

1 SB46
2 208357-1
3 By Senator Melson
4 RFD: Judiciary
5 First Read: 02-FEB-21
6 PFD: 01/14/2021

SYNOPSIS: Under existing law, unlawful possession of marijuana in the first degree is a Class C or Class D felony, and unlawful possession of marijuana in the second degree is a Class A misdemeanor.

This bill would create the Compassion Act.

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

This bill would establish the Alabama Medical Cannabis Commission, provide for commission membership, and impose the following duties: Establish and administer a patient registry system; issue medical cannabis cards; issue licenses for the cultivating, processing, dispensing, transporting, and testing of medical cannabis; 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 §20-2A-3.

25 As used in this chapter, the following terms have
26 the following meanings:

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

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

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

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

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

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

19 (6) DEPARTMENT. The Department of Agriculture and
20 Industries.

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

25 (8) DISPENSING SITE. A site operated by an
26 dispensary licensee or an integrated facility licensee
27 pursuant to Article 4.

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

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

7 (11) LICENSEE. A cultivator, processor, secure
8 transporter, state testing laboratory, dispensary, or
9 integrated facility licensed by the commission under Article
10 4.

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

- 16 1. Oral tablet, capsule, or tincture.
- 17 2. Gelatinous cube, gelatinous rectangular cuboid,
18 or lozenge in a cube or rectangular cuboid shape.
- 19 3. Gel, oil, cream, or other topical preparation.
- 20 4. Suppository.
- 21 5. Transdermal patch.
- 22 6. Nebulizer.
- 23 7. Liquid or oil for administration using an
24 inhaler.

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

- 26 1. Raw plant material.

1 2. Any product administered by smoking, combustion,
2 or vaping.

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

6 (13) MEDICAL CANNABIS CARD. A valid card issued
7 pursuant to Section 20-2A-35 or a temporary card issued
8 pursuant to Section 20-2A-36.

9 (14) MEDICAL USE or USE OF MEDICAL CANNABIS or USE
10 MEDICAL CANNABIS. The acquisition, possession, use, delivery,
11 transfer, or administration of medical cannabis authorized by
12 this chapter. The term does not include possession, use, or
13 administration of cannabis that was not purchased or acquired
14 from a licensed dispensary.

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

18 (16) PATIENT REGISTRY. The Alabama Medical Cannabis
19 Patient Registry System that is an electronic integrated
20 system that tracks physician certifications, patient
21 registrations, medical cannabis cards, the daily dosage and
22 type of medical cannabis recommended to qualified patients by
23 registered certifying physicians, and the dates of sale,
24 amounts, and types of medical cannabis that were purchased by
25 registered qualified patients at licensed dispensaries.

1 (17) PHYSICIAN CERTIFICATION. A registered
2 certifying physician's authorization for a registered
3 qualified patient to use medical cannabis.

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

10 (19) QUALIFYING MEDICAL CONDITION. Any of the
11 following conditions or symptoms of conditions, but only after
12 documentation indicates that conventional medical treatment or
13 therapy has failed unless current medical treatment indicates
14 that use of medical cannabis is the standard of care:

- 15 a. Anxiety or panic disorder.
- 16 b. Autism Spectrum Disorder (ASD).
- 17 c. Cancer-related cachexia, nausea or vomiting,
18 weight loss, or chronic pain.
- 19 d. Crohn's Disease.
- 20 e. Epilepsy or a condition causing seizures.
- 21 f. Fibromyalgia.
- 22 g. HIV/AIDS-related nausea or weight loss.
- 23 h. Menopause or premenstrual syndrome
- 24 i. Persistent nausea that is not significantly
25 responsive to traditional treatment, except for nausea related
26 to pregnancy, cannabis-induced cyclical vomiting syndrome, or
27 cannabinoid hyperemesis syndrome.

- 1 j. Post Traumatic Stress Disorder (PTSD).
- 2 k. Sleep disorders.
- 3 l. Spasticity associated with a motor neuron
- 4 disease, including Amyotrophic Lateral Sclerosis.
- 5 m. Spasticity associated with Multiple Sclerosis or
- 6 a spinal cord injury.
- 7 n. A terminal illness.
- 8 o. Tourette's Syndrome.
- 9 p. A condition causing chronic or intractable pain
- 10 in which conventional therapeutic intervention and opiate
- 11 therapy is contraindicated or has proved ineffective.

12 (20) REGISTERED CAREGIVER. An individual who meets

13 the requirements described in subsection (c) of Section

14 20-2A-30 and is authorized to acquire and possess medical

15 cannabis and to assist one or more registered qualified

16 patients with the use of medical cannabis pursuant to this

17 chapter.

18 (21) REGISTERED CERTIFYING PHYSICIAN. A physician

19 authorized by the State Board of Medical Examiners to certify

20 patients for the use of medical cannabis pursuant to this

21 chapter.

22 (22) REGISTERED QUALIFIED PATIENT. Either of the

23 following:

24 a. An adult who meets the requirements described in

25 subsection (a) of Section 20-2A-30 and is authorized to

26 acquire, possess, and use medical cannabis pursuant to this

27 chapter.

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

5 (23) SECURE TRANSPORTER. An entity licensed by the
6 commission under Section 20-2A-65 authorized to transport
7 cannabis or medical cannabis from one licensed facility or
8 site to another licensed facility or site.

9 (24) STATE TESTING LABORATORY. An entity licensed
10 under Section 20-2A-66 authorized to test cannabis and medical
11 cannabis to ensure the product meets safety qualifications
12 required under this chapter.

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

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

20 §20-2A-4.

21 This chapter supersedes state criminal and civil
22 laws pertaining to the acquisition, possession, use,
23 cultivation, manufacturing, processing, research and
24 development, and sale of medical cannabis. The acquisition,
25 possession, use, cultivation, manufacturing, processing,
26 research and development, transportation, testing, or sale of
27 cannabis or medical cannabis in compliance with this chapter

1 and rules of the commission does not constitute a violation of
2 Article 5 of Chapter 12 of Title 13A, or any other law to the
3 contrary.

4 §20-2A-5.

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

14 §20-2A-6.

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

16 (1) Require an insurer, organization for managed
17 care, health benefit plan, or any individual or entity
18 providing coverage for a medical or health care service to pay
19 for or to reimburse any other individual or entity for costs
20 associated with the use of medical cannabis.

21 (2) Require any employer to permit, accommodate, or
22 allow the use of medical cannabis, or to modify any job or
23 working conditions of any employee who engages in the use of
24 medical cannabis or for any reason seeks to engage in the use
25 of medical cannabis.

26 (3) Prohibit any employer from refusing to hire,
27 discharging, disciplining, or otherwise taking an adverse

1 employment action against an individual with respect to
2 hiring, discharging, tenure, terms, conditions, or privileges
3 of employment as a result, in whole or in part, of that
4 individual's use of medical cannabis, regardless of the
5 individual's impairment or lack of impairment resulting from
6 the use of medical cannabis.

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

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

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

21 (7) Permit, authorize, or establish any individual's
22 right to commence or undertake any legal action against an
23 employer for refusing to hire, discharging, disciplining, or
24 otherwise taking an adverse employment action against an
25 individual with respect to hiring, discharging, tenure, terms,
26 conditions, or privileges of employment due to the
27 individual's use of medical cannabis.

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

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

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

16 (b) For the purpose of obtaining needed medical
17 care, including organ transplants, a registered qualified
18 patient's authorized use of medical cannabis in accordance
19 with this chapter is considered the equivalent of the
20 authorized use of any other medication used at the direction
21 of a licensed health care professional and may not constitute
22 the use of an illicit substance or otherwise disqualify a
23 registered qualified patient from such needed medical care.

24 (c) An individual who is discharged from employment
25 because of that individual's use of medical cannabis, or
26 refusal to submit to or cooperate with a drug test, shall be
27 legally conclusively presumed to have been discharged for

1 misconduct if the conditions of paragraph a. of subdivision
2 (3) of Section 25-4-78 are otherwise met.

3 (d) Nothing in this chapter shall prohibit the
4 Department of Human Resources from considering a parent or
5 caretaker's use of medical cannabis as a factor for
6 determining the welfare of a child in any of the following
7 circumstances:

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

9 (2) The best interest of a child is determined for
10 custody purposes.

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

13 §20-2A-7.

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

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

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

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

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

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

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

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

9 §20-2A-8.

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

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

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

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

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

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

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

8 §20-2A-9.

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

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

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

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

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

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

25 (6) Relevant scientific research.

26 (7) Applicable tax revenue.

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

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

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

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

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

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

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

19 §20-2A-10.

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

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

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

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

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

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

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

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

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

23 §20-2A-11.

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

27 Article 2. Alabama Medical Cannabis Commission.

1 §20-2A-20.

2 (a) The Alabama Medical Cannabis Commission is
3 established. The commission shall consist of the following
4 members, with initial members appointed not later than July 1,
5 2021:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

13 §20-2A-21.

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

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

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

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

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

15 §20-2A-22.

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

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

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

25 §20-2A-30.

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

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

6 b. Is registered with the commission.

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

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

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

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

17 b. Is registered with the commission.

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

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

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

26 a. Is registered with the commission.

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

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

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

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

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

20 §20-2A-31.

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

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

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

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

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

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

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

22 §20-2A-32.

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

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

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

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

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

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

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

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

20 (7) Advertise in a dispensary.

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

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

3 §20-2A-33.

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

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

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

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

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

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

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

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

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

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

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

10 d. The potential for addiction.

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

16 f. The potential side effects of cannabis use.

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

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

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

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

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

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

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

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

22 (f) The commission, by rule, shall specify, by form
23 and tetrahydrocannabinol content, a maximum daily dosage of
24 medical cannabis that may be recommended by a registered
25 certifying physician for a particular qualifying medical
26 condition; provided, however, the maximum daily dosage may not
27 exceed 75 mg of delta-9-tetrahydrocannabinol.

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

13 §20-2A-34.

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

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

- 22 a. Receives and records physician certifications.
23 b. Receives and tracks qualified patient
24 registration and issuance of medical cannabis cards.
25 c. Receives and tracks designated caregiver
26 registration and issuance of medical cannabis cards.

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

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

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

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

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

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

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

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

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

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

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

7 (3) Registered certifying physicians.

8 (4) Dispensaries.

9 (5) The State Board of Medical Examiners.

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

14 §20-2A-35.

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

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

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

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

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

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

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

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

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

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

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

4 §20-2A-36.

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

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

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

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

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

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

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

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

25 §20-2A-50.

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

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

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

17 §20-2A-51.

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

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

3 (b) The commission, and where applicable the
4 department, shall ensure that at least one-fourth of all
5 licenses, or in the case of Section 20-2A-67, one-fifth of all
6 licenses, are awarded to business entities at least 51 percent
7 of which are owned by members of a minority group or, in the
8 case of a corporation, at least 51 percent of the shares of
9 the corporation are owned by members of a minority group, and
10 are managed and controlled by members of a minority group in
11 its daily operations. For purposes of this subsection,
12 minority group means individuals of African American, Native
13 American, Asian, or Hispanic descent.

14 §20-2A-52.

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

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

23 (2) Investigate all individuals employed by
24 licensees.

25 (3) At any time, through its investigators, agents,
26 or auditors, without a warrant and without notice to the
27 licensee, enter the premises, offices, facilities, or other

1 places of business of a licensee, if evidence of compliance or
2 noncompliance with this article or rules is likely to be found
3 and consistent with constitutional limitations, for the
4 following purposes:

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

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

13 c. To inspect the person, and inspect or examine
14 personal effects present in a licensee, of any holder of a
15 state operating license while that individual is present in a
16 licensee.

17 d. To investigate alleged violations of this
18 article.

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

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

26 (6) Eject, or exclude or authorize the ejection or
27 exclusion of, an individual from the premises of a licensee if

1 the individual violates this article, rules, or final orders
2 of the commission; provided, however, the propriety of the
3 ejection or exclusion is subject to a subsequent hearing by
4 the commission.

5 (7) Conduct periodic audits of licensees.

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

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

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

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

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

23 (e) Nothing in this article shall affect the
24 authority of the Alabama Department of Environmental
25 Management to administer and enforce any existing law over
26 which the Alabama Department of Environmental Management has
27 jurisdiction.

1 §20-2A-53.

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

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

12 (2) Require a minimum of two million dollars
13 (\$2,000,000) of liability and casualty insurance and establish
14 minimum levels of other financial guarantees, if appropriate,
15 that licensees must maintain.

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

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

23 (5) Establish standards or requirements to ensure
24 cannabis and medical cannabis remains secure at all times,
25 including, but not limited to, requirements that all
26 facilities of licensees remain securely enclosed and locked as
27 appropriate.

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

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

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

10 (9) Establish quality control standards, procedures,
11 and requirements.

12 (10) Establish chain of custody standards,
13 procedures, and requirements.

14 (11) In compliance with Chapters 27 and 30 of Title
15 22, establish standards, procedures, and requirements for
16 waste product storage and disposal and chemical storage.

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

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

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

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

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

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

10 §20-2A-54.

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

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

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

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

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

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

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

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

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

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

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

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

11 §20-2A-55.

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

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

23 (2) The identity of every individual having any
24 ownership interest in the applicant with respect to which the
25 license is sought. If the disclosed entity is a trust, the
26 application shall disclose the names and addresses of all
27 trustees and beneficiaries; if a privately held corporation,

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

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

1 the registration contains the information required by this
2 subdivision.

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

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

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

1 (7) A statement listing the names and titles of all
2 public officials of any unit of government, and the spouses,
3 parents, and children of those public officials, who, directly
4 or indirectly, own any financial interest in, have any
5 beneficial interest in, are the creditors of or hold any debt
6 instrument issued by, or hold or have any interest in any
7 contractual or service relationship with an applicant.

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

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

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

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

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

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

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

15 (f) A nonrefundable application fee of two thousand
16 five hundred dollars (\$2,500) shall be paid at the time of
17 filing to defray the costs associated with the background
18 investigation conducted by the commission. If the costs of the
19 investigation and processing the application exceed the
20 application fee, the applicant shall pay the additional amount
21 to the commission. All information, records, interviews,
22 reports, statements, memoranda, or other data supplied to or
23 used by the commission in the course of its review or
24 investigation of an application for a license under this
25 article shall be disclosed only in accordance with this
26 article. The information, records, interviews, reports,
27 statements, memoranda, or other data are not admissible as

1 evidence or discoverable in any action of any kind in any
2 court or before any department, agency, board, commission, or
3 authority, except for any action considered necessary by the
4 commission, unless so ordered by a court of competent
5 jurisdiction according to the Rules of Civil Procedure.

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

10 §20-2A-56.

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

13 (1) The applicant has been convicted of or released
14 from incarceration for a felony under the laws of this state,
15 any other state, or the United States within the past 10 years
16 or has been convicted of a controlled substance-related felony
17 within the past 10 years; provided, however, the commission
18 shall not consider any conviction overturned on appeal or any
19 charge that has been expunged pursuant to Chapter 27 of Title
20 15.

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

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

25 (4) The applicant fails to demonstrate the
26 applicant's ability to maintain adequate minimum levels of

1 liability and casualty insurance or other financial guarantees
2 for its proposed facility.

3 (5) The applicant fails to meet other criteria
4 established by rule.

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

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

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

13 b. Is controlled, directly or indirectly, by the
14 applicant or by a person who controls, directly or indirectly,
15 the applicant.

16 (2) The financial ability of the applicant to
17 maintain required financial guarantees.

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

20 (4) Whether the applicant has been indicted for,
21 charged with, arrested for, or convicted of, pled guilty or
22 nolo contendere to, forfeited bail concerning, or had expunged
23 any relevant criminal offense under the laws of any
24 jurisdiction, either felony or misdemeanor, not including
25 traffic violations, regardless of whether the offense has been
26 expunged, pardoned, or reversed on appeal or otherwise.

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

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

9 (7) Whether the applicant has a history of
10 noncompliance with any regulatory requirements in this state
11 or any other jurisdiction.

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

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

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

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

24 (12) Whether the applicant meets other standards or
25 requirements established under this article or by rules
26 applicable to the license category.

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

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

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

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

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

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

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

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

12 (i) A licensee shall consent in writing to
13 inspections, examinations, searches, and seizures that are
14 permitted under this article.

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

19 §20-2A-57.

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

22 (1) An applicant or licensee fails to comply with
23 this article or rules.

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

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

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

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

1 the licensee has not made satisfactory progress toward abating
2 the hazard.

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

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

22 (f) Any person aggrieved by an action of the
23 commission or the department under this article, within 30
24 days after receiving notice of the action, may appeal the
25 action to the circuit court in the county where the commission
26 or department is located.

27 §20-2A-58.

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

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

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

18 §20-2A-59.

19 (a) Before hiring a prospective employee, a licensee
20 shall conduct a background check of the prospective employee.
21 If the background check indicates a pending charge or
22 conviction within the past five years for a controlled
23 substance-related felony or a controlled substance-related
24 misdemeanor, a licensee may not hire the prospective employee
25 without written permission of the commission; provided,
26 however, a licensee shall not consider any conviction

1 overturned on appeal or any charge that has been expunged
2 pursuant to Chapter 27 of Title 15.

3 (b) Each licensee shall enter all transactions,
4 current inventory, and other information into the statewide
5 seed-to-sale tracking system in accordance with rules adopted
6 by the commission and the Department of Agriculture and
7 Industries.

8 §20-2A-60.

9 (a) Except as otherwise provided in subsection (b),
10 a licensee shall adopt and use a third-party inventory control
11 and tracking system that is capable of interfacing with the
12 statewide seed-to-sale tracking system to allow the licensee
13 to enter or access information in the statewide seed-to-sale
14 tracking system as required under this article and rules. The
15 third-party inventory control and tracking system must have
16 all of the following capabilities necessary for the licensee
17 to comply with the requirements applicable to the licensee's
18 license type:

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

23 (2) Tracking lot and batch information throughout
24 the entire chain of custody.

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

1 (4) Tracking cannabis plant, batch, and product
2 destruction.

3 (5) Tracking transportation of product.

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

7 a. Sold product.

8 b. Product inventory that is finished and available
9 for sale.

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

11 d. Product being processed into another form.

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

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

16 (8) Reporting and tracking all inventory
17 discrepancies.

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

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

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

25 (12) Identifying test results that may have been
26 altered.

1 (13) Providing the licensee with access to
2 information in the tracking system that is necessary to verify
3 that the licensee is carrying out all transactions authorized
4 under the licensee's license in accordance with this article.

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

9 (15) Providing the commission and state agencies
10 with access to information in the database that they are
11 authorized to access.

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

16 (17) Securing the confidentiality of information in
17 the database by preventing access by a person who is not
18 authorized to access the statewide seed-to-sale tracking
19 system or is not authorized to access the particular
20 information.

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

- 23 a. Total daily sales.
- 24 b. Total cannabis plants in production.
- 25 c. Total cannabis plants destroyed.
- 26 d. Total inventory adjustments.

1 (b) If the statewide seed-to-sale tracking system is
2 capable of allowing a licensee to access or enter information
3 into the statewide seed-to-sale tracking system without use of
4 a third-party inventory control and tracking system, a
5 licensee may access or enter information into the statewide
6 seed-to-sale tracking system directly and the licensee is not
7 required to adopt and use a third-party inventory control and
8 tracking system.

9 §20-2A-61.

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

13 a. Advertise medical cannabis brand names or use
14 graphics related to cannabis or paraphernalia on the exterior
15 of the physical structure or vehicle.

16 b. Display medical cannabis products or
17 paraphernalia so as to be clearly visible from the exterior of
18 the physical structure or vehicle.

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

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

25 (c) The commission shall adopt rules that establish
26 restrictions and requirements for advertising, including

1 signage, that may include limiting the media or forums where
2 advertising may occur.

3 §20-2A-62.

4 (a) (1) A cultivator license authorizes all of the
5 following:

6 a. The cultivation of cannabis.

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

8 c. If the cultivator contracts with a processor to
9 process its cannabis into medical cannabis on the cultivator's
10 behalf, the sale or transfer of medical cannabis to a
11 dispensary.

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

14 (b) The commission shall consult with the Department
15 of Agriculture and Industries when determining the number of
16 cultivator licenses to issue, provided the commission shall
17 issue at least four cultivator licenses.

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

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

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

1 (3) Demonstrate the ability to secure and maintain
2 cultivation facilities.

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

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

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

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

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

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

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

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

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

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

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

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

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

14 §20-2A-63.

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

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

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

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

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

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

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

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

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

15 (2) Any product bearing a reasonable resemblance to
16 a product available for consumption as a commercially
17 available candy.

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

21 (4) Any product whose shape bears the likeness or
22 contains characteristics of a realistic or fictional human,
23 animal, or fruit, including artistic, caricature, or cartoon
24 rendering.

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

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

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

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

11 a. Lot and batch numbers.

12 b. A license identification number for the
13 cultivator and a license identification number for the
14 processor.

15 c. Cannabinoids content and potency.

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

18 e. The following statement: "WARNING: There is
19 insufficient evidence showing it is safe to ingest medical
20 cannabis while pregnant or while breastfeeding. Women who are
21 pregnant or plan to become pregnant should discuss medical
22 cannabis use with their doctors."

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

26 (g) The commission may require the implementation of
27 a digital image such as a QR Code for purposes of tracking

1 medical cannabis products. The digital image must interface
2 with the statewide seed-to-sale tracking system.

3 (h) The commission shall determine what information
4 from the label shall be entered into the statewide
5 seed-to-sale tracking system.

6 §20-2A-64.

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

9 a. The purchase or transfer of medical cannabis from
10 a processor.

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

15 c. The purchase or transfer of medical cannabis from
16 an integrated facility.

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

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

22 (b) The commission shall issue no more than four
23 dispensary licenses.

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

1 (d) A licensed dispensary shall comply with all of
2 the following:

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

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

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

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

15 (5) Not allow the use of medical cannabis product on
16 the premises.

17 (6) Only allow registered qualified patients and
18 registered caregivers on the premises.

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

24 (2) The commission shall establish and administer a
25 training program for dispensers that addresses proper
26 dispensing procedures, including the requirements of this
27 subsection, and other topics relating to public health and

1 safety and preventing abuse and diversion of medical cannabis.
2 The commission shall certify trained dispensers and may
3 require, as a qualification to remain certified, periodic
4 training.

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

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

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

16 c. Comply with any additional requirements
17 established by the commission by rule.

18 (4) The commission shall adopt rules to implement
19 this subsection.

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

1 reached a sufficient level to justify an additional dispensing
2 site in an underserved or unserved area of the state.

3 §20-2A-65.

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

9 (b) A secure transporter shall comply with all of
10 the following:

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

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

21 (3) The cannabis or medical cannabis shall be
22 transported in one or more sealed containers and not be
23 accessible while in transit.

24 (4) A secure transporting vehicle may not bear
25 markings or other indication that it is carrying cannabis or
26 medical cannabis.

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

5 §20-2A-66.

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

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

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

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

25 (2) Terpene profiles.

26 (3) Heavy metals.

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

3 (5) Microbials, including pathogenic microbials.

4 (6) Mycotoxins.

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

7 (8) Residual solvents.

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

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

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

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

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

1 (f) The licensee shall comply with all of the
2 following:

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

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

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

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

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

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

20 §20-2A-67.

21 (a) An integrated facility license authorizes all of
22 the following:

23 (1) The cultivation of cannabis.

24 (2) The processing of cannabis into medical
25 cannabis, including proper packaging and labeling of medical
26 cannabis products.

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

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

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

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

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

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

24 (1) A letter of commitment or other acknowledgement,
25 as determined by commission rule, of the applicant's ability
26 to secure a performance bond issued by a surety insurance

1 company approved by the commission in the amount of two
2 million dollars (\$2,000,000).

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

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

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

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

25 §20-2A-68.

26 A license issued under this article is a revocable
27 privilege granted by this state and is not a property right.

1 Granting a license does not create or vest any right, title,
2 franchise, or other property interest. A licensee or any other
3 person shall not lease, pledge, or borrow or loan money
4 against a license.

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

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

1 Chapter 18 of Title 40, Code of Alabama 1975, or the manner in
2 which the income would be apportioned if the taxpayer were
3 subject to the income tax.

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

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

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

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

1 against a taxpayer as provided in Chapter 2A of Title 40, Code
2 of Alabama 1975.

3 (c) The Department of Revenue shall adopt rules to
4 implement this section.

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

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

23 (b) There is established the Consortium for Medical
24 Cannabis Research for the purpose of awarding grants to
25 entities for research relating to cannabis and medical
26 cannabis. The initial member institutions shall consist of
27 public and private four-year colleges and universities within

1 the state designated not later than January 1, 2022, by the
2 Alabama Commission on Higher Education. Membership in the
3 consortium may be increased or decreased by rules established
4 by the board of directors of the consortium.

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

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

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

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

21 (3) Encourage dialog among interested entities.

22 (4) Effectively disseminate research findings and
23 outcomes.

24 (e) By February 15 of each year, the board of
25 directors shall issue a report to the Governor, the President
26 Pro Tempore of the Senate, and the Speaker of the House of
27 Representatives on research projects, research findings,

1 community outreach initiatives, and future plans for the
2 consortium.

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

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

11 "§13A-7-2.

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

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

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

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