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3 SUBSTITUTE 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 can not only benefit patients by providing relief to  
14 pain and other debilitating symptoms, provide opportunities  
15 for patients with these debilitating conditions to function  
16 and have a better quality of life, but also provide employment  
17 and business opportunities for farmers and other residents of  
18 this state and revenue to state and local governments.

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

24 (7) The State of Alabama, therefore, wishes to  
25 create a health care market for medical cannabis.  
26 Notwithstanding any medical benefit of cannabis or cannabis  
27 derivatives, the recreational use of marijuana remains a

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

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

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

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

23 (11) Requiring licensees to prove a history of  
24 residency within the state for a period of time is directly  
25 related to avoiding an influx of companies engaged in the  
26 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           ~~(1)~~ (2) BOARD. The State Board of Medical Examiners.

6           ~~(2)~~ (3) CANNABIS. a. Except as provided in paragraph  
7 b., all parts of any plant of the genus cannabis, whether  
8 growing or not, including the seeds, extractions of any kind  
9 from any part of the plant, and every compound, derivative,  
10 mixture, 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           ~~(3)~~ (4) COMMISSION. The Alabama Medical Cannabis  
14 Commission created pursuant to Section 20-2A-20.

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

18           ~~(5)~~ (6) DAILY DOSAGE. The total amount of one or  
19 more 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           ~~(6)~~ (7) DEPARTMENT. The Department of Agriculture  
25 and Industries.

26           ~~(7)~~ (8) DISPENSARY. An entity licensed by the  
27 commission under Section 20-2A-64 authorized to dispense and

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

4 ~~(8)~~ (9) DISPENSING SITE. A site operated by an  
5 dispensary licensee or an integrated facility licensee  
6 pursuant to Article 4.

7 ~~(9)~~ (10) FACILITY or MEDICAL CANNABIS FACILITY. Any  
8 facility, or land associated with a facility, of a licensee.

9 ~~(10)~~ (11) INTEGRATED FACILITY. An entity licensed  
10 under Section 20-2A-67 authorized to perform the functions of  
11 a cultivator, processor, secure transporter, and dispensary  
12 pursuant to Article 4.

13 ~~(11)~~ (12) LICENSEE. A cultivator, processor, secure  
14 transporter, state testing laboratory, dispensary, or  
15 integrated facility licensed by the commission under Article  
16 4.

17 ~~(12)~~ (13) MEDICAL CANNABIS. a. A medical grade  
18 product in the form of any of the following, as determined by  
19 rule by the commission, that contains a derivative of cannabis  
20 for medical use by a registered qualified patient pursuant to  
21 this chapter:

22 1. Oral tablet, capsule, or tincture.

23 2. Non-sugarcoated gelatinous cube, gelatinous  
24 rectangular cuboid, or lozenge in a cube or rectangular cuboid  
25 shape.

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

27 4. Suppository.

1           5. Transdermal patch.

2           6. Nebulizer.

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

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

6           1. Raw plant material.

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

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

12           ~~(13)~~ (14) MEDICAL CANNABIS CARD. A valid card issued  
13 pursuant to Section 20-2A-35 or a temporary card issued  
14 pursuant to Section 20-2A-36.

15           ~~(14)~~ (15) MEDICAL USE or USE OF MEDICAL CANNABIS or  
16 USE MEDICAL CANNABIS. The acquisition, possession, use,  
17 delivery, transfer, or administration of medical cannabis  
18 authorized by this chapter. The term does not include  
19 possession, use, or administration of cannabis that was not  
20 purchased or acquired from a licensed dispensary.

21           ~~(15)~~ (16) PACKAGE. Any container that a processor  
22 may use for enclosing and containing medical cannabis. The  
23 term does not include any carry-out bag or other similar  
24 container.

25           ~~(16)~~ (17) PATIENT REGISTRY. The Alabama Medical  
26 Cannabis Patient Registry System that is an electronic  
27 integrated system that tracks physician certifications,

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

7 ~~(17)~~ (18) PHYSICIAN CERTIFICATION. A registered  
8 certifying physician's authorization for a registered  
9 qualified patient to use medical cannabis.

10 ~~(18)~~ (19) PROCESSOR. An entity licensed by the  
11 commission under Section 20-2A-63 authorized to purchase  
12 cannabis from a cultivator and extract derivatives from the  
13 cannabis to produce a medical cannabis product or products for  
14 sale and transfer in packaged and labeled form to a dispensing  
15 site pursuant to Article 4.

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

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

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

18           ~~(20)~~ (21) REGISTERED CAREGIVER. An individual who  
19 meets the requirements described in subsection (c) of Section  
20 20-2A-30 and is authorized to acquire and possess medical  
21 cannabis and to assist one or more registered qualified  
22 patients with the use of medical cannabis pursuant to this  
23 chapter.

24           ~~(21)~~ (22) REGISTERED CERTIFYING PHYSICIAN. A  
25 physician authorized by the State Board of Medical Examiners  
26 to certify patients for the use of medical cannabis pursuant  
27 to this chapter.

1           ~~(22)~~ (23) REGISTERED QUALIFIED PATIENT. Either of  
2 the following:

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

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

11           ~~(23)~~ (24) SECURE TRANSPORTER. An entity licensed by  
12 the commission under Section 20-2A-65 authorized to transport  
13 cannabis or medical cannabis from one licensed facility or  
14 site to another licensed facility or site.

15           ~~(24)~~ (25) STATE TESTING LABORATORY. An entity  
16 licensed under Section 20-2A-66 authorized to test cannabis  
17 and medical cannabis to ensure the product meets safety  
18 qualifications required under this chapter.

19           ~~(25)~~ (26) STATEWIDE SEED-TO-SALE TRACKING SYSTEM.  
20 The tracking system established pursuant to Section 20-2A-54  
21 that tracks all cannabis and medical cannabis in the state.

22           ~~(26)~~ (27) UNIVERSAL STATE SYMBOL. The image  
23 established by the commission pursuant to Section 20-2A-53  
24 made available to processors which indicates the package  
25 contains medical cannabis.

26           §20-2A-4.

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

11           §20-2A-5.

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

21           §20-2A-6.

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

23           (1) Require an insurer, organization for managed  
24 care, health benefit plan, or any individual or entity  
25 providing coverage for a medical or health care service to pay  
26 for or to reimburse any other individual or entity for costs  
27 associated with the use of medical cannabis.

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

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

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

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

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

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

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

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

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

23           (b) For the purpose of obtaining needed medical  
24 care, including organ transplants, a registered qualified  
25 patient's authorized use of medical cannabis in accordance  
26 with this chapter is considered the equivalent of the  
27 authorized use of any other medication used at the direction

1 of a licensed health care professional and may not constitute  
2 the use of an illicit substance or otherwise disqualify a  
3 registered qualified patient from such needed medical care.

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

10 (d) Nothing in this chapter shall prohibit the  
11 Department of Human Resources from considering a parent or  
12 caretaker's use of medical cannabis as a factor for  
13 determining the welfare of a child in any of the following  
14 circumstances:

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

16 (2) The best interest of a child is determined for  
17 custody purposes.

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

20 §20-2A-7.

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

26 (b) A registered certifying physician who acts in  
27 good faith compliance with this chapter regarding the dosage

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

20 (c) A licensee or any employee of that licensee is  
21 not subject to arrest or prosecution if the person is acting  
22 pursuant to this chapter and within the scope of his or her  
23 employment.

24 (d) A hospital, medical facility, or hospice program  
25 where a registered qualified patient is receiving treatment in  
26 accordance with this chapter is not subject to arrest,

1 prosecution, or penalty in any manner, or denied any right or  
2 privilege solely for providing that treatment.

3 (e) Mere possession of, or application for, a  
4 medical cannabis card does not constitute probable cause or  
5 reasonable suspicion, nor shall it be used as the sole basis  
6 to support the search of the person, property, or home of the  
7 individual possessing or applying for the medical cannabis  
8 card. The possession of, or application for, a medical  
9 cannabis card does not preclude the existence of probable  
10 cause if probable cause exists on other grounds.

11 (f) Nothing in this chapter shall preclude the  
12 Alabama State Law Enforcement Agency or a local law  
13 enforcement agency from searching a licensee where there is  
14 probable cause to believe that a criminal law has been  
15 violated and the search is conducted in conformity with  
16 constitutional and state law.

17 §20-2A-8.

18 (a) (1) An individual may not distribute, possess,  
19 manufacture, or use medical cannabis or a medical cannabis  
20 product that has been diverted from a registered qualified  
21 patient, a registered caregiver, or a licensed cultivator,  
22 processor, secure transporter, dispensary, or a state testing  
23 laboratory.

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

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

4           (b) This chapter does not permit any individual to  
5 engage in, and does not prevent the imposition of any civil,  
6 criminal, or other penalty for engaging in any of the  
7 following conduct:

8           (1) Undertaking any task under the influence of  
9 cannabis, when doing so would constitute negligence,  
10 professional malpractice, or professional misconduct, or  
11 violation of law.

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

17           §20-2A-9.

18           The commission shall provide annual written reports  
19 to the Legislature, with the first due no later than January  
20 1, 2022, tracking implementation of this chapter. The report  
21 shall be made publicly available and posted on the  
22 commission's website. The report shall include all of the  
23 following:

24           (1) The number of patients applying for and  
25 receiving medical cannabis cards.

26           (2) The qualifying medical conditions identified to  
27 obtain the medical cannabis cards.

1           (3) Comments from physicians and other health care  
2 providers and from pharmacists.

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

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

7           (6) Relevant scientific research.

8           (7) Applicable tax revenue.

9           (8) The commission's annual operating expenses and  
10 revenues.

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

15           (10) Any other information available to the  
16 commission that would inform public officials of how this  
17 chapter affects the public.

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

20           a. Any suggestions to ensure that veterans, women,  
21 and minorities are not unfairly discriminated against in  
22 obtaining licenses under Article 4.

23           b. Changes to reflect changes in federal law or  
24 regulation.

25           c. Changes based on additional medical or scientific  
26 research.

27           §20-2A-10.

1 (a) There is created a special account in the State  
2 Treasury to be known as the Medical Cannabis Commission Fund.  
3 Expenditures from the Medical Cannabis Commission Fund may be  
4 made only by the commission to implement, administer, and  
5 enforce this chapter. Specifically, the Medical Cannabis  
6 Commission Fund includes all of the following:

7 (1) Tax proceeds collected pursuant to subsections  
8 (a) and (b) of Section 2 of the act adding this language, less  
9 an amount sufficient to cover the cost of administration of  
10 the tax levies imposed under subsections (a) and (b) of  
11 Section 2, which shall be retained by the Department of  
12 Revenue.

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

16 (3) Any monies appropriated by the Legislature for  
17 the initial operation of the commission.

18 (b) Amounts in the Medical Cannabis Commission Fund  
19 shall be budgeted and allotted in accordance with Section  
20 41-4-80 through 41-4-96 and Sections 41-19-1 through 41-19-12,  
21 but shall not be limited by the fiscal year appropriation cap.

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

26 (1) 60 percent shall be transferred to the General  
27 Fund.

1           (2) ~~30~~ 15 percent shall be transferred to the  
2 Medical Cannabis Research Fund established pursuant to  
3 subsection (f) of Section 4.

4           (3) 15 percent shall be transferred to the Alabama  
5 Department of Public Health to be used by the Office of  
6 Primary Care and Rural Health.

7           §20-2A-11.

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

11          §20-2A-12.

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

15          Article 2. Alabama Medical Cannabis Commission.

16          §20-2A-20.

17          (a) The Alabama Medical Cannabis Commission is  
18 established. The commission shall consist of the following  
19 members, with initial members appointed not later than July 1,  
20 2021:

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

26               (2) Three members appointed by the Lieutenant  
27 Governor, one of whom is a physician licensed to practice

1 medicine in this state certified in the specialty of  
2 pediatrics; one of whom is licensed to practice law in this  
3 state who specializes in health law; and one of whom is a  
4 biochemist. Initial terms shall be one, four, and three years,  
5 respectively.

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

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

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

22 (6) One member appointed by the State Health  
23 Officer.

24 (b) Each commission member appointed to the  
25 commission is subject to confirmation by the Senate during the  
26 legislative session in which the appointment is made or, if  
27 the appointment is made when the Legislature is not in

1 session, during the next special or regular session. An  
2 appointee may serve in the position pending confirmation by  
3 the Senate. Each member of the committee shall serve after the  
4 expiration of his or her term until his or her successor is  
5 appointed.

6 (c) A member may not have any interest, financial or  
7 otherwise, direct or indirect, in any facility licensed under  
8 Article 4 in this state. Any current public official,  
9 candidate for public office, current public employee, or  
10 registered lobbyist may not serve as a member.

11 (d) Members must be at least 30 years of age and  
12 residents of this state for at least five continuous years  
13 immediately preceding their appointment. The appointing  
14 officers shall coordinate their appointments so that diversity  
15 of gender, race, and geographical areas is reflective of the  
16 makeup of this state.

17 (e) After initial appointments, each member shall  
18 serve a term of four years, but may be reappointed for one  
19 additional term. If at any time there is a vacancy, a  
20 successor member shall be appointed by the respective  
21 appointing officer to serve for the remainder of the term.  
22 Members may be removed for cause by the appointing authority.

23 (f) The commission shall elect from the membership  
24 one member to serve as chair and one member to serve as  
25 vice-chair.

26 (g) While serving on business of the commission,  
27 members shall be entitled to a per diem of five hundred

1 dollars (\$500) per day, as well as actual travel expenses  
2 incurred in the performance of duties as a member, as other  
3 state employees are paid, when approved by the chair.

4 (h) The commission shall meet at least six times per  
5 year and hold other meetings for any period of time as may be  
6 necessary for the commission to transact and perform its  
7 official duties and functions. A majority of members of the  
8 commission shall constitute a quorum for the transaction of  
9 any business, or in the performance of any duty, power, or  
10 function of the commission, and the concurrence of a majority  
11 of those present and voting in any matter within its duties is  
12 required for a determination of matters within its  
13 jurisdiction. A special meeting may be called by the chair, or  
14 upon the written request of two or more members. All members  
15 shall be duly notified by the commission director of the time  
16 and place of any regular or special meeting at least thirty  
17 days in advance of any meeting. Members may participate by  
18 telephone, video conference, or by similar communications  
19 equipment so that all individuals participating in the meeting  
20 may hear each other at the same time. Participating by such  
21 means shall constitute presence in person at a meeting for all  
22 purposes. The chair shall be responsible for setting and  
23 keeping a meeting schedule that ensures the commission meets  
24 the requirements of this chapter. A member who misses more  
25 than two meetings in one calendar year shall be subject to  
26 removal by his or her appointing authority.

1           (i) (1) The commission may employ a director to serve  
2 at the pleasure of the commission. The director's salary shall  
3 be fixed by the commission and shall not be subject to Section  
4 36-6-6. The director shall be at least 30 years of age and  
5 have been a citizen and resident of this state for at least  
6 five years prior to employment. The director is the chief  
7 administrative officer of the commission, and all personnel  
8 employed by the commission shall be under the director's  
9 direct supervision. The director shall be solely responsible  
10 to the commission for the administration and enforcement of  
11 this chapter and responsible for the performance of all duties  
12 and functions delegated by the commission.

13           (2) The director shall maintain all records of the  
14 commission and also serve as secretary of the commission. The  
15 director shall prepare and keep the minutes of all meetings  
16 held by the commission, including a record of all business  
17 transacted and decisions rendered by the commission. A copy of  
18 the record of the minutes and business transacted and  
19 decisions rendered shall be kept on file at the commission's  
20 main office and shall be available for public inspection.

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

25           (j) The commission may employ an assistant director  
26 who shall perform all duties and functions which may be  
27 assigned by the director or the commission. The assistant

1 director, if licensed to practice law in this state, may also  
2 be designated by the commission to sit, act, and serve as a  
3 hearing officer, and when designated as a hearing officer, the  
4 assistant director may perform the same duties and functions  
5 as the regular hearing officer.

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

8 (l) In any action or suit brought against the  
9 members of the commission in their official capacity in a  
10 court of competent jurisdiction, to review any decision or  
11 order issued by the commission, service of process issued  
12 against the commission may be lawfully served or accepted by  
13 the director on behalf of the commission as though the members  
14 of the commission were personally served with process.

15 (m) The commission may employ additional officers,  
16 including an inspection officer. The director, assistant  
17 director, and any other officer or employee shall be  
18 reimbursed for actual travel expenses as other state employees  
19 are paid, when approved by the chair.

20 (n) The commission shall retain legal counsel  
21 familiar with the requirements of this chapter and medical  
22 cannabis licensing and best practices in other states in order  
23 to assist the commission and staff with establishing a  
24 functional program and achieving compliance with applicable  
25 laws.

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

1           (p) The commission shall be subject to the Alabama  
2 Administrative Procedure Act.

3           §20-2A-21.

4           (a) A member of the commission and any individual  
5 employed by the commission may not have any interest,  
6 financial or otherwise, either direct or indirect, in any  
7 licensee. In addition, a member or employee of the commission  
8 may not have any family member who is employed by any  
9 dispensary, cultivator, or manufacturer or who holds any  
10 cannabis license in this state. A member or employee of the  
11 commission or his or her family member may not have an  
12 interest of any kind in any building, fixture, or premises  
13 occupied by any person licensed under this chapter; and may  
14 not own any stock or have any interest of any kind, direct or  
15 indirect, pecuniary or otherwise, by a loan, mortgage, gift,  
16 or guarantee of payment of a loan, in any dispensary,  
17 cultivator, or manufacturer licensed under this chapter.

18           (b) A member or employee of the commission may not  
19 accept any gift, favor, merchandise, donation, contribution,  
20 or any article or thing of value, from any person licensed  
21 under this chapter.

22           (c) Any individual violating this section shall be  
23 terminated from employment or position, and as a consequence,  
24 the individual shall forfeit any pay or compensation which  
25 might be due.

1 (d) For purposes of this section, family member  
2 includes a spouse, child, parent, or sibling, by blood or  
3 marriage.

4 (e) In addition to any violation of Chapter 25 of  
5 Title 36, a violation of this section is a Class C  
6 misdemeanor.

7 §20-2A-22.

8 (a) The Alabama Medical Cannabis Commission shall  
9 implement this chapter by making medical cannabis derived from  
10 cannabis grown in Alabama available to registered qualified  
11 patients and by licensing facilities that process, transport,  
12 test, or dispense medical cannabis.

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

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

17 §20-2A-30.

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

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

23 b. Is registered with the commission.

24 c. Has been issued a valid medical cannabis card by  
25 the commission.

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

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

7 a. Has been certified by a registered certifying  
8 physician as having a qualifying medical condition.

9 b. Is registered with the commission.

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

12 (2) A registered qualified patient described in  
13 subdivision (1) may use medical cannabis but may not purchase  
14 or possess medical cannabis.

15 ~~(c) (1) A resident of this state who is 19 years of~~  
16 ~~age or older is a registered caregiver if he or she meets both~~

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

19 a. Is registered with the commission.

20 b. Has been issued a valid medical cannabis card by  
21 the commission.

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

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

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

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

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

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

18          §20-2A-31.

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

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

24               (2) Complete a four-hour course related to medical  
25               cannabis and complete a subsequent examination, both of which  
26               shall be offered by a multi-specialty statewide professional  
27               organization of physicians in this state that is recognized to

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

9 (3) Meet any additional qualifications established  
10 by rule by the board.

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

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

20 §20-2A-32.

21 A registered certifying physician may not do any of  
22 the following:

23 (1) Except for the limited purpose of performing a  
24 medical cannabis-related study, accept, solicit, or offer any  
25 form of remuneration from or to a qualified patient,  
26 designated caregiver, or any licensee, including a principal  
27 officer, board member, agent, or employee of the licensee, to

1 certify a patient, other than accepting payment from a patient  
2 for the fee associated with the examination, medical  
3 consultation, or other treatment, including, but not limited  
4 to, any third party reimbursement for the same.

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

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

12 (4) Hold a direct or indirect economic interest in a  
13 licensee.

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

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

18 (7) Advertise in a dispensary.

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

1 §20-2A-33.

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

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

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

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

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

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

21 (5) Requirements for obtaining the voluntary and  
22 informed written consent from the patient to use medical  
23 cannabis, or from the patient's designated caregiver to assist  
24 the patient with the use of medical cannabis, on a form  
25 created by the board and accessible at no charge on its  
26 website. The form shall include, but not be limited to,  
27 information relating to all of the following:

1           a. The federal and state classification of cannabis  
2 as a Schedule I controlled substance.

3           b. The approval and oversight status of cannabis by  
4 the Food and Drug Administration.

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

8           d. The potential for addiction.

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

14          f. The potential side effects of cannabis use.

15          g. The risks, benefits, and drug interactions of  
16 cannabis.

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

21          i. That the patient's de-identified health  
22 information contained in the patient's medical record,  
23 physician certification, and patient registry may be used for  
24 research purposes or used to monitor compliance with this  
25 chapter, as further provided in subsection (c) of Section  
26 20-2A-34.

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

8           (c) At the time of physician certification, the  
9 registered certifying physician shall enter electronically in  
10 the patient registry, in a manner determined by rule by the  
11 board, relevant information necessary to appropriately  
12 identify the patient; the respective qualifying medical  
13 condition or conditions of the patient; the daily dosage and  
14 type of medical cannabis recommended for medical use; and any  
15 other information the board, by rule, deems relevant.

16           (d) A physician certification does not constitute a  
17 prescription for medical cannabis.

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

21           (f) (1) The commission, by rule, shall specify, by  
22 form and tetrahydrocannabinol content, a maximum daily dosage  
23 of medical cannabis that may be recommended by a registered  
24 certifying physician for a particular qualifying medical  
25 condition, which may not exceed the limits set forth in  
26 subdivision (2).

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

5           a. A registered certifying physician may increase a  
6 patient's daily dosage if, after 90 days of continuous care  
7 under the physician during which time the patient was using  
8 medical cannabis, the physician determines that a higher daily  
9 dosage is medically appropriate, provided the maximum daily  
10 dosage under this paragraph may not exceed 75 mg of  
11 delta-9-tetrahydrocannabinol.

12           b. A registered certifying physician may increase a  
13 patient's daily dosage if the patient has been diagnosed with  
14 a terminal illness, provided, if the recommended daily dosage  
15 exceeds 75 mg of delta-9-tetrahydrocannabinol, the physician  
16 shall notify the patient that the patient's driver's license  
17 will be suspended.

18           (g) A registered certifying physician may not  
19 lawfully recommend the use of medical cannabis with a potency  
20 greater than three percent tetrahydrocannabinol to any minor  
21 for any qualifying medical condition. A minor may not legally  
22 use medical cannabis with a potency greater than three percent  
23 tetrahydrocannabinol, whether or not the minor has a valid  
24 medical cannabis card. A parent or legal guardian of a minor  
25 who holds a medical cannabis card may not legally possess  
26 medical cannabis with a potency greater than three percent  
27 tetrahydrocannabinol, unless the parent or guardian holds a

1 valid medical cannabis card for his or her own qualifying  
2 medical condition.

3 §20-2A-34.

4 (a) In order to commence, use, and maintain a  
5 reliable system to track all aspects of patient and caregiver  
6 qualification not later than September 1, 2022, the commission  
7 shall do all of the following:

8 (1) Establish and administer an integrated,  
9 electronic patient and caregiver registry, known as the  
10 Alabama Medical Cannabis Patient Registry System, that does  
11 all of the following:

12 a. Receives and records physician certifications.

13 b. Receives and tracks qualified patient  
14 registration and issuance of medical cannabis cards.

15 c. Receives and tracks designated caregiver  
16 registration and issuance of medical cannabis cards.

17 d. Includes in the patient registry database for  
18 each qualified patient registrant the name of the qualified  
19 patient and the patient's designated caregiver, if applicable,  
20 the patient's registered certifying physician, the respective  
21 qualifying medical condition or conditions, the recommended  
22 daily dosage and type of medical cannabis, and any other  
23 information the commission, by rule, deems relevant.

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

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

1           g. Determines whether a particular sale of medical  
2 cannabis transaction exceeds the permissible limit.

3           h. Tracks medical cannabis cards that are denied,  
4 revoked, or suspended.

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

7           j. Provides access as further provided in subsection  
8 (b).

9           (b) The patient registry shall be accessible to the  
10 following:

11           (1) State and local law enforcement agencies,  
12 provided the database may only be accessed upon probable cause  
13 or reasonable suspicion of a violation of a controlled  
14 substance law or of driving under the influence, and access is  
15 strictly limited to information that is necessary to verify  
16 that an individual is registered and possesses a valid and  
17 current medical cannabis card and, if appropriate, to verify  
18 that the amount and type of product in the individual's  
19 possession complies with the daily dosage limit and type of  
20 medical cannabis recommended.

21           (2) Health care practitioners licensed to prescribe  
22 prescription drugs.

23           (3) Registered certifying physicians.

24           (4) Dispensaries.

25           (5) The State Board of Medical Examiners.

26           (c) The commission may monitor patient registrations  
27 in the patient registry for practices that could facilitate

1 unlawful diversion or misuse of cannabis and shall recommend  
2 disciplinary action to the board as appropriate.

3 §20-2A-35.

4 (a) Once certified, a patient and, if applicable,  
5 the patient's designated caregiver, shall register in the  
6 patient registry. The commission shall develop the application  
7 and renewal process for patient and designated caregiver  
8 registration, that shall include, but not be limited to, an  
9 application form, relevant information that must be included  
10 on the form, any additional requirements for eligibility the  
11 commission deems necessary, and an application fee not to  
12 exceed sixty-five dollars (\$65).

13 (b) If the certified patient or designated caregiver  
14 meets the criteria for registration, the commission shall  
15 place the patient or caregiver on the patient registry and  
16 issue the patient or designated caregiver a medical cannabis  
17 card. The commission shall determine the criteria for revoking  
18 or suspending a medical cannabis card. Medical cannabis cards  
19 shall be resistant to counterfeiting and tampering and, at a  
20 minimum, shall include all of the following:

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

23 (2) A photograph of the qualified patient or  
24 caregiver, as applicable.

25 (3) Identification of the cardholder as a qualified  
26 patient or a caregiver.

1 (4) The expiration date, as determined by commission  
2 rule.

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

5 (c) Once a patient or designated caregiver is  
6 registered and issued a medical cannabis card, he or she is  
7 qualified to acquire, possess, or use medical cannabis, as  
8 applicable.

9 (d) If a registered qualified patient or registered  
10 caregiver loses his or her medical cannabis card, he or she  
11 shall notify the commission within 10 days of becoming aware  
12 the card is lost or stolen. The commission, by rule, shall  
13 determine the process and fee for replacing a lost or stolen  
14 card, including a process for invalidating the lost or stolen  
15 card.

16 (e) The commission shall adopt rules to implement  
17 this section and may impose civil penalties for violations of  
18 this section.

19 ~~§20-2A-36.~~

20 ~~(a) A nonresident patient or caregiver who holds a~~  
21 ~~valid medical cannabis or medical marijuana card issued in~~  
22 ~~another state may register on a temporary basis in the patient~~  
23 ~~registry and be issued a temporary medical cannabis card that~~  
24 ~~permits the temporary cardholder to access dispensaries in~~  
25 ~~this state, as further provided in this section and pursuant~~  
26 ~~to commission rules; provided, however, the commission may~~  
27 ~~only register the nonresident patient or caregiver on a~~

1 ~~temporary basis and issue a temporary card if the commission~~  
2 ~~can determine that a medical cannabis product comparable to~~  
3 ~~the type of product the patient or caregiver is permitted to~~  
4 ~~use in his or her home state is available and can be dispensed~~  
5 ~~in this state.~~

6 ~~(b) A nonresident patient or caregiver shall~~  
7 ~~complete an application, which shall be in a form~~  
8 ~~substantially similar to the application required under~~  
9 ~~Section 20-2A-35, along with proof, as determined by~~  
10 ~~commission rule, that the applicant has lawful permission in~~  
11 ~~his or her home state to purchase a medical cannabis or~~  
12 ~~medical marijuana product that is comparable to a type of~~  
13 ~~medical cannabis product dispensed in this state. An applicant~~  
14 ~~shall pay a processing fee to cover the costs incurred by the~~  
15 ~~commission to administer this section as determined by~~  
16 ~~commission rule.~~

17 ~~(c) A temporary medical cannabis card shall be in a~~  
18 ~~form substantially similar to medical cannabis cards issued~~  
19 ~~under Section 20-2A-35.~~

20 ~~(d) A temporary medical cannabis card is valid for a~~  
21 ~~period determined by the commission by rule, but in no event~~  
22 ~~more than 60 days. A temporary medical cannabis card may not~~  
23 ~~be renewed.~~

24 ~~(e) If requested by the regulatory agency of the~~  
25 ~~nonresident's home state which issued the nonresident a valid~~  
26 ~~medical cannabis or medical marijuana card, the commission~~

1 ~~shall notify that regulatory agency of the nonresident's~~  
2 ~~purchase of medical cannabis pursuant to this section.~~

3 ~~(f) To the extent practicable, the commission shall~~  
4 ~~coordinate with any other state that has a medical cannabis or~~  
5 ~~medical marijuana program and may request notification by the~~  
6 ~~regulatory agency of that other state when an Alabama resident~~  
7 ~~with a medical cannabis card purchases medical cannabis~~  
8 ~~through the reciprocal medical cannabis or medical marijuana~~  
9 ~~program in that state. Notification shall include the dosage~~  
10 ~~or amount and type of product the cardholder purchases.~~

11 Article 4. Cultivation, Processing, and Dispensing  
12 of Medical Cannabis.

13 §20-2A-50.

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

23 (b) The commission shall license and regulate all  
24 aspects of medical cannabis under this article, excluding  
25 cultivation. The Department of Agriculture and Industries  
26 shall license and regulate the cultivation of cannabis. For  
27 integrated facility licenses, the commission and the

1 department shall enter into a memorandum of understanding  
2 relating to the sharing of regulatory and licensing and  
3 enforcement authority over licensees with regard to the  
4 cultivation function.

5 §20-2A-51.

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

18 (b) The commission, and where applicable the  
19 department, shall ensure that at least one-fourth of all  
20 licenses, or in the case of Section 20-2A-67, one-fifth of all  
21 licenses, are awarded to business entities at least 51 percent  
22 of which are owned by members of a minority group or, in the  
23 case of a corporation, at least 51 percent of the shares of  
24 the corporation are owned by members of a minority group, and  
25 are managed and controlled by members of a minority group in  
26 its daily operations. For purposes of this subsection,

1 minority group means individuals of African American, Native  
2 American, Asian, or Hispanic descent.

3 (c) (1) Notwithstanding any provision of this article  
4 to the contrary, any county commission, by resolution, may  
5 prohibit the operation of dispensaries in the unincorporated  
6 areas of the county, and the governing body of any  
7 municipality, by ordinance, may prohibit the operation of  
8 dispensaries within the corporate limits of the municipality.  
9 A county commission or municipal governing body shall notify  
10 the commission not more than 7 calendar days after passing the  
11 resolution or ordinance.

12 (2) The commission shall prohibit a licensed  
13 dispensary or integrated facility from operating a dispensing  
14 site in the unincorporated area of any county that has passed  
15 a resolution, and in any municipality that has passed an  
16 ordinance, prohibiting the operation of dispensing sites  
17 pursuant to subdivision (1).

18 §20-2A-52.

19 (a) The commission, and the department with regard  
20 to cultivation facilities, shall have all powers necessary and  
21 proper to fully and effectively oversee the operation of  
22 medical cannabis facilities licensed pursuant to this article,  
23 including the authority to do all of the following:

24 (1) Investigate applicants for licenses, determine  
25 the eligibility for licenses, and grant licenses to applicants  
26 in accordance with this article and the rules.

1           (2) Investigate all individuals employed by  
2 licensees.

3           (3) At any time, through its investigators, agents,  
4 or auditors, without a warrant and without notice to the  
5 licensee, enter the premises, offices, facilities, or other  
6 places of business of a licensee, if evidence of compliance or  
7 noncompliance with this article or rules is likely to be found  
8 and consistent with constitutional limitations, for the  
9 following purposes:

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

11           b. To inspect and examine relevant records of the  
12 licensee and, if the licensee fails to cooperate with an  
13 investigation, impound, seize, assume physical control of, or  
14 summarily remove from the premises all books, ledgers,  
15 documents, writings, photocopies, correspondence, records, and  
16 videotapes, including electronically stored records, money  
17 receptacles, or equipment in which the records are stored.

18           c. To inspect the person, and inspect or examine  
19 personal effects present in a licensee, of any holder of a  
20 state operating license while that individual is present in a  
21 licensee.

22           d. To investigate alleged violations of this  
23 article.

24           (4) Investigate alleged violations of this article  
25 or rules and take appropriate disciplinary action against a  
26 licensee.

1           (5) Require all relevant records of licensees,  
2 including financial or other statements, to be kept on the  
3 premises authorized for operation of the licensee or in the  
4 manner prescribed by the commission.

5           (6) Eject, or exclude or authorize the ejection or  
6 exclusion of, an individual from the premises of a licensee if  
7 the individual violates this article, rules, or final orders  
8 of the commission; provided, however, the propriety of the  
9 ejection or exclusion is subject to a subsequent hearing by  
10 the commission.

11           (7) Conduct periodic audits of licensees.

12           (8) Take disciplinary action as the commission  
13 considers appropriate to prevent practices that violate this  
14 article and rules.

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

17           (b) The commission and department shall adopt rules  
18 addressing the frequency of conducting periodic inspections  
19 and audits of respective licensees.

20           (c) The commission and department may seek and shall  
21 receive the cooperation and assistance of the Alabama State  
22 Law Enforcement Agency in conducting criminal background  
23 checks and in fulfilling its responsibilities under this  
24 article. The Alabama State Law Enforcement Agency may recover  
25 its costs of cooperation under this article.

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

4 (e) Nothing in this article shall affect the  
5 authority of the Alabama Department of Environmental  
6 Management to administer and enforce any existing law over  
7 which the Alabama Department of Environmental Management has  
8 jurisdiction.

9 §20-2A-53.

10 (a) The commission, and the department with regard  
11 to cultivation, shall adopt rules as necessary to implement,  
12 administer, and enforce this article in a timely manner that  
13 allows persons to begin applying for a license by September 1,  
14 2022. Rules must ensure safety, security, and integrity of the  
15 operation of medical cannabis facilities, that do all of the  
16 following for each category of license:

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

20 (2) Require a minimum of two million dollars  
21 (\$2,000,000) of liability and casualty insurance and establish  
22 minimum levels of other financial guarantees, if appropriate,  
23 that licensees must maintain.

24 (3) Establish qualifications and restrictions for  
25 individuals participating in or involved with operating  
26 medical cannabis facilities.

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

5           (5) Establish standards or requirements to ensure  
6 cannabis and medical cannabis remains secure at all times,  
7 including, but not limited to, requirements that all  
8 facilities of licensees remain securely enclosed and locked as  
9 appropriate.

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

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

15           (8) Establish annual license fees for each type of  
16 license, provided the fee shall be not less than ten thousand  
17 dollars (\$10,000) and not more than fifty thousand dollars  
18 (\$50,000), depending on the category of license.

19           (9) Establish quality control standards, procedures,  
20 and requirements.

21           (10) Establish chain of custody standards,  
22 procedures, and requirements.

23           (11) In compliance with Chapters 27 and 30 of Title  
24 22, establish standards, procedures, and requirements for  
25 waste product storage and disposal and chemical storage.

1 (12) Establish standards, procedures, and  
2 requirements for securely and safely transporting medical  
3 cannabis between facilities.

4 (13) Establish standards, procedures, and  
5 requirements for the storage of cannabis and medical  
6 cannabis.

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

10 (15) Establish marketing and advertising  
11 restrictions for medical cannabis products and medical  
12 cannabis facilities.

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

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

19 §20-2A-54.

20 (a) In order to ensure that all medical cannabis  
21 sold in the state maintains product quality to protect the  
22 health and welfare of state residents, the commission shall  
23 establish a statewide seed-to-sale tracking system for use as  
24 an integrated cannabis and medical cannabis tracking,  
25 inventory, and verification system. The system must allow for  
26 interface with third-party inventory and tracking systems as  
27 described in Section 20-2A-60 to provide for access by this

1 state, licensees, and law enforcement personnel, to the extent  
2 that they need and are authorized to receive or submit the  
3 information, to comply with, enforce, or administer this  
4 chapter.

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

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

13 (2) Effective seed-to-sale tracking of cannabis and  
14 medical cannabis sales and transfers among licensees and with  
15 regard to integrated facility licensees, among facilities of  
16 the licensee.

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

20 (c) The statewide seed-to-sale tracking system shall  
21 be made available to all licensed physicians and licensed  
22 pharmacists in the state.

23 ~~(c)~~ (d) The commission shall seek bids to establish,  
24 operate, and maintain the statewide seed-to-sale tracking  
25 system under this section. The commission shall do all of the  
26 following:

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

4           (2) Give strong consideration to the bidder's  
5 ability to prevent fraud, abuse, and other unlawful or  
6 prohibited activities associated with the commercial trade in  
7 cannabis and medical cannabis in this state, and the ability  
8 to provide additional tools for the administration and  
9 enforcement of this chapter.

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

14           (4) Require the person awarded the contract to  
15 deliver the functioning system by 180 days after award of the  
16 contract.

17           ~~(d)~~ (e) The Any contract awarded under this section  
18 shall be for a period of 5 years, provided the commission may  
19 terminate a contract with the person awarded the contract for  
20 a violation of this chapter.

21           ~~(e)~~ (f) The Except as provided in subsection (c),  
22 the information in the system is confidential and is exempt  
23 from disclosure under the Open Records Act, Article 3 of  
24 Chapter 12 of Title 36; provided, however, information in the  
25 system may be disclosed for purposes of enforcing this  
26 chapter.

27           §20-2A-55.

1 (a) Beginning September 1, 2022, a person may apply  
2 to the commission for a license for an integrated facility or  
3 for a license in one of the following independent categories:  
4 Cultivator, processor, secure transporter, state testing  
5 laboratory, or dispensary. The application shall be made under  
6 oath on a form provided by the commission and shall contain  
7 information as prescribed by the commission, including, but  
8 not limited to, all of the following:

9 (1) The name, business address, business telephone  
10 number, and Social Security number or if applicable, federal  
11 tax identification number, of the applicant.

12 ~~(2) The identity of every individual having any~~  
13 ~~ownership interest in the applicant with respect to which the~~  
14 ~~license is sought. If the disclosed entity is a trust, the~~

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

17 a. The identity of every individual having an  
18 indirect or direct ownership interest in that business entity.  
19 For purposes of this paragraph, if the business entity is a  
20 trust, the application shall disclose the names and addresses  
21 of all trustees and beneficiaries; if a privately held  
22 corporation, the names and addresses of all shareholders,  
23 officers, and directors; if a publicly held corporation, the  
24 names and addresses of all shareholders holding a direct or  
25 indirect interest of greater than five percent, officers, and  
26 directors; if a partnership or limited liability partnership,  
27 the names and addresses of all partners; if a limited

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

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

23 b.1. The identity of all of the following other  
24 entities, if the other entities are directly or indirectly  
25 involved in the cannabis industry, including, but not limited  
26 to, the cultivation, processing, packaging, labeling, testing,  
27 transporting, or sale of cannabis:

1           (i) Any subsidiary, affiliate, conglomerate, parent,  
2 or other entity that shares common ownership, directly or  
3 indirectly, with the business entity.

4           (ii) Any partnership of which the business entity is  
5 a partner.

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

8           2. This paragraph shall be construed broadly to  
9 ensure the broadest disclosure and greatest transparency  
10 reasonably possible.

11           (3)a. With regard to each individual having any  
12 ownership interest in the applicant, the identity of all of  
13 the following entities, if the entities are directly or  
14 indirectly involved in the cannabis industry, including, but  
15 not limited to, the cultivation, processing, packaging,  
16 labeling, testing, transporting, or sale of cannabis:

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

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

21           3. Any limited liability company of which the  
22 individual or his or her spouse, parent, or child is a member  
23 or manager.

24           b. This subdivision shall be construed broadly to  
25 ensure the broadest disclosure and greatest transparency  
26 reasonably possible.

1           (4) Whether an applicant has been indicted for,  
2 charged with, arrested for, or convicted of, pled guilty or  
3 nolo contendere to, forfeited bail concerning any criminal  
4 offense under the laws of any jurisdiction, either felony or  
5 controlled substance-related misdemeanor, not including  
6 traffic violations, regardless of whether the offense has been  
7 reversed on appeal or otherwise, including the date, the name  
8 and location of the court, arresting agency, and prosecuting  
9 agency, the case caption, the docket number, the offense, the  
10 disposition, and the location and length of incarceration.

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

20           (6) Whether an applicant has filed, or been served  
21 with, a complaint or other notice filed with any public body,  
22 regarding the delinquency in the payment of, or a dispute over  
23 the filings concerning the payment of, any tax required under  
24 federal, state, or local law, including the amount, type of  
25 tax, taxing agency, and time periods involved.

26           (7) A statement listing the names and titles of all  
27 public officials of any unit of government, and the spouses,

1 parents, and children of those public officials, who, directly  
2 or indirectly, own any financial interest in, have any  
3 beneficial interest in, are the creditors of or hold any debt  
4 instrument issued by, or hold or have any interest in any  
5 contractual or service relationship with an applicant.

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

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

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

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

20 ~~(b) An individual with a controlling interest in an~~  
21 ~~applicant shall be subject to a state and national criminal~~  
22 Each owner, shareholder, director, board member, and  
23 individual with an economic interest in an applicant shall  
24 submit to a state and national criminal background check. The  
25 commission shall determine the manner in which fingerprints of  
26 the individual shall be submitted to the Alabama State Law  
27 Enforcement Agency along with a sufficient fee required to

1 perform the criminal history records check by the agency and  
2 by the Federal Bureau of Investigation. The applicant shall  
3 submit with its application the individual's written consent  
4 to the criminal history records check.

5 For purposes of this subsection, "individual with an  
6 economic interest" means an individual with rights to either  
7 the capital or profit interests of the applicant, or if the  
8 applicant is a corporation, rights to some portion of all  
9 classes of outstanding stock in the corporation.

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

18 (d) An applicant shall provide written consent to  
19 the inspections, examinations, searches, and seizures provided  
20 for in subdivision (a)(3) of Section 20-2A-52 and to  
21 disclosure to the commission and its agents of otherwise  
22 confidential records, including tax records held by any  
23 federal, state, or local agency, or credit bureau or financial  
24 institution, while applying for or holding a license.  
25 Information the commission receives under this subsection is  
26 exempt from disclosure under the Open Records Act.

1           (e) An applicant shall certify that the applicant  
2 does not have an interest in any other license under this  
3 article.

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

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

26           §20-2A-56.

1           (a) Before issuing any license under this article,  
2 the commission shall hold a public hearing. The public hearing  
3 shall take place at a location within the region where the  
4 applicant intends to operate the medical cannabis facility.  
5 All individuals with a controlling interest in the applicant  
6 must attend the hearing in order to explain their business  
7 model to the commission. The hearing must be live streamed to  
8 allow members of the public to participate remotely.

9           ~~(a)~~ (b) An applicant is ineligible to receive a  
10 license if any of the following circumstances exist:

11           (1) The applicant has been convicted of or released  
12 from incarceration for a felony under the laws of this state,  
13 any other state, or the United States within the past 10 years  
14 or has been convicted of a controlled substance-related felony  
15 within the past 10 years; provided, however, the commission  
16 shall not consider any conviction overturned on appeal or any  
17 charge that has been expunged pursuant to Chapter 27 of Title  
18 15.

19           (2) The applicant has knowingly submitted an  
20 application for a license under this article that contains  
21 false information.

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

23           (4) The applicant fails to demonstrate the  
24 applicant's ability to maintain adequate minimum levels of  
25 liability and casualty insurance or other financial guarantees  
26 for its proposed facility.

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

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

6           ~~(5)~~ (7) The applicant fails to meet other criteria  
7 established by rule.

8           ~~(b)~~ (c) In determining whether to grant a license to  
9 an applicant, the commission may consider all of the  
10 following:

11           (1) The integrity, moral character, and reputation;  
12 personal and business probity; financial ability and  
13 experience; and responsibility or means to operate or maintain  
14 a facility of the applicant and of any other individual that  
15 meets either of the following:

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

17           b. Is controlled, directly or indirectly, by the  
18 applicant or by a person who controls, directly or indirectly,  
19 the applicant.

20           (2) The financial ability of the applicant to  
21 maintain required financial guarantees.

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

24           (4) Whether the applicant has been indicted for,  
25 charged with, arrested for, or convicted of, pled guilty or  
26 nolo contendere to, forfeited bail concerning, or had expunged  
27 any relevant criminal offense under the laws of any

1 jurisdiction, either felony or misdemeanor, not including  
2 traffic violations, regardless of whether the offense has been  
3 expunged, pardoned, or reversed on appeal or otherwise.

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

7 (6) Whether the applicant has been served with a  
8 complaint or other notice filed with any court or public  
9 agency regarding payment of any tax required under federal,  
10 state, or local law that has been delinquent for one or more  
11 years.

12 (7) Whether the applicant has a history of  
13 noncompliance with any regulatory requirements in this state  
14 or any other jurisdiction.

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

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

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

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

1           (12) Whether the applicant meets other standards or  
2 requirements established under this article or by rules  
3 applicable to the license category.

4           (c) The commission shall review all applications for  
5 licenses and shall determine whether to grant or deny a  
6 license not more than 60 days after the date a license  
7 application was submitted, or if an applicant was notified of  
8 a deficiency under subsection (g) of Section 20-2A-55, the  
9 commission shall grant or deny a license not more than 60 days  
10 after the deficiency was corrected.

11           (d) After denial of a license, the commission, upon  
12 request, shall provide a public investigative hearing at which  
13 the applicant is given the opportunity to present testimony  
14 and evidence to establish its suitability for a license. Other  
15 testimony and evidence may be presented at the hearing, but  
16 the commission's decision must be based on the whole record  
17 before the commission and is not limited to testimony and  
18 evidence submitted at the public investigative hearing.

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

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

24           (1) The licensee applies to the commission in a  
25 timely manner on a renewal form provided by the commission  
26 that requires information prescribed in rules and pays the  
27 annual license fee.

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

4           (g) If a license renewal application is not  
5 submitted by the license expiration date, the license may be  
6 renewed within 60 days after its expiration date upon  
7 application, payment of the annual license fee, and  
8 satisfaction of any renewal requirement and late fee set forth  
9 in rules. The licensee may continue to operate during the 60  
10 days after the license expiration date if the license is  
11 renewed by the end of the 60-day period.

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

15           (i) A licensee shall consent in writing to  
16 inspections, examinations, searches, and seizures that are  
17 permitted under this article.

18           (j) An applicant or licensee has a continuing duty  
19 to provide information requested by the commission and to  
20 cooperate in any investigation, inquiry, or hearing conducted  
21 by the commission.

22           §20-2A-57.

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

25           (1) An applicant or licensee fails to comply with  
26 this article or rules.

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

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

6           (b) The commission may impose civil fines of up to  
7 five thousand dollars (\$5,000) against an individual and up to  
8 twenty-five thousand dollars (\$25,000) or an amount equal to  
9 the daily gross receipts, whichever is greater, against a  
10 licensee for each violation of this article, rules, or an  
11 order of the commission. Assessment of a civil fine under this  
12 subsection is not a bar to the investigation, arrest,  
13 charging, or prosecution of an individual for any other  
14 violation of this article and is not grounds to suppress  
15 evidence in any criminal prosecution that arises under this  
16 article or any other law of this state.

17           (c) The commission shall comply with the hearing  
18 procedures of the Administrative Procedure Act when denying,  
19 revoking, suspending, or restricting a license or imposing a  
20 fine. The commission may suspend a license without notice or  
21 hearing upon a determination that the safety or health of  
22 patrons or employees is jeopardized by continuing a facility's  
23 operation. If the commission suspends a license under this  
24 subsection without notice or hearing, a prompt post-suspension  
25 hearing must be held to determine if the suspension should  
26 remain in effect. The suspension may remain in effect until  
27 the commission determines that the cause for suspension has

1       been abated. The commission may revoke the license or approve  
2       a transfer or sale of the license upon a determination that  
3       the licensee has not made satisfactory progress toward abating  
4       the hazard.

5               (d) Any party aggrieved by an action of the  
6       commission suspending, revoking, restricting, or refusing to  
7       renew a license, or imposing a fine, shall be given a hearing  
8       before the commission upon request. A request for a hearing  
9       must be made to the commission in writing within 21 days after  
10      service of notice of the action of the commission. Notice of  
11      the action of the commission must be served either by personal  
12      delivery or by certified mail, postage prepaid, to the  
13      aggrieved party. Noticeservedby certified mail is considered  
14      complete on the business day following the date of the  
15      mailing.

16              (e) The commission may conduct investigative and  
17      contested case hearings; issue subpoenas for the attendance of  
18      witnesses; issue subpoenas duces tecum for the production of  
19      books, ledgers, records, memoranda, electronically retrievable  
20      data, and other pertinent documents; and administer oaths and  
21      affirmations to witnesses as appropriate to exercise and  
22      discharge the powers and duties of the commission under this  
23      article.

24              (f) Any person aggrieved by an action of the  
25      commission or the department under this article, within 30  
26      days after receiving notice of the action, may appeal the

1 action to the circuit court in the county where the commission  
2 or department is located.

3 §20-2A-58.

4 (a) Each license is exclusive to the licensee. A  
5 license, and any interest in or rights under a license, and  
6 any ownership interest or other beneficial interest in a  
7 licensed entity, may not be sold, transferred, assigned,  
8 conveyed, or otherwise disposed of in any manner, in whole or  
9 in part, voluntarily or involuntarily, directly or indirectly,  
10 except upon application to and approval of the commission.

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

15 (c) The attempted transfer, sale, or other  
16 conveyance of an interest or right in a license, or transfer  
17 of an ownership interest or other beneficial interest in a  
18 licensed entity, without the approval of the commission, shall  
19 be grounds for suspension or revocation of the license or for  
20 other sanction considered appropriate by the commission.

21 §20-2A-59.

22 ~~(a) Before hiring a prospective employee, a licensee~~  
23 ~~shall conduct a background check of the prospective employee.~~  
24 ~~If the background check indicates a pending charge or~~

25 (a) The commission, prior to appointment,  
26 employment, or service for a licensee, shall require all  
27 officers, employees, contractors, and other individuals

1 performing work of any character who would have access to  
2 cannabis, a medical cannabis facility, or related equipment or  
3 supplies, to submit to a state and national criminal  
4 background check. The commission shall determine the manner in  
5 which fingerprints of the individuals shall be submitted to  
6 the Alabama State Law Enforcement Agency along with a  
7 sufficient fee required to perform the criminal history  
8 records check by the agency and the Federal Bureau of  
9 Investigation. Notwithstanding any state law to the contrary,  
10 all records related to any criminal background check conducted  
11 pursuant to this subsection shall be accessible and made  
12 available, upon request, by the commission.

13 (b) If the criminal background check of a  
14 prospective employee indicates a pending charge or conviction  
15 within the past five years for a controlled substance-related  
16 felony or a controlled substance-related misdemeanor, a  
17 licensee may not hire the prospective employee without written  
18 permission of the commission; provided, however, a licensee  
19 shall not consider any conviction overturned on appeal or any  
20 charge that has been expunged pursuant to Chapter 27 of Title  
21 15.

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

27 §20-2A-60.

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

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

15 (2) Tracking lot and batch information throughout  
16 the entire chain of custody.

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

19 (4) Tracking cannabis plant, batch, and product  
20 destruction.

21 (5) Tracking transportation of product.

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

25 a. Sold product.

26 b. Product inventory that is finished and available  
27 for sale.

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

2 d. Product being processed into another form.

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

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

7 (8) Reporting and tracking all inventory  
8 discrepancies.

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

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

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

16 (12) Identifying test results that may have been  
17 altered.

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

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

1           (15) Providing the commission and state agencies  
2 with access to information in the database that they are  
3 authorized to access.

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

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

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

- 15           a. Total daily sales.
- 16           b. Total cannabis plants in production.
- 17           c. Total cannabis plants destroyed.
- 18           d. Total inventory adjustments.

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

27           §20-2A-61.

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

4 a. Advertise medical cannabis brand names or use  
5 graphics related to cannabis or paraphernalia on the exterior  
6 of the physical structure or vehicle.

7 b. Display medical cannabis products or  
8 paraphernalia so as to be clearly visible from the exterior of  
9 the physical structure or vehicle.

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

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

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

20 §20-2A-62.

21 (a) (1) A cultivator license authorizes all of the  
22 following:

23 a. The cultivation of cannabis.

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

25 c. If the cultivator contracts with a processor to  
26 process its cannabis into medical cannabis on the cultivator's

1       behalf, the sale or transfer of medical cannabis to a  
2       dispensary.

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

5               (b) The commission shall consult with the Department  
6       of Agriculture and Industries when determining the number of  
7       cultivator licenses to issue, provided the commission shall  
8       issue at least four cultivator licenses.

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

11              (1) Provide records indicating continuous, full-time  
12       business experience in the field of commercial horticulture or  
13       agronomic production for a period of at least 15 years.

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

18              ~~(3)~~ (2) Demonstrate the ability to secure and  
19       maintain cultivation facilities.

20              ~~(4)~~ (3) Demonstrate the ability to obtain and use an  
21       inventory control and tracking system as required under  
22       Section 20-2A-60.

23              ~~(5)~~ (4) Demonstrate the ability to commence  
24       cultivation of cannabis within 60 days of application approval  
25       notification.

1           ~~(6)~~ (5) Demonstrate the ability to destroy unused or  
2 waste cannabis in accordance with rules adopted by the  
3 Department of Agriculture and Industries.

4           ~~(7)~~ (6) Demonstrate the financial stability to  
5 provide proper testing of individual lot and batches.

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

9           (1) All facilities shall be protected by a monitored  
10 security alarm system, be enclosed, and remain locked at all  
11 times.

12           (2) All individuals entering and exiting facilities  
13 shall be monitored by video surveillance and keypad or access  
14 card entry.

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

20           (4) Cultivars selected by a licensee must be  
21 approved by the department prior to acquisition of plant  
22 material for cultivation.

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

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

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

3 (h) The Department of Agriculture and Industries  
4 shall consult with the commission when adopting rules pursuant  
5 to this article.

6 §20-2A-63.

7 (a) (1) A processor license authorizes all of the  
8 following:

9 a. The purchase or transfer of cannabis from a  
10 cultivator.

11 b. The processing of cannabis into medical cannabis  
12 which shall include properly packaging and labeling medical  
13 cannabis products, in accordance with this section.

14 c. The sale or transfer of medical cannabis to a  
15 dispensary.

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

19 (b) The commission shall issue no more than four  
20 processor licenses.

21 (c) All medical cannabis products must be medical  
22 grade product, manufactured using documented good quality  
23 practices, and meet Good Manufacturing Practices, such that  
24 the product is shown to meet intended levels of purity and be  
25 reliably free of toxins and contaminants. Medical cannabis  
26 products may not contain any additives other than  
27 pharmaceutical grade excipients.

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

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

7 (2) Any product bearing a reasonable resemblance to  
8 a product available for consumption as a commercially  
9 available candy.

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

13 (4) Any product whose shape bears the likeness or  
14 contains characteristics of a realistic or fictional human,  
15 animal, or fruit, including artistic, caricature, or cartoon  
16 rendering.

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

19 (1) Labels, packages, and containers shall not be  
20 attractive to minors and may not contain any content that  
21 reasonably appears to target children, including toys, cartoon  
22 characters, and similar images. Packages should be designed to  
23 minimize appeal to children and must contain a label that  
24 reads: "Keep out of reach of children."

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

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

3 a. Lot and batch numbers.

4 b. A license identification number for the  
5 cultivator and a license identification number for the  
6 processor.

7 c. Cannabinoids content and potency.

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

10 (f) The following statement shall be included on  
11 each label, if space permits, or as an insert within the  
12 package: "WARNING: This product may make you drowsy or dizzy.  
13 Do not drink alcohol with this product. Use care when  
14 operating a vehicle or other machinery. Taking this product  
15 with medication may lead to harmful side effects or  
16 complications. Consult your physician before taking this  
17 product with any medication. Women who are breastfeeding,  
18 pregnant, or plan to become pregnant should discuss medical  
19 cannabis use with their physicians."

20 (g) Any advertisement and any package or label may  
21 not contain any false statement or statement that advertises  
22 health benefits or therapeutic benefits of medical cannabis.

23 (h) The commission may require the implementation of  
24 a digital image such as a QRCodefor purposes of tracking  
25 medical cannabis products. The digital image must interface  
26 with the statewide seed-to-sale tracking system.

1 (i) The commission shall determine what information  
2 from the label shall be entered into the statewide  
3 seed-to-sale tracking system.

4 §20-2A-64.

5 (a) (1) A dispensary license authorizes all of the  
6 following:

7 a. The purchase or transfer of medical cannabis from  
8 a processor.

9 b. If a cultivator contracted with a processor to  
10 process its cannabis into medical cannabis on the cultivator's  
11 behalf, the purchase or transfer of medical cannabis from the  
12 cultivator.

13 c. The purchase or transfer of medical cannabis from  
14 an integrated facility.

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

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

20 (b) The commission shall issue no more than four  
21 dispensary licenses.

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

25 (d) A licensed dispensary shall comply with all of  
26 the following:

1           (1) Each dispensing site must be located at least  
2 one thousand feet from any school, day care, or child care  
3 facility.

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

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

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

13           (5) Not allow the use of medical cannabis product on  
14 the premises.

15           (6) Only allow registered qualified patients and  
16 registered caregivers on the premises.

17           (e) (1) As used in this subsection, certified  
18 dispenser means an employee of a dispensary who dispenses  
19 medical cannabis to a registered qualified patient or  
20 registered caregiver and who has been trained and certified by  
21 the commission.

22           (2) The commission shall establish and administer a  
23 training program for dispensers that addresses proper  
24 dispensing procedures, including the requirements of this  
25 subsection, and other topics relating to public health and  
26 safety and preventing abuse and diversion of medical cannabis.  
27 The commission shall certify trained dispensers and may

1 require, as a qualification to remain certified, periodic  
2 training.

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

5 a. Before dispensing medical cannabis, inquire of  
6 the patient registry to confirm that the patient or caregiver  
7 holds a valid, current, unexpired, and unrevoked medical  
8 cannabis card and that the dispensing of medical cannabis  
9 conforms to the type and amount recommended in the physician  
10 certification and will not exceed the 60-day daily dosage  
11 purchasing limit.

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

14 c. Comply with any additional requirements  
15 established by the commission by rule.

16 (4) The commission shall adopt rules to implement  
17 this subsection.

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

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

6                    §20-2A-65.

7                    (a) A secure transporter license authorizes the  
8                    licensee to store and transport cannabis and medical cannabis  
9                    for a fee upon request of a licensee. A license does not  
10                    authorize transport to a registered qualified patient or  
11                    registered caregiver.

12                    (b) A secure transporter shall comply with all of  
13                    the following:

14                    (1) Each employee who has custody of cannabis or  
15                    medical cannabis shall not have been convicted of or released  
16                    from incarceration for a felony under the laws of this state,  
17                    any other state, or the United States within the past five  
18                    years or have been convicted of a misdemeanor involving a  
19                    controlled substance within the past five years.

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

24                    (3) The cannabis or medical cannabis shall be  
25                    transported in one or more sealed containers and not be  
26                    accessible while in transit.

1           (4) A secure transporting vehicle may not bear  
2 markings or other indication that it is carrying cannabis or  
3 medical cannabis.

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

8           §20-2A-66.

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

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

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

- 23           a. Total THC (THC+THCA).
- 24           b. Total CBD (CBD+CBDA).
- 25           c. THC/CBD ratio, if applicable.
- 26           d. Percent of THC relative to original plant  
27 material (w/w).

1 (2) Terpene profiles.

2 (3) Heavy metals.

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

5 (5) Microbials, including pathogenic microbials.

6 (6) Mycotoxins.

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

9 (8) Residual solvents.

10 (c) A state testing laboratory license authorizes  
11 the licensee to do all of the following without using a secure  
12 transporter:

13 (1) Take cannabis or medical cannabis from, test  
14 cannabis or medical cannabis for, and return cannabis or  
15 medical cannabis to only a respective licensed facility.

16 (2) Collect a random sample of cannabis or medical  
17 cannabis at the premises of a cultivator, processor, or  
18 dispensary for testing.

19 (d) The licensee shall be accredited and shown to  
20 meet the requirements for a testing laboratory in  
21 international standard ISO/IEC 17025, with the licensee's  
22 scope of accreditation demonstrating testing capabilities in  
23 the categories of cannabinoids, pesticides, toxins, metals,  
24 and microbiological bacteria.

25 (e) To be eligible for a state testing laboratory  
26 license, the applicant and each investor with any interest in

1 the applicant must not have an interest in any licensed  
2 cultivator, secure transporter, processor, or dispensary.

3 (f) The licensee shall comply with all of the  
4 following:

5 (1) Perform tests to certify that cannabis and  
6 medical cannabis is reasonably free of heavy metals, chemical  
7 contamination, residual pesticides and growth inhibitors, and  
8 residual solvents.

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

12 (3) Perform tests that determine whether cannabis  
13 and medical cannabis comply with the standards the commission  
14 establishes for microbial and mycotoxin contents.

15 (4) Perform other tests necessary to determine  
16 compliance with any other good manufacturing practices as  
17 prescribed in rules.

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

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

22 §20-2A-67.

23 (a) An integrated facility license authorizes all of  
24 the following:

25 (1) The cultivation of cannabis.

1 (2) The processing of cannabis into medical  
2 cannabis, including proper packaging and labeling of medical  
3 cannabis products.

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

6 (4) The transport of cannabis or medical cannabis  
7 between its facilities.

8 (5) The sale or transfer of medical cannabis to a  
9 dispensary.

10 (b) The commission may issue no more than five  
11 ~~integrated facility licenses. The licenses must be awarded to~~  
12 ~~entities whose majority ownership is attributable to an~~  
13 ~~individual or individuals with proof of residency in this~~  
14 ~~state for a continuous period of no less than eight years~~  
15 ~~preceding the application date and who provide records~~  
16 ~~indicating continuous, full-time business experience in the~~  
17 ~~field of commercial horticulture or agronomic production for a~~  
18 ~~period of at least eight years.~~ integrated facility licenses.

19 (c) An integrated facility licensee shall have the  
20 same authorizations granted to, and shall comply with all  
21 requirements for, cultivators, processors, secure  
22 transporters, and dispensaries, in addition to any other  
23 authorizations or requirements under this section or as  
24 established by rule by the commission.

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

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

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

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

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

15           (f) A licensee may operate up to five dispensing  
16 sites, each of which must be located in a different county  
17 from any other dispensing site that the licensee operates;  
18 provided, however, the commission may authorize a licensee to  
19 operate a greater number of dispensing sites if, at least one  
20 year after the date when the maximum number of total  
21 dispensing sites authorized under this section and Section  
22 20-2A-64 are operating, the commission determines that the  
23 patient pool has reached a sufficient level to justify an  
24 additional dispensing site in an underserved or unserved area  
25 of the state. Notwithstanding the foregoing, a licensee may  
26 not operate any dispensing site in the unincorporated area of  
27 a county or in a municipality that has passed a resolution or

1 ordinance prohibiting the operation of dispensing sites under  
2 subsection (c) of Section 20-2A-51. This subsection shall not  
3 be construed to limit wholesale distribution from integrated  
4 facility licensees to dispensary licensees.

5 §20-2A-68.

6 A license issued under this article is a revocable  
7 privilege granted by this state and is not a property right.  
8 Granting a license does not create or vest any right, title,  
9 franchise, or other property interest. A licensee or any other  
10 person shall not lease, pledge, or borrow or loan money  
11 against a license.

12 Section 2. (a) Commencing January 1, 2022, there is  
13 levied, in addition to all other taxes of every kind now  
14 imposed by law, and shall be collected and remitted in  
15 accordance with Article 1, commencing with Section 40-23-1, of  
16 Chapter 23 of Title 40, Code of Alabama 1975, a tax on the  
17 gross proceeds of the sales of medical cannabis when sold at  
18 retail in this state at the rate of nine percent of the gross  
19 proceeds of the sales.

20 (b) (1) Commencing January 1, 2022, there is levied  
21 an annual privilege tax on every person doing business under  
22 Chapter 2A of Title 20, Code of Alabama 1975, in Alabama. The  
23 tax shall accrue as of January 1 of every taxable year, or in  
24 the case of a taxpayer licensed under Chapter 2A of Title 20,  
25 Code of Alabama 1975, during the year, or doing business in  
26 this state for the first time, as of the date the taxpayer is  
27 licensed to do business under Chapter 2A of Title 20, Code of

1 Alabama 1975. The tax shall be levied upon the taxpayer's net  
2 worth in Alabama for the taxable year. For purposes of this  
3 subdivision, a taxpayer's net worth in Alabama shall be  
4 determined by apportioning the taxpayer's net worth computed  
5 under Section 40-14A-23, Code of Alabama 1975, in the same  
6 manner as prescribed for apportioning income during the  
7 determination period for purposes of the income tax levied by  
8 Chapter 18 of Title 40, Code of Alabama 1975, or the manner in  
9 which the income would be apportioned if the taxpayer were  
10 subject to the income tax.

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

16 (3) The annual return required by this subsection  
17 shall be due no later than the corresponding federal income  
18 tax return, as required to be filed under federal law. In the  
19 case of a taxpayer's initial return, the annual return shall  
20 be due no later than two and one-half months after the  
21 taxpayer is licensed to do business, or commences business, in  
22 Alabama.

23 (4) The Department of Revenue may grant a reasonable  
24 extension of time for filing returns under rules adopted by  
25 the Department of Revenue. No extension shall be for more than  
26 six months.

1           (5) The annual medical cannabis privilege tax shall  
2 be reported on forms and in the manner as prescribed by rule  
3 by the Department of Revenue. The failure to receive a form  
4 from the Department of Revenue shall not relieve a taxpayer  
5 from liability for any tax, penalty, or interest otherwise  
6 due. The tax due, as reported, shall constitute an admitted  
7 liability for that amount. The Department of Revenue may  
8 compute and assess additional tax, penalty, and interest  
9 against a taxpayer as provided in Chapter 2A of Title 40, Code  
10 of Alabama 1975.

11           (c) The Department of Revenue shall adopt rules to  
12 implement this section.

13           Section 3. An employee who is injured or killed  
14 under circumstances that might otherwise make the employee or  
15 the employee's dependents eligible to receive worker's  
16 compensation benefits under Chapter 5 of Title 25, Code of  
17 Alabama 1975, is, along with the employee's dependents,  
18 ineligible to receive compensation as defined in Section  
19 25-5-1, Code of Alabama 1975, if the injury or death occurred  
20 due to the employee's impairment by medical cannabis, which  
21 shall be conclusively presumed in the event of a positive drug  
22 test conducted and evaluated pursuant to standards adopted for  
23 drug testing by the U.S. Department of Transportation in 49  
24 C.F.R. Part 40, as provided under Section 25-5-51, Code of  
25 Alabama 1975, or if the employee refuses to submit to or  
26 cooperate with a blood or urine test, as provided by that  
27 section.

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

4           (b) There is established the Consortium for Medical  
5 Cannabis Research for the purpose of awarding grants to  
6 entities for research relating to cannabis and medical  
7 cannabis. The initial member institutions shall consist of  
8 public and private four-year colleges and universities within  
9 the state designated not later than January 1, 2022, by the  
10 Alabama Commission on Higher Education. Membership in the  
11 consortium may be increased or decreased by rules established  
12 by the board of directors of the consortium.

13           (c) The management of the consortium shall be vested  
14 in a board of directors, composed of the presidents of each  
15 member institution. The board of directors shall determine the  
16 overall program and general policies of the consortium in  
17 conformance with the purposes set forth in subsection (d). The  
18 board may elect or appoint officers as it deems desirable, who  
19 may or may not be members of the board, to have  
20 responsibilities and to exercise authority as the board may  
21 prescribe.

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

23           (1) Award grants to public or private entities to  
24 conduct rigorous research relating to cannabis, the cannabis  
25 industry, medical cannabis, and the use of medical cannabis  
26 and its impact.

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

3           (3) Encourage dialog among interested entities.

4           (4) Effectively disseminate research findings and  
5 outcomes.

6           (e) By February 15 of each year, the board of  
7 directors shall issue a report to the Governor, the President  
8 Pro Tempore of the Senate, and the Speaker of the House of  
9 Representatives on research projects, research findings,  
10 community outreach initiatives, and future plans for the  
11 consortium.

12           (f) There is created a special account in the State  
13 Treasury to be known as the Medical Cannabis Research Fund.  
14 Expenditures from the Medical Cannabis Research Fund shall be  
15 made to fund grants awarded by the consortium in accordance  
16 with this section and to otherwise implement and administer  
17 this section.

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

20           "§13A-7-2.

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

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

3           Section 6. Any person who is recommended a daily  
4 dosage of medical cannabis that exceeds 75 mg of  
5 delta-9-tetrahydrocannabinol under paragraph (f)(2)b. of  
6 Section 20-2A-33, Code of Alabama 1975, shall automatically  
7 have his or her driver's license suspended, regardless of  
8 whether he or she holds a valid medical cannabis card under  
9 Chapter 2A of Title 20, Code of Alabama 1975.

10           Section 7. Although this bill would have as its  
11 purpose or effect the requirement of a new or increased  
12 expenditure of local funds, the bill is excluded from further  
13 requirements and application under Amendment 621, now  
14 appearing as Section 111.05 of the Official Recompilation of  
15 the Constitution of Alabama of 1901, as amended, because the  
16 bill defines a new crime or amends the definition of an  
17 existing crime.

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