabis products:

13 (1) Labels, packages, and containers shall not be
14 attractive to minors and may not contain any content that
15 reasonably appears to target children, including toys, cartoon
16 characters, and similar images. Packages should be designed to
17 minimize appeal to children and must contain a label that
18 reads: "Keep out of reach of children."

19 (2) All medical cannabis products must be packaged
20 in child-resistant containers.

21 (3) All medical cannabis product labels shall
22 contain, at a minimum, the following information:

23 a. Lot and batch numbers.

24 b. A license identification number for the
25 cultivator and a license identification number for the
26 processor.

27 c. Cannabinoids content and potency.

1 d. The universal state symbol printed in color at
2 least one-half inch by one-half inch in size.

3 e. The following statement: "WARNING: There is
4 insufficient evidence showing it is safe to ingest medical
5 cannabis while pregnant or while breastfeeding. Women who are
6 pregnant or plan to become pregnant should discuss medical
7 cannabis use with their doctors."

8 (f) Any advertisement and any package or label may
9 not contain any false statement or statement that advertises
10 health benefits or therapeutic benefits of medical cannabis.

11 (g) The commission may require the implementation of
12 a digital image such as a QR Code for purposes of tracking
13 medical cannabis products. The digital image must interface
14 with the statewide seed-to-sale tracking system.

15 (h) The commission shall determine what information
16 from the label shall be entered into the statewide
17 seed-to-sale tracking system.

18 §20-2A-64.

19 (a) (1) A dispensary license authorizes all of the
20 following:

21 a. The purchase or transfer of medical cannabis from
22 a processor.

23 b. If a cultivator contracted with a processor to
24 process its cannabis into medical cannabis on the cultivator's
25 behalf, the purchase or transfer of medical cannabis from the
26 cultivator.

1 c. The purchase or transfer of medical cannabis from
2 an integrated facility.

3 d. The dispensing and sale of medical cannabis only
4 to a registered qualified patient or registered caregiver.

5 (2) A dispensary license authorizes the dispensary
6 to transfer medical cannabis only by means of a secure
7 transporter, including transport between its dispensing sites.

8 (b) The commission shall issue no more than three
9 dispensary licenses.

10 (c) A dispensary license authorizes the dispensary
11 to transfer medical cannabis to or from a state testing
12 laboratory for testing by means of a secure transporter.

13 (d) A licensed dispensary shall comply with all of
14 the following:

15 (1) Each dispensing site must be located at least
16 one thousand feet from any school.

17 (2) Sell and dispense medical cannabis at a
18 dispensing site to a registered qualified patient or
19 registered caregiver only after it has been tested and bears
20 the label required for retail sale.

21 (3) Enter all transactions, current inventory, and
22 other information into the statewide seed-to-sale tracking
23 system as required in Section 20-2A-54.

24 (4) Before selling or dispensing medical cannabis to
25 a registered qualified patient or registered caregiver on
26 behalf of a registered qualified patient, inquire of the
27 patient registry to determine whether the patient or caregiver

1 holds a valid, current, unexpired, and unrevoked medical
2 cannabis card and that the dispensing of medical cannabis
3 conforms to the type and amount recommended in the physician
4 certification and will not exceed the 60-day daily dosage
5 purchasing limit.

6 (5) Enter into the patient registry at the time of
7 sale the date, time, amount, and type of medical cannabis
8 dispensed.

9 (6) Not allow the use of medical cannabis product on
10 the premises.

11 (7) Only allow registered qualified patients and
12 registered caregivers on the premises.

13 (e) A licensee may operate up to three dispensing
14 sites, each of which must be located in a different county
15 from any other dispensing site; provided, however, the
16 commission may authorize a licensee to operate a greater
17 number of dispensing sites if, at least one year after the
18 date when the maximum number of total dispensing sites
19 authorized under this section and Section 20-2A-67 are
20 operating, the commission determines that the patient pool has
21 reached a sufficient level to justify an additional dispensing
22 site in an underserved or unserved area of the state.

23 §20-2A-65.

24 (a) An secure transporter license authorizes the
25 licensee to store and transport cannabis and medical cannabis
26 for a fee upon request of a licensee. A license does not

1 authorize transport to a registered qualified patient or
2 registered caregiver.

3 (b) A secure transporter shall comply with all of
4 the following:

5 (1) Each employee who has custody of cannabis or
6 medical cannabis shall not have been convicted of or released
7 from incarceration for a felony under the laws of this state,
8 any other state, or the United States within the past five
9 years or have been convicted of a misdemeanor involving a
10 controlled substance within the past five years.

11 (2) A route plan and manifest shall be entered into
12 the statewide seed-to-sale tracking system, and a copy must be
13 carried in the transporting vehicle and presented to a law
14 enforcement officer upon request.

15 (3) The cannabis or medical cannabis shall be
16 transported in one or more sealed containers and not be
17 accessible while in transit.

18 (4) A secure transporting vehicle may not bear
19 markings or other indication that it is carrying cannabis or
20 medical cannabis.

21 (c) A secure transporter is subject to
22 administrative inspection by a law enforcement officer at any
23 point during the transportation of cannabis or medical
24 cannabis to determine compliance with this article.

25 §20-2A-66.

1 (a) A state testing laboratory license authorizes
2 the licensee to possess and test cannabis and medical cannabis
3 products cultivated or processed at licensed facilities.

4 (b) The commission, by rule, shall establish
5 protocols for product testing by a licensed state testing
6 laboratory, which shall be conducted during cultivation,
7 processing, and dispensing to ensure that all dispensed
8 medical cannabis is consistently high grade and maintains a
9 consistency with less than 0.5 percent variability among
10 batches of the same product. The protocols for testing shall
11 include the following, as well as a determination of
12 corresponding tolerance limits:

13 (1) Cannabinoid content and potency, including, but
14 not limited to, all of the following:

- 15 a. Total THC (THC+THCA).
- 16 b. Total CBD (CBD+CBDA).
- 17 c. THC/CBD ratio, if applicable.
- 18 d. Percent of THC relative to original plant
19 material (w/w).

20 (2) Terpene profiles.

21 (3) Heavy metals.

22 (4) Chemical contamination, such as residual
23 solvents remaining after extraction and concentration.

24 (5) Microbials, including pathogenic microbials.

25 (6) Mycotoxins.

26 (7) Residual insecticides, fungicides, herbicides,
27 and growth regulators used during cultivation.

1 (8) Residual solvents.

2 (c) A state testing laboratory license authorizes
3 the licensee to do all of the following without using a secure
4 transporter:

5 (1) Take cannabis or medical cannabis from, test
6 cannabis or medical cannabis for, and return cannabis or
7 medical cannabis to only a respective licensed facility.

8 (2) Collect a random sample of cannabis or medical
9 cannabis at the premises of a cultivator, processor, or
10 dispensary for testing.

11 (d) The licensee shall be accredited and shown to
12 meet the requirements for a testing laboratory in
13 international standard ISO/IEC 17025, with the licensee's
14 scope of accreditation demonstrating testing capabilities in
15 the categories of cannabinoids, pesticides, toxins, metals,
16 and microbiological bacteria.

17 (e) To be eligible for a state testing laboratory
18 license, the applicant and each investor with any interest in
19 the applicant must not have an interest in any licensed
20 cultivator, secure transporter, processor, or dispensary.

21 (f) The licensee shall comply with all of the
22 following:

23 (1) Perform tests to certify that cannabis and
24 medical cannabis is reasonably free of heavy metals, chemical
25 contamination, residual pesticides and growth inhibitors, and
26 residual solvents.

1 (2) Use validated test methods to determine
2 delta-9-tetrahydrocannabinol, tetrahydrocannabinolic acid,
3 cannabidiol, and cannabidiolic acid levels.

4 (3) Perform tests that determine whether cannabis
5 and medical cannabis comply with the standards the commission
6 establishes for microbial and mycotoxin contents.

7 (4) Perform other tests necessary to determine
8 compliance with any other good manufacturing practices as
9 prescribed in rules.

10 (5) Have a secured laboratory space that cannot be
11 accessed by the general public.

12 (6) Retain and employ at least one staff member with
13 a relevant advanced degree in a medical or laboratory science.

14 §20-2A-67.

15 (a) An integrated facility license authorizes all of
16 the following:

17 (1) The cultivation of cannabis.

18 (2) The processing of cannabis into medical
19 cannabis, including proper packaging and labeling of medical
20 cannabis products.

21 (3) The dispensing and sale of medical cannabis only
22 to a registered qualified patient or registered caregiver.

23 (4) The transport of cannabis or medical cannabis
24 between its facilities.

25 (5) The sale or transfer of medical cannabis to a
26 dispensary.

1 (b) The commission may issue no more than five
2 integrated facility licenses. Three of the five licenses must
3 be awarded to entities whose majority ownership is
4 attributable to an individual or individuals with proof of
5 residency in this state for a continuous period of no less
6 than eight years preceding the application date. The remaining
7 two licenses may be awarded to entities that have partnered
8 with a cultivator whose majority ownership is attributable to
9 an individual or individuals with proof of residency in this
10 state for a continuous period of no less than eight years
11 preceding the application date.

12 (c) An integrated facility licensee shall have the
13 same authorizations granted to, and shall comply with all
14 requirements for, cultivators, processors, secure
15 transporters, and dispensaries, in addition to any other
16 authorizations or requirements under this section or as
17 established by rule by the commission.

18 (d) A an applicant for an integrated facility
19 license shall provide all of the following:

20 (1) A letter of commitment or other acknowledgement,
21 as determined by commission rule, of the applicant's ability
22 to secure a performance bond issued by a surety insurance
23 company approved by the commission in the amount of two
24 million dollars (\$2,000,000).

25 (2) Proof of at least two hundred fifty thousand
26 dollars (\$250,000) in liquid assets.

1 (3) Proof that the applicant has the financial
2 ability to maintain operations for not less than two years
3 following the date of application.

4 (e) At the time a license is issued under this
5 section, the commission shall ensure that the licensee has
6 secured a performance bond as provided in subdivision (1) of
7 subsection (d).

8 (f) A licensee may operate up to five dispensing
9 sites, each of which must be located in a different county
10 from any other dispensing site that the licensee operates;
11 provided, however, the commission may authorize a licensee to
12 operate a greater number of dispensing sites if, at least one
13 year after the date when the maximum number of total
14 dispensing sites authorized under this section and Section
15 20-2A-64 are operating, the commission determines that the
16 patient pool has reached a sufficient level to justify an
17 additional dispensing site in an underserved or unserved area
18 of the state. This subsection shall not be construed to limit
19 wholesale distribution from integrated facility licensees to
20 dispensary licensees.

21 §20-2A-68.

22 A license issued under this article is a revocable
23 privilege granted by this state and is not a property right.
24 Granting a license does not create or vest any right, title,
25 franchise, or other property interest. A licensee or any other
26 person shall not lease, pledge, or borrow or loan money
27 against a license.

1 Section 2. (a) Commencing January 1, 2021, there is
2 levied, in addition to all other taxes of every kind now
3 imposed by law, and shall be collected and remitted in
4 accordance with Article 1, commencing with Section 40-23-1, of
5 Chapter 23 of Title 40, Code of Alabama 1975, a tax on the
6 gross proceeds of the sales of medical cannabis when sold at
7 retail in this state at the rate of nine percent of the gross
8 proceeds of the sales.

9 (b) (1) Commencing January 1, 2021, there is levied
10 an annual privilege tax on every person doing business under
11 Chapter 2A of Title 20, Code of Alabama 1975, in Alabama. The
12 tax shall accrue as of January 1 of every taxable year, or in
13 the case of a taxpayer licensed under Chapter 2A of Title 20,
14 Code of Alabama 1975, during the year, or doing business in
15 this state for the first time, as of the date the taxpayer is
16 licensed to do business under Chapter 2A of Title 20, Code of
17 Alabama 1975. The tax shall be levied upon the taxpayer's net
18 worth in Alabama for the taxable year. For purposes of this
19 subdivision, a taxpayer's net worth in Alabama shall be
20 determined by apportioning the taxpayer's net worth computed
21 under Section 40-14A-23, Code of Alabama 1975, in the same
22 manner as prescribed for apportioning income during the
23 determination period for purposes of the income tax levied by
24 Chapter 18 of Title 40, Code of Alabama 1975, or the manner in
25 which the income would be apportioned if the taxpayer were
26 subject to the income tax.

1 (2) The amount of tax due shall be computed in the
2 same manner and at the same rate of tax as prescribed in
3 Section 40-14A-22, Code of Alabama 1975, for purposes of
4 determining the annual privilege tax levied by Chapter 14A of
5 Title 40, Code of Alabama 1975.

6 (3) The annual return required by this subsection
7 shall be due no later than the corresponding federal income
8 tax return, as required to be filed under federal law. In the
9 case of a taxpayer's initial return, the annual return shall
10 be due no later than two and one-half months after the
11 taxpayer is licensed to do business, or commences business, in
12 Alabama.

13 (4) The Department of Revenue may grant a reasonable
14 extension of time for filing returns under rules adopted by
15 the Department of Revenue. No extension shall be for more than
16 six months.

17 (5) The annual medical cannabis privilege tax shall
18 be reported on forms and in the manner as prescribed by rule
19 by the Department of Revenue. The failure to receive a form
20 from the Department of Revenue shall not relieve a taxpayer
21 from liability for any tax, penalty, or interest otherwise
22 due. The tax due, as reported, shall constitute an admitted
23 liability for that amount. The Department of Revenue may
24 compute and assess additional tax, penalty, and interest
25 against a taxpayer as provided in Chapter 2A of Title 40, Code
26 of Alabama 1975.

1 (c) The Department of Revenue shall adopt rules to
2 implement this section.

3 Section 3. An employee who is injured or killed
4 under circumstances that might otherwise make the employee or
5 the employee's dependents eligible to receive worker's
6 compensation benefits under Chapter 5 of Title 25, Code of
7 Alabama 1975, is, along with the employee's dependents,
8 ineligible to receive compensation as defined in Section
9 25-5-1, Code of Alabama 1975, if the injury or death occurred
10 due to the employee's impairment by medical cannabis, which
11 shall be conclusively presumed in the event of a positive drug
12 test conducted and evaluated pursuant to standards adopted for
13 drug testing by the U.S. Department of Transportation in 49
14 C.F.R. Part 40, as provided under Section 25-5-51, Code of
15 Alabama 1975, or if the employee refuses to submit to or
16 cooperate with a blood or urine test, as provided by that
17 section.

18 Section 4. (a) As used in this section, cannabis,
19 medical cannabis, and use of medical cannabis shall have the
20 same meanings as defined in Section 20-2A-3.

21 (b) There is established the Consortium for Medical
22 Cannabis Research for the purpose of awarding grants to
23 entities for research relating to cannabis and medical
24 cannabis. The initial member institutions shall consist of
25 public and private four-year colleges and universities within
26 the state designated not later than January 1, 2021, by the
27 Alabama Commission on Higher Education. Membership in the

1 consortium may be increased or decreased by rules established
2 by the board of directors of the consortium.

3 (c) The management of the consortium shall be vested
4 in a board of directors, composed of the presidents of each
5 member institution. The board of directors shall determine the
6 overall program and general policies of the consortium in
7 conformance with the purposes set forth in subsection (d). The
8 board may elect or appoint officers as it deems desirable, who
9 may or may not be members of the board, to have
10 responsibilities and to exercise authority as the board may
11 prescribe.

12 (d) The purposes of the consortium are as follows:

13 (1) Award grants to public or private entities to
14 conduct rigorous research relating to cannabis, the cannabis
15 industry, medical cannabis, and the use of medical cannabis
16 and its impact.

17 (2) Monitor research conducted pursuant to grant
18 awards and require accountability by entities awarded grants.

19 (3) Encourage dialog among interested entities.

20 (4) Effectively disseminate research findings and
21 outcomes.

22 (e) By February 15 of each year, the board of
23 directors shall issue a report to the Governor, the President
24 Pro Tempore of the Senate, and the Speaker of the House of
25 Representatives on research projects, research findings,
26 community outreach initiatives, and future plans for the
27 consortium.

1 (f) There is created a special account in the State
2 Treasury to be known as the Medical Cannabis Research Fund.
3 Expenditures from the Medical Cannabis Research Fund shall be
4 made to fund grants awarded by the consortium in accordance
5 with this section and to otherwise implement and administer
6 this section.

7 Section 5. Section 13A-7-2, Code of Alabama 1975, is
8 amended to read as follows:

9 "§13A-7-2.

10 "(a) A person is guilty of criminal trespass in the
11 first degree if he knowingly enters or remains unlawfully in a
12 dwelling or on the premises of any cultivator or processor, as
13 those terms are defined in Section 20-2A-3, or on the premises
14 of any cultivation or processing operation that is part of an
15 integrated facility, as defined in Section 20-2A-3.

16 "(b) Criminal trespass in the first degree is a
17 Class A misdemeanor."

18 Section 6. Although this bill would have as its
19 purpose or effect the requirement of a new or increased
20 expenditure of local funds, the bill is excluded from further
21 requirements and application under Amendment 621, now
22 appearing as Section 111.05 of the Official Recompilation of
23 the Constitution of Alabama of 1901, as amended, because the
24 bill defines a new crime or amends the definition of an
25 existing crime.

1 Section 7. This act shall become effective
2 immediately following its passage and approval by the
3 Governor, or its otherwise becoming law.