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3 HOUSE HEALTH COMMITTEE SUBSTITUTE #2 FOR SB46, AS ENGROSSED  
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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 authorize the Department of  
13 Agriculture and Industries to regulate the  
14 cultivation of cannabis for medical use.

15 This bill would provide for sales taxes.

16 This bill would establish the Alabama  
17 Medical Cannabis Commission Fund and provide for  
18 expenditures.

19 This bill would provide for certain criminal  
20 and civil immunities when an individual is acting  
21 pursuant to this act.

22 This bill would prohibit the ingestion of  
23 any raw plant material, and would prohibit any  
24 smokeable or vaping product.

25 This bill would provide certain legal  
26 protections to employers.

1           This bill would prevent an employee who uses  
2 medical cannabis from qualifying for workers'  
3 compensation in certain circumstances.

4           This bill would create the Medical Cannabis  
5 Research Consortium to provide grant monies using  
6 tax proceeds for research on cannabis and medical  
7 cannabis.

8           This bill would provide public health and  
9 safety safeguards, including security measures,  
10 packaging and labeling requirements, and criminal  
11 background checks for licensed facility employees.

12           This bill would also revise the crime of  
13 trespass in the first degree.

14           Amendment 621 of the Constitution of Alabama  
15 of 1901, now appearing as Section 111.05 of the  
16 Official Recompilation of the Constitution of  
17 Alabama of 1901, as amended, prohibits a general  
18 law whose purpose or effect would be to require a  
19 new or increased expenditure of local funds from  
20 becoming effective with regard to a local  
21 governmental entity without enactment by a 2/3 vote  
22 unless: it comes within one of a number of  
23 specified exceptions; it is approved by the  
24 affected entity; or the Legislature appropriates  
25 funds, or provides a local source of revenue, to  
26 the entity for the purpose.

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

8  
9                   A BILL  
10                  TO BE ENTITLED  
11                  AN ACT

12  
13                  Relating to the medical use of cannabis; to add a  
14                  new Chapter 2A to Title 20, Code of Alabama 1975; to amend  
15                  Section 13A-7-2, Code of Alabama 1975; to create the  
16                  Compassion Act; to provide civil and criminal protections to  
17                  certain patients with a qualifying medical condition who have  
18                  a valid medical cannabis card for the medical use of cannabis;  
19                  to establish the Alabama Medical Cannabis Commission and  
20                  provide for its membership and duties; to provide for  
21                  certification of patients to authorize use of medical  
22                  cannabis; to license and regulate the cultivation, processing,  
23                  transporting, testing, and dispensing of medical cannabis; to  
24                  prohibit certain types of medical cannabis products; to  
25                  provide for patient registry and seed-to-sale tracking; to  
26                  impose taxes; to provide certain legal protections for users  
27                  of medical cannabis; to provide certain legal protections for

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

12 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

13 Section 1. Chapter 2A, commencing with Section  
14 20-2A-1, is added to Title 20, Code of Alabama 1975, to read  
15 as follows:

16 Article 1. General Provisions.

17 §20-2A-1.

18 This chapter shall be known and may be cited as the  
19 Compassion Act.

20 §20-2A-2.

21 The Legislature finds all of the following:

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

25 (2) Medical research indicates that the  
26 administration of medical cannabis can successfully treat

1 various medical conditions and alleviate the symptoms of  
2 various medical conditions.

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

8 (4) A majority of states have adopted a program  
9 providing for the administration of cannabis or cannabis  
10 derivatives for medical use for residents of their states.

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

20 (6) It is important to balance the needs of  
21 employers to have a strong functioning workforce with the  
22 needs of employees who will genuinely benefit from using  
23 cannabis for a medical use in a manner that makes the employee  
24 a productive employee.

25 (7) The State of Alabama, therefore, wishes to  
26 create a health care market for medical cannabis.  
27 Notwithstanding any medical benefit of cannabis or cannabis

1 derivatives, the recreational use of marijuana remains a  
2 significant threat to public health and safety. Allowing the  
3 cultivation, processing, dispensing, and use of cannabis for  
4 medical use without appropriate safeguards to prevent unlawful  
5 diversion for recreational use would pose a risk to public  
6 health and safety.

7 (8) The power to regulate intrastate commerce is  
8 vested in the several states under the Ninth and Tenth  
9 Amendments to the United States Constitution.

10 (9) The Ninth Amendment to the United States  
11 Constitution guarantees to the people rights not granted in  
12 the United States Constitution and reserves to the people of  
13 Alabama certain rights as they were understood at the time  
14 Alabama was admitted into statehood in 1819, and the guarantee  
15 of these rights is a matter of contract between the State of  
16 Alabama and its people and the United States as of the time  
17 that the compact with the United States was agreed upon and  
18 adopted by Alabama and the United States in 1819.

19 (10) It is the intent of the Legislature to create  
20 within Alabama a wholly intrastate system for the cultivation,  
21 processing, and distribution of medical cannabis in the  
22 interest of protecting its own residents from the danger that  
23 recreational cannabis poses.

24 (11) Requiring licensees to prove a history of  
25 residency within the state for a period of time is directly  
26 related to avoiding an influx of companies engaged in the  
27 recreational production of marijuana; the state has a

1 substantial interest in protecting its residents from the  
2 dangers of recreational marijuana.

3 (12) Requiring that licensed cultivators,  
4 processors, transporters, and dispensaries of cannabis for  
5 medical use possess the requisite skill, expertise, resources,  
6 and capital to conduct operations as proposed in their  
7 business plans, and favoring those applicants who already  
8 possess the requisite skill, expertise, resources, and  
9 capital, promotes the goals of stability in licensing and  
10 reduces the risks of unlawful diversion and misuse. A lengthy  
11 base of agronomic experience will help achieve those goals, as  
12 will past experience participating in an agronomic supply  
13 chain.

14 (13) Ensuring that all cultivation, processing,  
15 transportation, and dispensing operations remain intrastate in  
16 nature reduces the risk of exposing licensees to the potential  
17 penalties of federal law based on the activities of their  
18 licensed operations.

19 (14) There is a pattern in states that have  
20 legalized the use of medical cannabis or medical marijuana;  
21 frequently, in the years following authorization of medical  
22 use, recreational marijuana is subsequently authorized. It is  
23 the intent of the Legislature to avoid a shift from medical  
24 cannabis usage to recreational marijuana usage. Therefore,  
25 safeguards to adequately protect the residents of this state  
26 are essential.

27 §20-2A-3.



1           As used in this chapter, the following terms have  
2 the following meanings:

3           (1) APPLICANT. The entity or individual seeking a  
4 license under Article 4.

5           (2) BOARD. The State Board of Medical Examiners.

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

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

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

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

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

24           (7) DEPARTMENT. The Department of Agriculture and  
25 Industries.

26           (8) DISPENSARY. An entity licensed by the commission  
27 under Section 20-2A-64 authorized to dispense and sell medical

1 cannabis at dispensing sites to registered qualified patients  
2 and registered caregivers pursuant to Article 4.

3 (9) DISPENSING SITE. A site operated by a dispensary  
4 licensee or an integrated facility licensee pursuant to  
5 Article 4.

6 (10) ECONOMIC INTEREST. The rights to either the  
7 capital or profit interests of an applicant or licensee, or if  
8 the applicant or licensee is a corporation, rights to some  
9 portion of all classes of outstanding stock in the  
10 corporation.

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

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

17 (13) LICENSEE. A cultivator, processor, secure  
18 transporter, state testing laboratory, dispensary, or  
19 integrated facility licensed by the commission under Article  
20 4.

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

- 26 1. Oral tablet, capsule, or tincture.

1                   2. Non-sugarcoated gelatinous cube, gelatinous  
2 rectangular cuboid, or lozenge in a cube or rectangular cuboid  
3 shape.

4                   3. Gel, oil, cream, or other topical preparation.

5                   4. Suppository.

6                   5. Transdermal patch.

7                   6. Nebulizer.

8                   7. Liquid or oil for administration using an  
9 inhaler.

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

11                  1. Raw plant material.

12                  2. Any product administered by smoking, combustion,  
13 or vaping.

14                  3. A food product that has medical cannabis baked,  
15 mixed, or otherwise infused into the product, such as cookies  
16 or candies.

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

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

1 (17) PACKAGE. Any container that a processor may use  
2 for enclosing and containing medical cannabis. The term does  
3 not include any carry-out bag or other similar container.

4 (18) PATIENT REGISTRY. The Alabama Medical Cannabis  
5 Patient Registry System that is an electronic integrated  
6 system that tracks physician certifications, patient  
7 registrations, medical cannabis cards, the daily dosage and  
8 type of medical cannabis recommended to qualified patients by  
9 registered certifying physicians, and the dates of sale,  
10 amounts, and types of medical cannabis that were purchased by  
11 registered qualified patients at licensed dispensaries.

12 (19) PHYSICIAN CERTIFICATION. A registered  
13 certifying physician's authorization for a registered  
14 qualified patient to use medical cannabis.

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

21 (21) QUALIFYING MEDICAL CONDITION. Any of the  
22 following conditions or symptoms of conditions, but only after  
23 documentation indicates that conventional medical treatment or  
24 therapy has failed unless current medical treatment indicates  
25 that use of medical cannabis is the standard of care:

26 a. Autism Spectrum Disorder (ASD).

- 1                   b. Cancer-related cachexia, nausea or vomiting,  
2 weight loss, or chronic pain.
- 3                   c. Crohn's Disease.
- 4                   d. Depression.
- 5                   e. Epilepsy or a condition causing seizures.
- 6                   f. HIV/AIDS-related nausea or weight loss.
- 7                   g. Panic disorder.
- 8                   h. Parkinson's disease.
- 9                   i. Persistent nausea that is not significantly  
10 responsive to traditional treatment, except for nausea related  
11 to pregnancy, cannabis-induced cyclical vomiting syndrome, or  
12 cannabinoid hyperemesis syndrome.
- 13                  j. Post Traumatic Stress Disorder (PTSD).
- 14                  k. Sickle Cell Anemia.
- 15                  l. Spasticity associated with a motor neuron  
16 disease, including Amyotrophic Lateral Sclerosis.
- 17                  m. Spasticity associated with Multiple Sclerosis or  
18 a spinal cord injury.
- 19                  n. A terminal illness.
- 20                  o. Tourette's Syndrome.
- 21                  p. A condition causing chronic or intractable pain  
22 in which conventional therapeutic intervention and opiate  
23 therapy is contraindicated or has proved ineffective.

24                  (22) REGISTERED CAREGIVER. An individual who meets  
25 the requirements described in subsection (c) of Section  
26 20-2A-30 and is authorized to acquire and possess medical  
27 cannabis and to assist one or more registered qualified

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

3 (23) REGISTERED CERTIFYING PHYSICIAN. A physician  
4 authorized by the State Board of Medical Examiners to certify  
5 patients for the use of medical cannabis under Article 3.

6 (24) REGISTERED QUALIFIED PATIENT. Either of the  
7 following:

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

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

16 (25) SECURE TRANSPORTER. An entity licensed by the  
17 commission under Section 20-2A-65 authorized to transport  
18 cannabis or medical cannabis from one licensed facility or  
19 site to another licensed facility or site.

20 (26) STATE TESTING LABORATORY. An entity licensed  
21 under Section 20-2A-66 authorized to test cannabis and medical  
22 cannabis to ensure the product meets safety qualifications  
23 required under this chapter.

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

1           (28) UNIVERSAL STATE SYMBOL. The image established  
2 by the commission pursuant to Section 20-2A-53 made available  
3 to processors which indicates the package contains medical  
4 cannabis.

5           §20-2A-4.

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

16           §20-2A-5.

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

26           §20-2A-6.

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

1           (1) Require an insurer, organization for managed  
2 care, health benefit plan, or any individual or entity  
3 providing coverage for a medical or health care service to pay  
4 for or to reimburse any other individual or entity for costs  
5 associated with the use of medical cannabis.

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

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

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



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

4           (6) Interfere with, impair, or impede, any federal  
5 restrictions on employment, including, but not limited to,  
6 regulations adopted by the United States Department of  
7 Transportation in Title 49, Code of Federal Regulations.

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

15           (8) Require a government medical assistance program,  
16 employer, property and casualty insurer, or private health  
17 insurer to reimburse an individual for costs associated with  
18 the use of medical cannabis.

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

25           (10) Affect, alter, or otherwise impact an  
26 employer's right to deny, or establish legal defenses to, the  
27 payment of workers' compensation benefits to an employee on

1 the basis of a positive drug test or refusal to submit to or  
2 cooperate with a drug test, as provided under Section 25-5-51.

3 (b) For the purpose of obtaining needed medical  
4 care, including organ transplants, a registered qualified  
5 patient's authorized use of medical cannabis in accordance  
6 with this chapter is considered the equivalent of the  
7 authorized use of any other medication used at the direction  
8 of a licensed health care professional and may not constitute  
9 the use of an illicit substance or otherwise disqualify a  
10 registered qualified patient from such needed medical care.

11 (c) An individual who is discharged from employment  
12 because of that individual's use of medical cannabis, or  
13 refusal to submit to or cooperate with a drug test, shall be  
14 legally conclusively presumed to have been discharged for  
15 misconduct if the conditions of paragraph (3)a. of Section  
16 25-4-78 are otherwise met.

17 (d) Nothing in this chapter shall prohibit the  
18 Department of Human Resources from considering a parent or  
19 caretaker's use of medical cannabis as a factor for  
20 determining the welfare of a child in any of the following  
21 circumstances:

22 (1) There is evidence of child abuse or neglect.

23 (2) The best interest of a child is determined for  
24 custody purposes.

25 (3) A background check is performed for a  
26 prospective foster, adoptive, or kinship caretaker.

27 §20-2A-7.

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

6 (b) A registered certifying physician who acts in  
7 good faith compliance with this chapter regarding the dosage  
8 established under this chapter and the applicable  
9 administrative rules established pursuant to this chapter  
10 shall be immune from civil and criminal prosecution and is not  
11 subject to arrest, prosecution, or penalty in any manner and  
12 may not be denied any right or privilege, including, but not  
13 limited to, protection from civil penalty for certifying  
14 patients under Section 20-2A-33 or for otherwise stating that,  
15 in the physician's professional opinion, a patient is likely  
16 to receive therapeutic or palliative benefit from the medical  
17 use of medical cannabis to treat or alleviate the patient's  
18 qualifying medical condition or symptoms associated with the  
19 qualifying medical condition, provided that nothing shall  
20 prevent the board from disciplining a physician. Nothing in  
21 this chapter shall modify, amend, repeal, or supersede any  
22 provision of Section 6-5-333, the Alabama Medical Liability  
23 Act of 1987, commencing with Section 6-5-540, or the Alabama  
24 Medical Liability Act of 1996, commencing with Section  
25 6-5-548, or any amendment to any of these laws or judicial  
26 interpretation of these laws.

1 (c) A licensee or any employee of that licensee is  
2 not subject to arrest or prosecution if the person is acting  
3 pursuant to this chapter and within the scope of his or her  
4 employment.

5 (d) A hospital, medical facility, assisted living  
6 facility, or hospice program where a registered qualified  
7 patient is receiving treatment in accordance with this chapter  
8 is not subject to arrest, prosecution, or penalty in any  
9 manner, or denied any right or privilege solely for providing  
10 that treatment.

11 (e) Mere possession of, or application for, a  
12 medical cannabis card does not constitute probable cause or  
13 reasonable suspicion, nor shall it be used as the sole basis  
14 to support the search of the person, property, or home of the  
15 individual possessing or applying for the medical cannabis  
16 card. The possession of, or application for, a medical  
17 cannabis card does not preclude the existence of probable  
18 cause if probable cause exists on other grounds.

19 (f) Nothing in this chapter shall preclude the  
20 Alabama State Law Enforcement Agency or a local law  
21 enforcement agency from searching a licensee where there is  
22 probable cause to believe that a criminal law has been  
23 violated and the search is conducted in conformity with  
24 constitutional and state law.

25 §20-2A-8.

26 (a) (1) An individual may not distribute, possess,  
27 manufacture, or use medical cannabis or a medical cannabis

1 product that has been diverted from a registered qualified  
2 patient, a registered caregiver, or a licensed cultivator,  
3 processor, secure transporter, dispensary, or a state testing  
4 laboratory.

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

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

10 (b) This chapter does not permit any individual to  
11 engage in, and does not prevent the imposition of any civil,  
12 criminal, or other penalty for engaging in any of the  
13 following conduct:

14 (1) Undertaking any task under the influence of  
15 cannabis, when doing so would constitute negligence,  
16 professional malpractice, or professional misconduct, or  
17 violation of law.

18 (2) Possessing or using medical cannabis on any  
19 property of a K-12 school or day care or child care facility,  
20 in any correctional facility, or in a vehicle unless the  
21 medical cannabis is in its original package and is sealed and  
22 reasonably inaccessible while the vehicle is moving.

23 §20-2A-9.

24 The commission shall provide annual written reports  
25 to the Legislature, with the first due no later than January  
26 1, 2022, tracking implementation of this chapter. The report  
27 shall be made publicly available and posted on the

1 commission's website. The report shall include all of the  
2 following:

3 (1) The number of patients applying for and  
4 receiving medical cannabis cards.

5 (2) The qualifying medical conditions identified to  
6 obtain the medical cannabis cards.

7 (3) Comments from physicians and other health care  
8 providers and from pharmacists.

9 (4) Revenues and expenses of card issuance and  
10 licensing of medical cannabis facilities.

11 (5) Relevant developments in other states' cannabis  
12 laws.

13 (6) Relevant scientific research.

14 (7) Applicable tax revenue.

15 (8) The commission's annual operating expenses and  
16 revenues.

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

21 (10) Any other information available to the  
22 commission that would inform public officials of how this  
23 chapter affects the public.

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

1           a. Any suggestions to ensure that veterans, women,  
2 and minorities are not unfairly discriminated against in  
3 obtaining licenses under Article 4.

4           b. Changes to reflect changes in federal law or  
5 regulation.

6           c. Changes based on additional medical or scientific  
7 research.

8           §20-2A-10.

9           (a) There is created a special account in the State  
10 Treasury to be known as the Medical Cannabis Commission Fund.  
11 Expenditures from the Medical Cannabis Commission Fund may be  
12 made only by the commission to implement, administer, and  
13 enforce this chapter. Specifically, the Medical Cannabis  
14 Commission Fund includes all of the following:

15           (1) Tax proceeds collected pursuant to subsections  
16 (a) and (b) of Section 2 of the act adding this language, less  
17 an amount sufficient to cover the cost of administration of  
18 the tax levies imposed under subsections (a) and (b) of  
19 Section 2, which shall be retained by the Department of  
20 Revenue.

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

24           (3) Any monies appropriated by the Legislature for  
25 the initial operation of the commission.

26           (b) Amounts in the Medical Cannabis Commission Fund  
27 shall be budgeted and allotted in accordance with Sections

1 41-4-80 through 41-4-96 and Sections 41-19-1 through 41-19-12,  
2 but shall not be limited by the fiscal year appropriation cap.

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

7 (1) Sixty percent shall be transferred to the  
8 General Fund.

9 (2) Thirty percent shall be transferred to the  
10 Medical Cannabis Research Fund established pursuant to  
11 subsection (f) of Section 4.

12 §20-2A-11.

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

16 §20-2A-12.

17 The provisions of this chapter are severable. If any  
18 part of this chapter is declared invalid or unconstitutional,  
19 the declaration shall not affect the part that remains.

20 Article 2. Alabama Medical Cannabis Commission.

21 §20-2A-20.

22 (a) The Alabama Medical Cannabis Commission is  
23 established. The commission shall consist of the following  
24 members, with initial members appointed not later than July 1,  
25 2021:

26 (1) Three members appointed by the Governor, one of  
27 whom is a physician licensed to practice medicine in this



1 state; one of whom is a licensed pharmacist; and one of whom  
2 has experience in agricultural lending or banking. Initial  
3 terms shall be four, three, and two years, respectively.

4 (2) Three members appointed by the Lieutenant  
5 Governor, one of whom is a physician licensed to practice  
6 medicine in this state certified in the specialty of  
7 pediatrics; one of whom is licensed to practice law in this  
8 state who specializes in health law; and one of whom is a  
9 biochemist. Initial terms shall be one, four, and three years,  
10 respectively.

11 (3) Two members appointed by the President Pro  
12 Tempore of the Senate, one of whom is a physician licensed to  
13 practice medicine in this state certified in the specialty of  
14 oncology; and one of whom has experience in multiple crop  
15 development and agricultural practices. Initial terms shall be  
16 two and one years, respectively.

17 (4) Two members appointed by the Speaker of the  
18 House of Representative, one of whom has a background and  
19 experience in mental health or substance abuse counselling and  
20 treatment; and one of whom has professional experience in  
21 agricultural systems management. Initial terms shall be four  
22 and three years, respectively.

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

1           (6) One member appointed by the State Health  
2 Officer. The initial term shall be four years.

3           (7) One member appointed by the Attorney General who  
4 shall be a nonvoting advisory member. The initial term shall  
5 be three years.

6           (8) One member appointed by the Secretary of the  
7 Alabama State Law Enforcement Agency who shall be a nonvoting  
8 advisory member. The initial term shall be one year.

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

18           (c) A member may not be an owner, shareholder,  
19 director, board member, or otherwise have an economic interest  
20 in an applicant or license issued under Article 4. Any current  
21 public official, candidate for public office, current public  
22 employee, or registered lobbyist may not serve as a member.

23           (d) Members must be at least 30 years of age and  
24 residents of this state for at least five continuous years  
25 immediately preceding their appointment. The appointing  
26 officers shall coordinate their appointments so that diversity

1 of gender, race, and geographical areas is reflective of the  
2 makeup of this state.

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

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

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

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

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

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

25 (2) The director shall maintain all records of the  
26 commission and also serve as secretary of the commission. The  
27 director shall prepare and keep the minutes of all meetings

1 held by the commission, including a record of all business  
2 transacted and decisions rendered by the commission. A copy of  
3 the record of the minutes and business transacted and  
4 decisions rendered shall be kept on file at the commission's  
5 main office and shall be available for public inspection.

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

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

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

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

1 (m) The commission may employ additional officers,  
2 including an inspection officer. The director, assistant  
3 director, and any other officer or employee shall be  
4 reimbursed for actual travel expenses as other state employees  
5 are paid, when approved by the chair.

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

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

14 (p) The commission shall be subject to the Alabama  
15 Administrative Procedure Act.

16 §20-2A-21.

17 (a) A member of the commission and any individual  
18 employed by the commission may not be an owner, shareholder,  
19 director, or board member of, or otherwise have any economic  
20 interest in, a licensee. In addition, a member or employee of  
21 the commission may not have any family member who is employed  
22 by a licensee. A member or employee of the commission or his  
23 or her family member may not have an interest of any kind in  
24 any building, fixture, or premises occupied by any person  
25 licensed under this chapter; and may not own any stock or have  
26 any interest of any kind, direct or indirect, pecuniary or

1 otherwise, by a loan, mortgage, gift, or guarantee of payment  
2 of a loan, in any licensee.

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

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

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

14 (e) A former member of the commission, for a period  
15 of two years after leaving service as a member of the  
16 commission, may not be an owner, shareholder, director, board  
17 member, or otherwise have an economic interest in an applicant  
18 or license issued under Article 4.

19 (f) In addition to any violation of Chapter 25 of  
20 Title 36, a violation of this section is a Class C  
21 misdemeanor.

22 §20-2A-22.

23 (a) The Alabama Medical Cannabis Commission shall  
24 implement this chapter by making medical cannabis derived from  
25 cannabis grown in Alabama available to registered qualified  
26 patients and by licensing facilities that process, transport,  
27 test, or dispense medical cannabis.

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

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

5 §20-2A-30.

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

9 a. Has been certified by a registered certifying  
10 physician as having a qualifying medical condition.

11 b. Is registered with the commission.

12 c. Has been issued a valid medical cannabis card by  
13 the commission.

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

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

20 a. Has been certified by a registered certifying  
21 physician as having a qualifying medical condition.

22 b. Is registered with the commission.

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

25 (2) A registered qualified patient described in  
26 subdivision (1) may use medical cannabis but may not purchase  
27 or possess medical cannabis.



1 (c) (1) A resident of this state is a registered  
2 caregiver if he or she meets all of the following conditions:

3 a. Is registered with the commission.

4 b. Has been issued a valid medical cannabis card by  
5 the commission.

6 c. Is at least 21 years of age, unless he or she is  
7 the parent or legal guardian of, and caregiver for, a  
8 registered qualified patient.

9 d. Is the parent, legal guardian, grandparent,  
10 spouse, or an individual with power of attorney for health  
11 care of a registered qualified patient.

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

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

19 (4) A registered caregiver may receive compensation  
20 for services provided to a registered qualified patient  
21 pursuant to this chapter.

22 (d) Notwithstanding subdivision (2) of subsections  
23 (a) and (c), a registered qualified patient or registered  
24 caregiver may not purchase more than 60 daily dosages of  
25 medical cannabis and may not renew the supply more than 10  
26 days before the 60-day period expires. At no time may a

1 registered qualified patient or registered caregiver possess  
2 more than 70 daily dosages of medical cannabis.

3 §20-2A-31.

4 (a) In order for a physician to qualify as a  
5 registered certifying physician, he or she must meet the  
6 following requirements:

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

9 (2) Complete a four-hour course related to medical  
10 cannabis and complete a subsequent examination, both of which  
11 shall be offered by a multi-specialty statewide professional  
12 organization of physicians in this state that is recognized to  
13 accredit intrastate organizations to provide AMA PRA category  
14 1 credits. The course must be administered at least annually  
15 and may be offered in a distance learning format, including an  
16 electronic online format upon request. The price of the course  
17 may not exceed five hundred dollars (\$500). Every two years  
18 thereafter, in order to requalify, a certifying physician must  
19 complete a two-hour refresher course offered by an entity  
20 described in this subdivision.

21 (3) Pay an initial registration fee established by  
22 the board, not to exceed three hundred dollars (\$300).

23 (4) Meet any additional qualifications established  
24 by rule by the board.

25 (b) Upon meeting the requirements of subsection (a),  
26 the board shall issue a registration certificate and  
27 registration number to each registered certifying physician.

1 The board shall maintain on its website an updated list of  
2 registered certifying physicians.

3 (c) The board, by rule, may establish requirements  
4 for registered certifying physicians to remain qualified,  
5 grounds for revoking registration, and a process for renewing  
6 registration of qualified certifying physicians, including  
7 payment of an annual registration renewal fee, not to exceed  
8 two hundred dollars (\$200).

9 §20-2A-32.

10 A registered certifying physician may not do any of  
11 the following:

12 (1) Except for the limited purpose of performing a  
13 medical cannabis-related study, accept, solicit, or offer any  
14 form of remuneration from or to a qualified patient,  
15 designated caregiver, or any licensee, including a principal  
16 officer, board member, agent, or employee of the licensee, to  
17 certify a patient, other than accepting payment from a patient  
18 for the fee associated with the examination, medical  
19 consultation, or other treatment, including, but not limited  
20 to, any third party reimbursement for the same.

21 (2) Accept, solicit, or offer any form of  
22 remuneration from or to a dispensary for the purpose of  
23 referring a patient to a specific dispensary.

24 (3) Offer a discount of any other item of value to a  
25 qualified patient who uses or agrees to designate a specific  
26 caregiver or use a specific dispensary to obtain medical  
27 cannabis.

1           (4) Hold a direct or indirect economic interest in a  
2 licensee.

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

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

7           (7) Advertise in a dispensary.

8           (8) Advertise on the physician's website, brochures,  
9 or any other media that generally describe the scope of  
10 practice of the physician, any statement that refers to the  
11 physician as a "medical cannabis" or "medical marijuana"  
12 physician or doctor, or otherwise advertises his or her status  
13 as a registered certifying physician, other than the  
14 following: "Dr. \_\_\_\_\_ is qualified by the State of Alabama  
15 to certify patients for medical cannabis use under the Alabama  
16 Compassion Act."

17           §20-2A-33.

18           (a) In order to certify a patient, a registered  
19 certifying physician must diagnose the patient with at least  
20 one qualifying medical condition or confirm that the patient  
21 has been medically diagnosed with at least one qualifying  
22 medical condition.

23           (b) Not later than December 1, 2021, the board shall  
24 adopt rules for the issuance of physician certifications for  
25 patients to use medical cannabis as recommended by a  
26 registered certifying physician. The rules shall include, but  
27 not be limited to, all of the following:

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

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

5           (3) Requirements for review of the patient's  
6 controlled drug prescription history in the controlled  
7 substance prescription database established under Article 10  
8 of Chapter 2 of this title.

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

10          (5) Requirements for obtaining the voluntary and  
11 informed written consent from the patient to use medical  
12 cannabis, or from the patient's designated caregiver to assist  
13 the patient with the use of medical cannabis, on a form  
14 created by the board and accessible at no charge on its  
15 website. The form shall include, but not be limited to,  
16 information relating to all of the following:

17           a. The federal and state classification of cannabis  
18 as a Schedule I controlled substance.

19           b. The approval and oversight status of cannabis by  
20 the Food and Drug Administration.

21           c. The current state of research on the efficacy of  
22 cannabis to treat the qualifying medical condition or  
23 conditions.

24           d. The potential for addiction.

25           e. The potential effect that cannabis may have on a  
26 patient's coordination, motor skills, and cognition, including  
27 a warning against operating heavy machinery, operating a motor

1 vehicle, or engaging in activities that require an individual  
2 to be alert or respond quickly.

3 f. The potential side effects of cannabis use.

4 g. The risks, benefits, and drug interactions of  
5 cannabis.

6 h. A statement that the use of medical cannabis  
7 could result in termination from employment without recourse  
8 and that costs may not be covered by insurance or government  
9 programs.

10 i. That the patient's de-identified health  
11 information contained in the patient's medical record,  
12 physician certification, and patient registry may be used for  
13 research purposes or used to monitor compliance with this  
14 chapter, as further provided in subsection (c) of Section  
15 20-2A-34.

16 (6) Requirements for the issuance and reissuance of  
17 physician certifications by certifying physicians, the  
18 permissible length of duration of a physician certification,  
19 and the process and circumstances under which a physician  
20 certification may be deactivated, as well as stipulations for  
21 timely updating of physician certifications on the patient  
22 registry.

23 (c) At the time of physician certification, the  
24 registered certifying physician shall enter electronically in  
25 the patient registry, in a manner determined by rule by the  
26 board, relevant information necessary to appropriately  
27 identify the patient; the respective qualifying medical

1 condition or conditions of the patient; the daily dosage and  
2 type of medical cannabis recommended for medical use; and any  
3 other information the board, by rule, deems relevant.

4 (d) A physician certification does not constitute a  
5 prescription for medical cannabis.

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

9 (f) (1) The commission, by rule, shall specify, by  
10 form and tetrahydrocannabinol content, a maximum daily dosage  
11 of medical cannabis that may be recommended by a registered  
12 certifying physician for a particular qualifying medical  
13 condition, which may not exceed the limits set forth in  
14 subdivision (2).

15 (2) The maximum daily dosage may not exceed 50 mg of  
16 delta-9-tetrahydrocannabinol; provided, however, the maximum  
17 daily dosage may be increased under either of the following  
18 circumstances:

19 a. A registered certifying physician may increase a  
20 patient's daily dosage if, after 90 days of continuous care  
21 under the physician during which time the patient was using  
22 medical cannabis, the physician determines that a higher daily  
23 dosage is medically appropriate, provided the maximum daily  
24 dosage under this paragraph may not exceed 75 mg of  
25 delta-9-tetrahydrocannabinol.

26 b. A registered certifying physician may increase a  
27 patient's daily dosage if the patient has been diagnosed with

1 a terminal illness, provided, if the recommended daily dosage  
2 exceeds 75 mg of delta-9-tetrahydrocannabinol, the physician  
3 shall notify the patient that the patient's driver's license  
4 will be suspended.

5 (g) A registered certifying physician may not  
6 lawfully recommend the use of medical cannabis with a potency  
7 greater than three percent tetrahydrocannabinol to any minor  
8 for any qualifying medical condition. A minor may not legally  
9 use medical cannabis with a potency greater than three percent  
10 tetrahydrocannabinol, whether or not the minor has a valid  
11 medical cannabis card. A parent or legal guardian of a minor  
12 who holds a medical cannabis card may not legally possess  
13 medical cannabis with a potency greater than three percent  
14 tetrahydrocannabinol, unless the parent or guardian holds a  
15 valid medical cannabis card for his or her own qualifying  
16 medical condition.

17 §20-2A-34.

18 (a) In order to commence, use, and maintain a  
19 reliable system to track all aspects of patient and caregiver  
20 qualification not later than September 1, 2022, the commission  
21 shall establish and administer an integrated, electronic  
22 patient and caregiver registry, known as the Alabama Medical  
23 Cannabis Patient Registry System, that does all of the  
24 following:

25 (1) Receives and records physician certifications.

26 (2) Receives and tracks qualified patient  
27 registration and issuance of medical cannabis cards.



1 (3) Receives and tracks designated caregiver  
2 registration and issuance of medical cannabis cards.

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

10 (5) Verifies that a medical cannabis card is current  
11 and valid and has not been suspended, revoked, or denied.

12 (6) Tracks purchases of medical cannabis at  
13 dispensaries by date, time, amount, and type.

14 (7) Determines whether a particular sale of medical  
15 cannabis transaction exceeds the permissible limit.

16 (8) Tracks medical cannabis cards that are denied,  
17 revoked, or suspended.

18 (9) Interfaces as necessary with the statewide  
19 seed-to-sale tracking system established under Article 4.

20 (10) Provides access as further provided in  
21 subsection (b).

22 (b) The patient registry shall be accessible to the  
23 following:

24 (1) State and local law enforcement agencies,  
25 provided the database may only be accessed upon probable cause  
26 or reasonable suspicion of a violation of a controlled  
27 substance law or of driving under the influence, and access is

1 strictly limited to information that is necessary to verify  
2 that an individual is registered and possesses a valid and  
3 current medical cannabis card and, if appropriate, to verify  
4 that the amount and type of product in the individual's  
5 possession complies with the daily dosage limit and type of  
6 medical cannabis recommended.

7 (2) Health care practitioners licensed to prescribe  
8 prescription drugs.

9 (3) Registered certifying physicians.

10 (4) Dispensaries.

11 (5) Licensed pharmacists.

12 (6) The State Board of Medical Examiners.

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

17 §20-2A-35.

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

1 (b) If the certified patient or designated caregiver  
2 meets the criteria for registration, the commission shall  
3 place the patient or caregiver on the patient registry and  
4 issue the patient or designated caregiver a medical cannabis  
5 card. The commission shall determine the criteria for revoking  
6 or suspending a medical cannabis card. Medical cannabis cards  
7 shall be resistant to counterfeiting and tampering and, at a  
8 minimum, shall include all of the following:

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

11 (2) A photograph of the qualified patient or  
12 caregiver, as applicable.

13 (3) Identification of the cardholder as a qualified  
14 patient or a caregiver.

15 (4) The expiration date, as determined by commission  
16 rule.

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

19 (c) Once a patient or designated caregiver is  
20 registered and issued a medical cannabis card, he or she is  
21 qualified to acquire, possess, or use medical cannabis, as  
22 applicable.

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

1 card, including a process for invalidating the lost or stolen  
2 card.

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

6 Article 4. Cultivation, Processing, and Dispensing  
7 of Medical Cannabis.

8 §20-2A-50.

9 (a) The state hereby preemptively regulates medical  
10 cannabis from seed to sale and shall reasonably regulate and  
11 control all aspects of the medical cannabis industry to meet  
12 the intent of this chapter. All functions and activities  
13 relating to the production of medical cannabis in the state  
14 shall be licensed, and licenses shall be granted to integrated  
15 facilities, as well as to independent entities in the  
16 following categories: Cultivator, processor, dispensary,  
17 secure transporter, and testing laboratory.

18 (b) The commission shall license and regulate all  
19 aspects of medical cannabis under this article, excluding  
20 cultivation. The Department of Agriculture and Industries  
21 shall license and regulate the cultivation of cannabis. For  
22 integrated facility licenses, the commission and the  
23 department shall enter into a memorandum of understanding  
24 relating to the sharing of regulatory and licensing and  
25 enforcement authority over licensees with regard to the  
26 cultivation function.

27 §20-2A-51.

1 (a) Where the commission is authorized under this  
2 article to determine the number of licenses of a specific  
3 license category the commission will grant, or increase the  
4 number of licenses of a specific license category to grant,  
5 the commission shall consider the population of the state, the  
6 number of active registered qualified patients, market demand,  
7 the unemployment rate, the need for agricultural and other  
8 business opportunities in communities, access to health care,  
9 infrastructure, and other factors the commission deems  
10 relevant in providing the greatest benefits to the residents  
11 of this state and taking into account the racial and economic  
12 makeup of the state.

13 (b) The commission, and where applicable the  
14 department, shall ensure that at least one-fourth of all  
15 licenses, or in the case of Section 20-2A-67, one-fifth of all  
16 licenses, are awarded to business entities at least 51 percent  
17 of which are owned by members of a minority group or, in the  
18 case of a corporation, at least 51 percent of the shares of  
19 the corporation are owned by members of a minority group, and  
20 are managed and controlled by members of a minority group in  
21 its daily operations. For purposes of this subsection,  
22 minority group means individuals of African American, Native  
23 American, Asian, or Hispanic descent.

24 (c) (1) Notwithstanding any provision of this article  
25 to the contrary, any county commission, by resolution, may  
26 prohibit the operation of dispensaries in the unincorporated  
27 areas of the county, and the governing body of any

1 municipality, by ordinance, may prohibit the operation of  
2 dispensaries within the corporate limits of the municipality.  
3 A county commission or municipal governing body shall notify  
4 the commission not more than seven calendar days after passing  
5 the resolution or ordinance.

6 (2) The commission shall prohibit a licensed  
7 dispensary or integrated facility from operating a dispensing  
8 site in the unincorporated area of any county that has passed  
9 a resolution, and in any municipality that has passed an  
10 ordinance, prohibiting the operation of dispensing sites  
11 pursuant to subdivision (1).

12 §20-2A-52.

13 (a) The commission, and the department with regard  
14 to cultivation facilities, shall have all powers necessary and  
15 proper to fully and effectively oversee the operation of  
16 medical cannabis facilities licensed pursuant to this article,  
17 including the authority to do all of the following:

18 (1) Investigate applicants for licenses, determine  
19 the eligibility for licenses, and grant licenses to applicants  
20 in accordance with this article and the rules.

21 (2) Investigate all individuals employed by  
22 licensees.

23 (3) At any time, through its investigators, agents,  
24 or auditors, without a warrant and without notice to the  
25 licensee, enter the premises, offices, facilities, or other  
26 places of business of a licensee, if evidence of compliance or  
27 noncompliance with this article or rules is likely to be found

1 and consistent with constitutional limitations, for the  
2 following purposes:

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

4 b. To inspect and examine relevant records of the  
5 licensee and, if the licensee fails to cooperate with an  
6 investigation, impound, seize, assume physical control of, or  
7 summarily remove from the premises all books, ledgers,  
8 documents, writings, photocopies, correspondence, records, and  
9 videotapes, including electronically stored records, money  
10 receptacles, or equipment in which the records are stored.

11 c. To inspect the person, and inspect or examine  
12 personal effects of an individual who holds a license, while  
13 that individual is present in a medical cannabis facility of  
14 the licensee.

15 d. To investigate alleged violations of this  
16 article.

17 (4) Investigate alleged violations of this article  
18 or rules and take appropriate disciplinary action against a  
19 licensee.

20 (5) Require all relevant records of licensees,  
21 including financial or other statements, to be kept on the  
22 premises authorized for operation of the licensee or in the  
23 manner prescribed by the commission.

24 (6) Eject, or exclude or authorize the ejection or  
25 exclusion of, an individual from the premises of a licensee if  
26 the individual violates this article, rules, or final orders  
27 of the commission; provided, however, the propriety of the

1 ejection or exclusion is subject to a subsequent hearing by  
2 the commission.

3 (7) Conduct periodic audits of licensees.

4 (8) Take disciplinary action as the commission  
5 considers appropriate to prevent practices that violate this  
6 article and rules.

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

9 (b) The commission and department shall adopt rules  
10 addressing the frequency of conducting periodic inspections  
11 and audits of respective licensees.

12 (c) The commission may enter into one or more  
13 memoranda of understanding with law enforcement agencies to  
14 assist with enforcement of this article.

15 (d) The commission and department may seek and shall  
16 receive the cooperation and assistance of the Alabama State  
17 Law Enforcement Agency in conducting criminal background  
18 checks and in fulfilling its responsibilities under this  
19 article. The Alabama State Law Enforcement Agency may recover  
20 its costs of cooperation under this article.

21 (e) The commission and department shall assist any  
22 prosecuting agency in the investigation or prosecution of a  
23 violation of a controlled substances law.

24 (f) Nothing in this article shall affect the  
25 authority of the Alabama Department of Environmental  
26 Management to administer and enforce any existing law over



1 which the Alabama Department of Environmental Management has  
2 jurisdiction.

3 §20-2A-53.

4 (a) The commission, and the department with regard  
5 to cultivation, shall adopt rules as necessary to implement,  
6 administer, and enforce this article in a timely manner that  
7 allows persons to begin applying for a license by September 1,  
8 2022. Rules must ensure safety, security, and integrity of the  
9 operation of medical cannabis facilities, that do all of the  
10 following for each category of license:

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

14 (2) Require a minimum of two million dollars  
15 (\$2,000,000) of liability and casualty insurance and establish  
16 minimum levels of other financial guarantees, if appropriate,  
17 that licensees must maintain.

18 (3) Establish qualifications and restrictions for  
19 individuals participating in or involved with operating  
20 medical cannabis facilities.

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

25 (5) Establish standards or requirements to ensure  
26 cannabis and medical cannabis remain secure at all times,  
27 including, but not limited to, requirements that all

1 facilities of licensees remain securely enclosed and locked as  
2 appropriate.

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

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

8 (8) Establish annual license fees for each type of  
9 license, provided the fee shall be not less than ten thousand  
10 dollars (\$10,000) and not more than fifty thousand dollars  
11 (\$50,000), depending on the category of license.

12 (9) Establish quality control standards, procedures,  
13 and requirements.

14 (10) Establish chain of custody standards,  
15 procedures, and requirements.

16 (11) In compliance with Chapters 27 and 30 of Title  
17 22, establish standards, procedures, and requirements for  
18 waste product storage and disposal and chemical storage.

19 (12) Establish standards, procedures, and  
20 requirements for securely and safely transporting medical  
21 cannabis between facilities.

22 (13) Establish standards, procedures, and  
23 requirements for the storage of cannabis and medical  
24 cannabis.

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

1 (15) Establish marketing and advertising  
2 restrictions for medical cannabis products and medical  
3 cannabis facilities.

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

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

10 §20-2A-54.

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

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

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

4           (2) Effective seed-to-sale tracking of cannabis and  
5 medical cannabis sales and transfers among licensees and with  
6 regard to integrated facility licensees, among facilities of  
7 the licensee.

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

11           (c) The commission shall seek bids to establish,  
12 operate, and maintain the statewide seed-to-sale tracking  
13 system under this section. The commission shall do all of the  
14 following:

15           (1) Evaluate bidders based on the cost of the  
16 service and the ability to meet all of the requirements of  
17 this chapter.

18           (2) Give strong consideration to the bidder's  
19 ability to prevent fraud, abuse, and other unlawful or  
20 prohibited activities associated with the commercial trade in  
21 cannabis and medical cannabis in this state, and the ability  
22 to provide additional tools for the administration and  
23 enforcement of this chapter.

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

1           (4) Require the person awarded the contract to  
2 deliver the functioning system by 180 days after award of the  
3 contract.

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

6           (e) The information in the system is confidential  
7 and is exempt from disclosure under the Open Records Act,  
8 Article 3 of Chapter 12 of Title 36; provided, however,  
9 information in the system may be disclosed for purposes of  
10 enforcing this chapter.

11           §20-2A-55.

12           (a) Beginning September 1, 2022, a person may apply  
13 to the commission for a license for an integrated facility or  
14 for a license in one of the following independent categories:  
15 Cultivator, processor, secure transporter, state testing  
16 laboratory, or dispensary. The application shall be made under  
17 oath on a form provided by the commission and shall contain  
18 information as prescribed by the commission, including, but  
19 not limited to, all of the following:

20           (1) The name, business address, business telephone  
21 number, and Social Security number or, if applicable, federal  
22 tax identification number of the applicant.

23           (2) With regard to each business entity that has any  
24 ownership interest in the applicant, all of the following:

25           a. The identity of every individual having an  
26 indirect or direct ownership interest in that business entity.  
27 For purposes of this paragraph, if the business entity is a

1 trust, the application shall disclose the names and addresses  
2 of all trustees and beneficiaries; if a privately held  
3 corporation, the names and addresses of all shareholders,  
4 officers, and directors; if a publicly held corporation, the  
5 names and addresses of all shareholders holding a direct or  
6 indirect interest of greater than five percent, officers, and  
7 directors; if a partnership or limited liability partnership,  
8 the names and addresses of all partners; if a limited  
9 partnership or limited liability limited partnership, the  
10 names of all partners, both general and limited; or if a  
11 limited liability company, the names and addresses of all  
12 members and managers.

13 b.1. The identity of all of the following other  
14 entities, if the other entities are directly or indirectly  
15 involved in the cannabis industry, including, but not limited  
16 to, the cultivation, processing, packaging, labeling, testing,  
17 transporting, or sale of cannabis:

18 (i) Any subsidiary, affiliate, conglomerate, parent,  
19 or other entity that shares common ownership, directly or  
20 indirectly, with the business entity.

21 (ii) Any partnership of which the business entity is  
22 a partner.

23 (iii) Any limited liability company of which the  
24 business entity is a member or manager.

25 2. This paragraph shall be construed broadly to  
26 ensure the broadest disclosure and greatest transparency  
27 reasonably possible.

1           (3)a. With regard to each individual having any  
2 ownership interest in the applicant, the identity of all of  
3 the following entities, if the entities are directly or  
4 indirectly involved in the cannabis industry, including, but  
5 not limited to, the cultivation, processing, packaging,  
6 labeling, testing, transporting, or sale of cannabis:

7           1. Any business entity of which the individual or  
8 his or her spouse, parent, or child has any equity interest.

9           2. Any partnership of which the individual or his or  
10 her spouse, parent, or child has any equity interest.

11           3. Any limited liability company of which the  
12 individual or his or her spouse, parent, or child is a member  
13 or manager.

14           b. This subdivision shall be construed broadly to  
15 ensure the broadest disclosure and greatest transparency  
16 reasonably possible.

17           (4) Whether an owner, director, board member, or  
18 individual with a controlling interest in the applicant has  
19 been indicted for, charged with, arrested for, or convicted  
20 of, pled guilty or nolo contendere to, forfeited bail  
21 concerning any criminal offense under the laws of any  
22 jurisdiction, either felony or controlled substance-related  
23 misdemeanor, not including traffic violations, regardless of  
24 whether the offense has been reversed on appeal or otherwise,  
25 including the date, the name and location of the court,  
26 arresting agency, and prosecuting agency, the case caption,

1 the docket number, the offense, the disposition, and the  
2 location and length of incarceration.

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

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

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

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



1           (9) Financial information in the manner and form  
2 required by rule by the commission.

3           10) Records indicating that a majority of ownership  
4 is attributable to an individual or individuals with proof of  
5 residence in this state for a continuous period of no less  
6 than 15 years preceding the application date.

7           (11) For an applicant seeking an integrated facility  
8 license or a cultivator license, records indicating that a  
9 majority of ownership is attributable to an individual or  
10 individuals, or an entity or entities, with cumulative  
11 business experience in the field of commercial horticulture or  
12 agronomic production for a period of at least 15 years.

13           (b) Each owner, shareholder, director, board member,  
14 and individual with an economic interest in an applicant shall  
15 submit to a state and national criminal background check. The  
16 commission shall determine the manner in which fingerprints of  
17 the individual shall be submitted to the Alabama State Law  
18 Enforcement Agency along with a sufficient fee required to  
19 perform the criminal history records check by the agency and  
20 by the Federal Bureau of Investigation. The applicant shall  
21 submit with its application the individual's written consent  
22 to the criminal history records check.

23           (c) A false application is cause for the commission  
24 to deny a license. The commission shall not consider an  
25 incomplete application but, within a reasonable time, shall  
26 return the application to the applicant with notification of  
27 the deficiency and instructions for submitting a corrected

1 application. Information the commission obtains from the  
2 background investigation is exempt from disclosure under the  
3 Open Records Act, Article 3 of Chapter 12 of Title 36.

4 (d) An applicant shall provide written consent to  
5 the inspections, examinations, searches, and seizures provided  
6 for in subdivision (a) (3) of Section 20-2A-52 and to  
7 disclosure to the commission and its agents of otherwise  
8 confidential records, including tax records held by any  
9 federal, state, or local agency, or credit bureau or financial  
10 institution, while applying for or holding a license.  
11 Information the commission receives under this subsection is  
12 exempt from disclosure under the Open Records Act.

13 (e) An applicant shall certify that the applicant  
14 does not have an economic interest in any other license under  
15 this article.

16 (f) A nonrefundable application fee of two thousand  
17 five hundred dollars (\$2,500) shall be paid at the time of  
18 filing to defray the costs associated with the background  
19 investigation conducted by the commission. If the costs of the  
20 investigation and processing the application exceed the  
21 application fee, the applicant shall pay the additional amount  
22 to the commission. All information, records, interviews,  
23 reports, statements, memoranda, or other data supplied to or  
24 used by the commission in the course of its review or  
25 investigation of an application for a license under this  
26 article shall be disclosed only in accordance with this  
27 article. The information, records, interviews, reports,

1 statements, memoranda, or other data are not admissible as  
2 evidence or discoverable in any action of any kind in any  
3 court or before any department, agency, board, commission, or  
4 authority, except for any action considered necessary by the  
5 commission, unless so ordered by a court of competent  
6 jurisdiction according to the Rules of Civil Procedure.

7 (g) If the commission identifies a deficiency in an  
8 application, the commission shall provide the applicant with a  
9 reasonable period of time, as determined by the commission by  
10 rule but not more than 60 days, to correct the deficiency.

11 §20-2A-56.

12 (a) Before issuing any license under this article,  
13 the commission shall provide notice and a 30-day period during  
14 which members of the public may submit written comments  
15 regarding an applicant. The commission shall consider all  
16 comments received during the 30-day period. The commission may  
17 hold a public hearing as it deems necessary, at which the  
18 applicant may present its business plan for the operation of  
19 its facilities and allow further comments or questions from  
20 the public. The hearing shall be conducted in a manner that  
21 allows members of the public to participate remotely by  
22 virtual means.

23 (b) An applicant is ineligible to receive a license  
24 if any of the following circumstances exist:

25 (1) An owner, director, board member, or individual  
26 with a controlling interest in the applicant has been  
27 convicted of or released from incarceration for a felony under

1 the laws of this state, any other state, or the United States  
2 within the past 10 years or has been convicted of a controlled  
3 substance-related felony within the past 10 years; provided,  
4 however, the commission shall not consider any conviction  
5 overturned on appeal or any charge that has been expunged  
6 pursuant to Chapter 27 of Title 15.

7 (2) The applicant has knowingly submitted an  
8 application for a license under this article that contains  
9 false information.

10 (3) An owner, shareholder, director, board member,  
11 or individual with an economic interest in the applicant is a  
12 member of the commission.

13 (4) The applicant fails to demonstrate the  
14 applicant's ability to maintain adequate minimum levels of  
15 liability and casualty insurance or other financial guarantees  
16 for its proposed facility.

17 (5) The applicant cannot provide records described  
18 in subdivision (a)(10) of Section 20-2A-55.

19 (6) For an applicant seeking an integrated facility  
20 license or a cultivator license, the applicant cannot provide  
21 records described in subdivision (a)(11) of Section 20-2A-55.

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

24 (c) 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 an owner, director, board member, or  
13 individual with a controlling interest in the applicant has  
14 been indicted for, charged with, arrested for, or convicted  
15 of, pled guilty or nolo contendere to, forfeited bail  
16 concerning, or had expunged any relevant criminal offense  
17 under the laws of any jurisdiction, either felony or  
18 misdemeanor, not including traffic violations, regardless of  
19 whether the offense has been expunged, pardoned, or reversed  
20 on appeal or otherwise.

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

24 (6) Whether the applicant has been served with a  
25 complaint or other notice filed with any court or public  
26 agency regarding payment of any tax required under federal,

1 state, or local law that has been delinquent for one or more  
2 years.

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

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

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

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

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

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

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

1           (e) After denial of a license, the commission, upon  
2 request, shall provide a public investigative hearing at which  
3 the applicant is given the opportunity to present testimony  
4 and evidence to establish its suitability for a license. Other  
5 testimony and evidence may be presented at the hearing, but  
6 the commission's decision must be based on the whole record  
7 before the commission and is not limited to testimony and  
8 evidence submitted at the public investigative hearing.

9           (f) Before issuing a license, the applicant shall  
10 pay the annual license fee, as established by the commission.

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

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

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

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

1 days after the license expiration date if the license is  
2 renewed by the end of the 60-day period.

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

6 (j) A licensee shall consent in writing to  
7 inspections, examinations, searches, and seizures that are  
8 permitted under this article.

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

13 §20-2A-57.

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

16 (1) An applicant or licensee fails to comply with  
17 this article or rules.

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

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

23 (b) The commission may impose civil fines of up to  
24 five thousand dollars (\$5,000) against an individual and up to  
25 twenty-five thousand dollars (\$25,000) or an amount equal to  
26 the daily gross receipts, whichever is greater, against a  
27 licensee for each violation of this article, rules, or an



1 order of the commission. Assessment of a civil fine under this  
2 subsection is not a bar to the investigation, arrest,  
3 charging, or prosecution of an individual for any other  
4 violation of this article and is not grounds to suppress  
5 evidence in any criminal prosecution that arises under this  
6 article or any other law of this state.

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

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

1 the action of the commission must be served either by personal  
2 delivery or by certified mail, postage prepaid, to the  
3 aggrieved party. Notice served by certified mail is considered  
4 complete on the business day following the date of the  
5 mailing.

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

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

19 §20-2A-58.

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

1 (b) A nonrefundable application fee of two thousand  
2 five hundred dollars (\$2,500) shall be paid to the commission  
3 at the time of filing any transfer request under subsection  
4 (a).

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

11 §20-2A-59.

12 (a) The commission, prior to appointment,  
13 employment, or service for a licensee, shall require all  
14 officers, employees, contractors, and other individuals  
15 performing work of any character who would have access to  
16 cannabis, a medical cannabis facility, or related equipment or  
17 supplies, to submit to a state and national criminal  
18 background check. The commission shall determine the manner in  
19 which fingerprints of the individuals shall be submitted to  
20 the Alabama State Law Enforcement Agency along with a  
21 sufficient fee required to perform the criminal history  
22 records check by the agency and the Federal Bureau of  
23 Investigation. Notwithstanding any state law to the contrary,  
24 all records related to any criminal background check conducted  
25 pursuant to this subsection shall be accessible and made  
26 available, upon request, by the commission.

1 (b) If the criminal background check of a  
2 prospective officer, employee, or contractor indicates a  
3 pending charge or conviction within the past five years for a  
4 controlled substance-related felony or a controlled  
5 substance-related misdemeanor, a licensee may not appoint,  
6 hire, or contract with the prospective officer, employee, or  
7 contractor without written permission of the commission;  
8 provided, however, a licensee shall not consider any  
9 conviction overturned on appeal or any charge that has been  
10 expunged pursuant to Chapter 27 of Title 15.

11 (c) Each licensee shall enter all transactions,  
12 current inventory, and other information into the statewide  
13 seed-to-sale tracking system in accordance with rules adopted  
14 by the commission and the Department of Agriculture and  
15 Industries.

16 §20-2A-60.

17 (a) Except as otherwise provided in subsection (b),  
18 a licensee shall adopt and use a third-party inventory control  
19 and tracking system that is capable of interfacing with the  
20 statewide seed-to-sale tracking system to allow the licensee  
21 to enter or access information in the statewide seed-to-sale  
22 tracking system as required under this article and rules. The  
23 third-party inventory control and tracking system must have  
24 all of the following capabilities necessary for the licensee  
25 to comply with the requirements applicable to the licensee's  
26 license type:

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

5           (2) Tracking lot and batch information throughout  
6 the entire chain of custody.

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

9           (4) Tracking cannabis plant, batch, and product  
10 destruction.

11           (5) Tracking transportation of product.

12           (6) Performing complete batch recall tracking that  
13 clearly identifies all of the following details relating to  
14 the specific batch subject to the recall:

15           a. Sold product.

16           b. Product inventory that is finished and available  
17 for sale.

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

19           d. Product being processed into another form.

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

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

24           (8) Reporting and tracking all inventory  
25 discrepancies.

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

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

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

6 (12) Identifying test results that may have been  
7 altered.

8 (13) Providing the licensee with access to  
9 information in the tracking system that is necessary to verify  
10 that the licensee is carrying out all transactions authorized  
11 under the licensee's license in accordance with this article.

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

16 (15) Providing the commission and state agencies  
17 with access to information in the database that they are  
18 authorized to access.

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

23 (17) Securing the confidentiality of information in  
24 the database by preventing access by a person who is not  
25 authorized to access the statewide seed-to-sale tracking  
26 system or is not authorized to access the particular  
27 information.

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

- 3 a. Total daily sales.
- 4 b. Total cannabis plants in production.
- 5 c. Total cannabis plants destroyed.
- 6 d. Total inventory adjustments.

7 (b) If the statewide seed-to-sale tracking system is  
8 capable of allowing a licensee to access or enter information  
9 into the statewide seed-to-sale tracking system without use of  
10 a third-party inventory control and tracking system, a  
11 licensee may access or enter information into the statewide  
12 seed-to-sale tracking system directly and the licensee is not  
13 required to adopt and use a third-party inventory control and  
14 tracking system.

15 §20-2A-61.

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

19 a. Advertise medical cannabis brand names or use  
20 graphics related to cannabis or paraphernalia on the exterior  
21 of the physical structure or vehicle.

22 b. Display medical cannabis products or  
23 paraphernalia so as to be clearly visible from the exterior of  
24 the physical structure or vehicle.

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

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

4 (c) The commission shall adopt rules that establish  
5 restrictions and requirements for advertising, including  
6 signage, that may include limiting the media or forums where  
7 advertising may occur.

8 §20-2A-62.

9 (a) (1) A cultivator license authorizes all of the  
10 following:

11 a. The cultivation of cannabis.

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

13 c. If the cultivator contracts with a processor to  
14 process its cannabis into medical cannabis on the cultivator's  
15 behalf, the sale or transfer of medical cannabis to a  
16 dispensary.

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

19 (b) The commission shall consult with the Department  
20 of Agriculture and Industries when determining the number of  
21 cultivator licenses to issue, provided the commission shall  
22 issue no more than 12 cultivator licenses.

23 (c) An applicant for a license under this section  
24 shall meet all of the following requirements:

25 (1) Demonstrate the ability to secure and maintain  
26 cultivation facilities.



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

4           (3) Demonstrate the ability to commence cultivation  
5 of cannabis within 60 days of application approval  
6 notification.

7           (4) Demonstrate the ability to destroy unused or  
8 waste cannabis in accordance with rules adopted by the  
9 Department of Agriculture and Industries.

10          (5) Demonstrate the financial stability to provide  
11 proper testing of individual lots and batches.

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

15           (1) All facilities shall be protected by a monitored  
16 security alarm system, be enclosed, and remain locked at all  
17 times.

18           (2) All individuals entering and exiting facilities  
19 shall be monitored by video surveillance and keypad or access  
20 card entry.

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

1           (4) Cultivars selected by a licensee must be  
2 approved by the department prior to acquisition of plant  
3 material for cultivation.

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

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

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

11           (h) The Department of Agriculture and Industries  
12 shall consult with the commission when adopting rules pursuant  
13 to this article.

14           §20-2A-63.

15           (a) (1) A processor license authorizes all of the  
16 following:

17           a. The purchase or transfer of cannabis from a  
18 cultivator.

19           b. The processing of cannabis into medical cannabis  
20 which shall include properly packaging and labeling medical  
21 cannabis products, in accordance with this section.

22           c. The sale or transfer of medical cannabis to a  
23 dispensary.

24           (2) A processor license authorizes the processor to  
25 transfer medical cannabis only by means of a secure  
26 transporter.

1 (b) The commission shall issue no more than four  
2 processor licenses.

3 (c) (1) All medical cannabis products must be medical  
4 grade product, manufactured using documented good quality  
5 practices, and meet Good Manufacturing Practices, such that  
6 the product is shown to meet intended levels of purity and be  
7 reliably free of toxins and contaminants. Medical cannabis  
8 products may not contain any additives other than  
9 pharmaceutical grade excipients.

10 (2) The Department of Agriculture and Industries  
11 shall be responsible for enforcing Good Manufacturing  
12 Practices.

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

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

19 (2) Any product bearing a reasonable resemblance to  
20 a product available for consumption as a commercially  
21 available candy.

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

25 (4) Any product whose shape bears the likeness or  
26 contains characteristics of a realistic or fictional human,

1 animal, or fruit, including artistic, caricature, or cartoon  
2 rendering.

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

5 (1) Labels, packages, and containers shall not be  
6 attractive to minors and may not contain any content that  
7 reasonably appears to target children, including toys, cartoon  
8 characters, and similar images. Packages should be designed to  
9 minimize appeal to children and must contain a label that  
10 reads: "Keep out of reach of children."

11 (2) All medical cannabis products must be packaged  
12 in child-resistant, tamper-evident containers.

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

15 a. Lot and batch numbers.

16 b. A license identification number for the  
17 cultivator and a license identification number for the  
18 processor.

19 c. Cannabinoids content and potency.

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

22 (f) The commission shall establish one universal  
23 flavor for all gelatinous cube, cuboid, and lozenge medical  
24 cannabis products.

25 (g) The following statement shall be included on  
26 each label, if space permits, or as an insert within the  
27 package: "WARNING: This product may make you drowsy or dizzy.

1 Do not drink alcohol with this product. Use care when  
2 operating a vehicle or other machinery. Taking this product  
3 with medication may lead to harmful side effects or  
4 complications. Consult your physician before taking this  
5 product with any medication. Women who are breastfeeding,  
6 pregnant, or plan to become pregnant should discuss medical  
7 cannabis use with their physicians."

8 (h) 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 (i) 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 (j) 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 four  
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, day care, or child care  
17 facility.

18           (2) Each dispensing site must be equipped with  
19 surveillance cameras that are focused on each point of entry  
20 and that operate on a continuous basis. The dispensary must  
21 maintain surveillance records for a minimum of 60 days  
22 following the date of recording.

23           (3) Sell and dispense medical cannabis at a  
24 dispensing site to a registered qualified patient or  
25 registered caregiver only after it has been tested and bears  
26 the label required for retail sale.

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

4           (5) Only allow dispensing of medical cannabis by  
5 certified dispensers, as provided in subsection (e).

6           (6) Not allow the use of medical cannabis products  
7 on the premises.

8           (7) Only allow registered qualified patients and  
9 registered caregivers on the premises.

10           (e) (1) As used in this subsection, certified  
11 dispenser means an employee of a dispensary who dispenses  
12 medical cannabis to a registered qualified patient or  
13 registered caregiver and who has been trained and certified by  
14 the commission.

15           (2) The commission shall establish and administer a  
16 training program for dispensers that addresses proper  
17 dispensing procedures, including the requirements of this  
18 subsection, and other topics relating to public health and  
19 safety and preventing abuse and diversion of medical cannabis.  
20 The commission shall certify trained dispensers and may  
21 require, as a qualification to remain certified, periodic  
22 training.

23           (3) A certified dispensary shall comply with all of  
24 the following:

25           a. Before dispensing medical cannabis, inquire of  
26 the patient registry to confirm that the patient or caregiver  
27 holds a valid, current, unexpired, and unrevoked medical

1 cannabis card and that the dispensing of medical cannabis  
2 conforms to the type and amount recommended in the physician  
3 certification and will not exceed the 60-day daily dosage  
4 purchasing limit.

5 b. Enter into the patient registry the date, time,  
6 amount, and type of medical cannabis dispensed.

7 c. Comply with any additional requirements  
8 established by the commission by rule.

9 (4) The commission shall adopt rules to implement  
10 this subsection.

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

21 Notwithstanding the foregoing, a licensee may not operate any  
22 dispensing site in the unincorporated area of a county or in a  
23 municipality that has passed a resolution or ordinance  
24 prohibiting the operation of dispensing sites under subsection  
25 (c) of Section 20-2A-51.

26 §20-2A-65.



1 (a) A secure transporter license authorizes the  
2 licensee to store and transport cannabis and medical cannabis  
3 for a fee upon request of a licensee. A license does not  
4 authorize transport to a registered qualified patient or  
5 registered caregiver.

6 (b) A secure transporter shall comply with all of  
7 the following:

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

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

18 (3) The cannabis or medical cannabis shall be  
19 transported in one or more sealed containers and not be  
20 accessible while in transit.

21 (4) A secure transporting vehicle may not bear  
22 markings or other indication that it is carrying cannabis or  
23 medical cannabis.

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

1 §20-2A-66.

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

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

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

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

21 (2) Terpene profiles.

22 (3) Heavy metals.

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

25 (5) Microbials, including pathogenic microbials.

26 (6) Mycotoxins.

1           (7) Residual insecticides, fungicides, herbicides,  
2 and growth regulators used during cultivation.

3           (8) Residual solvents.

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

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

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

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

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

23           (f) The licensee shall comply with all of the  
24 following:

25           (1) Perform tests to certify that cannabis and  
26 medical cannabis is reasonably free of heavy metals, chemical

1 contamination, residual pesticides and growth inhibitors, and  
2 residual solvents.

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

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

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

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

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

16 §20-2A-67.

17 (a) An integrated facility license authorizes all of  
18 the following:

19 (1) The cultivation of cannabis.

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

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

25 (4) The transport of cannabis or medical cannabis  
26 between its facilities.

1           (5) The sale or transfer of medical cannabis to a  
2 dispensary.

3           (b) The commission may issue no more than five  
4 integrated facility licenses.

5           (c) An integrated facility licensee shall have the  
6 same authorizations granted to, and shall comply with all  
7 requirements for, cultivators, processors, secure  
8 transporters, and dispensaries, in addition to any other  
9 authorizations or requirements under this section or as  
10 established by rule by the commission.

11           (d) An applicant for an integrated facility license  
12 shall provide all of the following:

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

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

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

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

1 (f) A licensee may operate up to five dispensing  
2 sites, each of which must be located in a different county  
3 from any other dispensing site that the licensee operates;  
4 provided, however, the commission may authorize a licensee to  
5 operate a greater number of dispensing sites if, at least one  
6 year after the date when the maximum number of total  
7 dispensing sites authorized under this section and Section  
8 20-2A-64 are operating, the commission determines that the  
9 patient pool has reached a sufficient level to justify an  
10 additional dispensing site in an underserved or unserved area  
11 of the state. Notwithstanding the foregoing, a licensee may  
12 not operate any dispensing site in the unincorporated area of  
13 a county or in a municipality that has passed a resolution or  
14 ordinance prohibiting the operation of dispensing sites under  
15 subsection (c) of Section 20-2A-51.

16 (g) This subsection shall not be construed to limit  
17 wholesale distribution from integrated facility licensees to  
18 dispensary licensees.

19 §20-2A-68.

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

26 Section 2. (a) Commencing January 1, 2022, there is  
27 levied, in addition to all other taxes of every kind now

1 imposed by law, and shall be collected and remitted in  
2 accordance with Article 1, commencing with Section 40-23-1, of  
3 Chapter 23 of Title 40, Code of Alabama 1975, a tax on the  
4 gross proceeds of the sales of medical cannabis when sold at  
5 retail in this state at the rate of nine percent of the gross  
6 proceeds of the sales.

7 (b) (1) Commencing January 1, 2022, there is levied  
8 an annual privilege tax on every person doing business under  
9 Chapter 2A of Title 20, Code of Alabama 1975, in Alabama. The  
10 tax shall accrue as of January 1 of every taxable year, or in  
11 the case of a taxpayer licensed under Chapter 2A of Title 20,  
12 Code of Alabama 1975, during the year, or doing business in  
13 this state for the first time, as of the date the taxpayer is  
14 licensed to do business under Chapter 2A of Title 20, Code of  
15 Alabama 1975. The tax shall be levied upon the taxpayer's net  
16 worth in Alabama for the taxable year. For purposes of this  
17 subdivision, a taxpayer's net worth in Alabama shall be  
18 determined by apportioning the taxpayer's net worth computed  
19 under Section 40-14A-23, Code of Alabama 1975, in the same  
20 manner as prescribed for apportioning income during the  
21 determination period for purposes of the income tax levied by  
22 Chapter 18 of Title 40, Code of Alabama 1975, or the manner in  
23 which the income would be apportioned if the taxpayer were  
24 subject to the income tax.

25 (2) The amount of tax due shall be computed in the  
26 same manner and at the same rate of tax as prescribed in  
27 Section 40-14A-22, Code of Alabama 1975, for purposes of

1 determining the annual privilege tax levied by Chapter 14A of  
2 Title 40, Code of Alabama 1975.

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

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

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

24 (c) The Department of Revenue shall adopt rules to  
25 implement this section.

26 Section 3. An employee who is injured or killed  
27 under circumstances that might otherwise make the employee or



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

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

17 (b) There is established the Consortium for Medical  
18 Cannabis Research for the purpose of awarding grants to  
19 entities for research relating to cannabis and medical  
20 cannabis. The initial member institutions shall consist of the  
21 HudsonAlpha Institute for Biotechnology, the Southern Research  
22 Institute, and public and private four-year colleges and  
23 universities within the state designated not later than  
24 January 1, 2022, by the Alabama Commission on Higher  
25 Education. Membership in the consortium may be increased or  
26 decreased by rules established by the board of directors of  
27 the consortium.

1 (c) The management of the consortium shall be vested  
2 in a board of directors, composed of the President of  
3 HudsonAlpha Institute for Biotechnology, the Chief Executive  
4 Officer of the Southern Research Institute, and the presidents  
5 of each member college and university. The board of directors  
6 shall determine the overall program and general policies of  
7 the consortium in conformance with the purposes set forth in  
8 subsection (d). The board may elect or appoint officers as it  
9 deems desirable, who may or may not be members of the board,  
10 to have responsibilities and to exercise authority as the  
11 board may 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, the Speaker of the House of  
25 Representatives, and the Attorney General on research  
26 projects, research findings, community outreach initiatives,  
27 and future plans for the 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. Any person who is recommended a daily  
19 dosage of medical cannabis that exceeds 75 mg of  
20 delta-9-tetrahydrocannabinol under paragraph (f)(2)b. of  
21 Section 20-2A-33, Code of Alabama 1975, shall automatically  
22 have his or her driver's license suspended, regardless of  
23 whether he or she holds a valid medical cannabis card under  
24 Chapter 2A of Title 20, Code of Alabama 1975.

25 Section 7. Although this bill would have as its  
26 purpose or effect the requirement of a new or increased  
27 expenditure of local funds, the bill is excluded from further

1 requirements and application under Amendment 621, now  
2 appearing as Section 111.05 of the Official ReCompilation of  
3 the Constitution of Alabama of 1901, as amended, because the  
4 bill defines a new crime or amends the definition of an  
5 existing crime.

6 Section 8. This act shall become effective  
7 immediately following its passage and approval by the  
8 Governor, or its otherwise becoming law.