

1 SB165  
2 204432-1  
3 By Senator Melson  
4 RFD: Judiciary  
5 First Read: 11-FEB-20

1  
2  
3  
4  
5  
6  
7  
8 SYNOPSIS: Under existing law, unlawful possession of  
9 marijuana in the first degree is a Class C or Class  
10 D felony, and unlawful possession of marijuana in  
11 the second degree is a Class A misdemeanor.

12 This bill would create the Compassion Act.

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

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

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

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

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

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

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

20 This bill would provide for sales taxes.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

16 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

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

20 Article 1. General Provisions.

21 §20-2A-1.

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

24 §20-2A-2.

25 The Legislature finds all of the following:

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

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

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

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

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

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

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

3 §20-2A-3.

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

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

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

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

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

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

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

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



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

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

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

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

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

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

23 1. Oral tablet, capsule, or tincture.

24 2. Gelatinous cube, gelatinous rectangular cuboid,  
25 or lozenge in a cube or rectangular cuboid shape.

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

27 4. Suppository.

1           5. Transdermal patch.

2           6. Nebulizer.

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

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

6           1. Raw plant material.

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

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

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

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

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

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

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

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

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

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

16 (20) QUALIFYING MEDICAL CONDITION. Any of the  
17 following conditions or symptoms of conditions:

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

1 to pregnancy, cannabis-induced cyclical vomiting syndrome, or  
2 cannabinoid hyperemesis syndrome.

3 i. Post Traumatic Stress Disorder (PTSD).

4 j. Sleep disorders.

5 k. Spasticity associated with a motor neuron  
6 disease, including Amyotrophic Lateral Sclerosis.

7 l. Spasticity associated with Multiple Sclerosis or  
8 a spinal cord injury.

9 m. A terminal illness in which the life expectancy  
10 is six months or less.

11 n. Tourette's Syndrome.

12 o. A condition causing chronic or intractable pain  
13 in which conventional therapeutic intervention and opiate  
14 therapy is contraindicated or has proved ineffective.

15 p. Any other medical condition added by the  
16 commission, by rule, based on scientific evidence indicating  
17 efficacy in treating the condition or treating symptoms of the  
18 condition, or any other condition approved by the Medical  
19 Cannabis Appeal Panel.

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

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

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

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

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

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

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

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

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

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

1 §20-2A-4.

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

12 §20-2A-5.

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

22 §20-2A-6.

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

12 §20-2A-7.

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

18 (b) A registered certifying physician who acts in  
19 good faith is immune from civil and criminal prosecution and  
20 is not subject to arrest, prosecution, or penalty in any  
21 manner and may not be denied any right or privilege,  
22 including, but not limited to, protection from civil penalty  
23 or disciplinary action by the board, for certifying patients  
24 under Section 20-2A-33 or for otherwise stating that, in the  
25 physician's professional opinion, a patient is likely to  
26 receive therapeutic or palliative benefit from the medical use  
27 of cannabis to treat or alleviate the patient's qualifying

1 medical condition or symptoms associated with the qualifying  
2 medical condition, provided that nothing shall prevent the  
3 board from disciplining a physician.

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

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

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

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

27 §20-2A-8.

1           (a) (1) An individual may not distribute, possess,  
2 manufacture, or use medical cannabis or a medical cannabis  
3 product that has been diverted from a registered qualified  
4 patient, a registered caregiver, or a licensed cultivator,  
5 processor, secure transporter, dispensary, or a state testing  
6 laboratory.

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

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

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

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

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

25           §20-2A-9.

26           The commission shall provide annual written reports  
27 to the Legislature, with the first due no later than January

1 1, 2022, tracking implementation of this chapter. The report  
2 shall be made publicly available and posted on the  
3 commission's website. The report shall include all of the  
4 following:

5 (1) The number of patients applying for and  
6 receiving medical cannabis cards.

7 (2) The qualifying medical conditions identified to  
8 obtain the medical cannabis cards.

9 (3) Comments from physicians and other health care  
10 providers and from pharmacists.

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

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

15 (6) Relevant scientific research.

16 (7) Applicable tax revenue.

17 (8) The commission's annual operating expenses and  
18 revenues.

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

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

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

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

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

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

8           §20-2A-10.

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

15                 (1) Tax proceeds collected pursuant to subsections  
16 (a) and (b) of Section 2 of the act adding this language.

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

20                 (3) Any monies appropriated by the Legislature for  
21 the initial operation of the commission.

22           (b) Amounts in the Medical Cannabis Commission Fund  
23 shall be budgeted and allotted in accordance with Section  
24 41-4-80 through 41-4-96 and Sections 41-19-1 through 41-19-12,  
25 but shall not be limited by the fiscal year appropriation cap.

26           (c) Beginning October 1, 2025, any funds in the  
27 Medical Cannabis Commission Fund in excess of actual expenses

1 from the previous fiscal year shall be distributed, less 10  
2 percent, as follows:

3 (1) 60 percent shall be transferred to the General  
4 Fund.

5 (2) 30 percent shall be transferred to the Medical  
6 Cannabis Research Fund established pursuant to subsection (f)  
7 of Section 4.

8 Article 2. Alabama Medical Cannabis Commission  
9 §20-2A-20.

10 (a) The Alabama Medical Cannabis Commission is  
11 established. The commission shall consist of the following  
12 members, with initial members appointed not later than July 1,  
13 2020:

14 (1) Three members appointed by the Governor. Initial  
15 terms shall be four, three, and two years, respectively.

16 (2) Two members appointed by the Lieutenant  
17 Governor. Initial terms shall be one, four, and three years,  
18 respectively.

19 (3) Two members appointed by the President Pro  
20 Tempore of the Senate. Initial terms shall be two and three  
21 years, respectively.

22 (4) Two members appointed by the Speaker of the  
23 House of Representative. Initial terms shall be four and one  
24 years, respectively.

25 (b) Each commission member appointed to the  
26 commission is subject to confirmation by the Senate during the  
27 legislative session in which the appointment is made or, if

1 the appointment is made when the Legislature is not in  
2 session, during the next special or regular session. An  
3 appointee may serve in the position pending confirmation by  
4 the Senate. Failure of the Senate to act on the appointment  
5 during the session in which the appointment is made or, if the  
6 appointment is made while the Legislature is not in session,  
7 during the next special or regular session, shall constitute  
8 confirmation by the Senate. Each member of the committee shall  
9 serve after the expiration of his or her term until his or her  
10 successor is appointed.

11 (c) A member may not have any interest, financial or  
12 otherwise, direct or indirect, in any facility licensed under  
13 Article 4 in this state. Any current public official,  
14 candidate for public office, current public employee, or  
15 registered lobbyist may not serve as a member.

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

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

1           (f) The commission shall elect from the membership  
2 one member to serve as chair and one member to serve as  
3 vice-chair.

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

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



1 keeping a meeting schedule that ensures the commission meets  
2 the requirements of this chapter. A member who misses more  
3 than two meetings in one calendar year shall be subject to  
4 removal by his or her appointing authority.

5 (i) (1) The commission may employ a director to serve  
6 at the pleasure of the commission. The director's salary shall  
7 be fixed by the commission. The director shall be at least 30  
8 years of age and have been a citizen and resident of this  
9 state for at least five years prior to appointment. The  
10 director is the chief administrative officer of the  
11 commission, and all personnel employed by the commission shall  
12 be under the director's direct supervision. The director shall  
13 be solely responsible to the commission for the administration  
14 and enforcement of this chapter and responsible for the  
15 performance of all duties and functions delegated by the  
16 commission.

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

25 (3) If the director is licensed to practice law in  
26 this state, he or she shall act and serve as hearing officer

1 when designated by the commission and shall perform such  
2 duties as the regular hearing officer.

3 (j) The commission may appoint an assistant director  
4 who shall perform all duties and functions which may be  
5 assigned by the director or the commission. The assistant  
6 director, if licensed to practice law in this state, may also  
7 be designated by the commission to sit, act, and serve as a  
8 hearing officer, and when designated as a hearing officer, the  
9 assistant director may perform the same duties and functions  
10 as the regular hearing officer.

11 (k) Absent gross negligence, wantonness,  
12 recklessness, or deliberate misconduct, a member of the  
13 commission is not subject to civil liability for any act or  
14 omission in carrying out his or her duties under this chapter.

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

22 (m) The commission may appoint additional officers,  
23 including an inspection officer. The director, assistant  
24 director, and any other officer or employee shall be  
25 reimbursed for actual travel expenses as other state employees  
26 are paid, when approved by the chair.

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

7           (o) The commission shall be subject to the Alabama  
8 Administrative Procedure Act.

9           §20-2A-21.

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

24          (b) A member or employee of the commission may not  
25 accept any gift, favor, merchandise, donation, contribution,  
26 or any article or thing of value, from any person licensed  
27 under this chapter.

1 (c) Any individual violating this section shall be  
2 terminated from employment or position, and as a consequence,  
3 the individual shall forfeit any pay or compensation which  
4 might be due.

5 (d) For purposes of this section, family member  
6 includes a spouse, child, parent, or sibling, by blood or  
7 marriage.

8 (e) A violation of this section is a Class C  
9 misdemeanor.

10 §20-2A-22.

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

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

18 §20-2A-23.

19 (a) There is established a Medical Cannabis Appeal  
20 Panel comprised of registered certifying physicians appointed  
21 as follows:

22 (1) Two members appointed by the Governor.

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

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

1 (c) Absent gross negligence, wantonness,  
2 recklessness, or deliberate misconduct, a member of the panel  
3 is not subject to civil liability for any act or omission in  
4 carrying out his or her duties under this section.

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

14 (e) Members may communicate with each other  
15 electronically or by telephone and shall document their  
16 decisions for granting or denying approval for physician  
17 certification.

18 (f) The commission may compensate members for their  
19 service under this section.

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

22 §20-2A-30.

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

26 a. Has been certified by a registered certifying  
27 physician as having a qualifying medical condition.

1                   b. Is registered with the commission.

2                   c. Has been issued a valid medical cannabis card by  
3 the commission.

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

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

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

12                   b. Is registered with the commission.

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

15                   (2) A registered qualified patient described in  
16 subdivision (1) may use medical cannabis but may not purchase  
17 or possess medical cannabis.

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

21                   a. Is registered with the commission.

22                   b. Has been issued a valid medical cannabis card by  
23 the commission.

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

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

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

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

14           §20-2A-31.

15           (a) In order for a physician to qualify as a  
16 registered certifying physician, he or she must meet the  
17 following requirements:

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

20           (2) Complete a four-hour course related to medical  
21 cannabis and complete a subsequent examination, both of which  
22 shall be offered by a multi-specialty statewide professional  
23 organization of physicians in this state that is recognized to  
24 accredit intrastate organizations to provide AMA PRA category  
25 1 credits. The course must be administered at least annually  
26 and may be offered in a distance learning format, including an  
27 electronic online format upon request. The price of the course

1 may not exceed five hundred dollars (\$500). Every two years  
2 thereafter, in order to requalify, a certifying physician must  
3 complete a two-hour refresher course offered by an entity  
4 described in this subdivision.

5 (3) Meet any additional qualifications established  
6 by rule by the board.

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

12 (c) The board, by rule, may establish requirements  
13 for registered certifying physicians to remain qualified,  
14 grounds for revoking registration, and a process for renewing  
15 registration of qualified certifying physicians.

16 §20-2A-32.

17 A registered certifying physician may not do any of  
18 the following:

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



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

4           (3) Offer a discount of any other item of value to a  
5 qualified patient who uses or agrees to designate a specific  
6 caregiver or use a specific dispensary to obtain medical  
7 cannabis.

8           (4) Hold a direct or indirect economic interest in a  
9 licensee.

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

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

14          (7) Advertise in a dispensary.

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

24                 §20-2A-33.

25          (a) In order to certify a patient, a registered  
26 certifying physician must diagnose the patient with at least  
27 one qualifying medical condition or confirm that the patient

1 has been medically diagnosed with at least one qualifying  
2 medical condition.

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

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

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

12 (3) Requirements for review of the patient's  
13 controlled drug prescription history in the controlled  
14 substance prescription database established under Article 10  
15 of Chapter 2 of this title.

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

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

24 a. The federal and state classification of cannabis  
25 as a Schedule I controlled substance.

26 b. The approval and oversight status of cannabis by  
27 the Food and Drug Administration.

1           c. The current state of research on the efficacy of  
2 cannabis to treat the qualifying medical condition or  
3 conditions.

4           d. The potential for addiction.

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

10          f. The potential side effects of cannabis use.

11          g. The risks, benefits, and drug interactions of  
12 cannabis.

13          h. A statement that the use of medical cannabis  
14 could result in termination from employment without recourse  
15 and that costs may not be covered by insurance or government  
16 programs.

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

23           (6) Requirements for the issuance and reissuance of  
24 physician certifications by certifying physicians, the  
25 permissible length of duration of a physician certification,  
26 and the process and circumstances under which a physician  
27 certification may be deactivated, as well as stipulations for

1 timely updating of physician certifications on the patient  
2 registry.

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

15 (d) At the time of physician certification, the  
16 registered certifying physician shall enter electronically in  
17 the patient registry, in a manner determined by rule by the  
18 board, relevant information necessary to appropriately  
19 identify the patient; the respective qualifying medical  
20 condition or conditions of the patient; the daily dosage and  
21 type of medical cannabis recommended for medical use; and any  
22 other information the board, by rule, deems relevant.

23 (e) A physician certification does not constitute a  
24 prescription for medical cannabis.

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

1 (g) The commission, by rule, shall specify, by form  
2 and tetrahydrocannabinol content, a maximum daily dosage of  
3 medical cannabis that may be recommended by a registered  
4 certifying physician for a particular qualifying medical  
5 condition.

6 §20-2A-34.

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

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

15 a. Receives and records physician certifications.

16 b. Receives and tracks qualified patient  
17 registration and issuance of medical cannabis cards.

18 c. Receives and tracks designated caregiver  
19 registration and issuance of medical cannabis cards.

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

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

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

5 g. Determines whether a particular sale of medical  
6 cannabis transaction exceeds the permissible limit.

7 h. Tracks medical cannabis cards that are denied,  
8 revoked, or suspended.

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

11 j. Provides access as further provided in subsection  
12 (b).

13 (b) The patient registry shall be accessible to the  
14 following:

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

25 (2) Health care practitioners licensed to prescribe  
26 prescription drugs.

27 (3) Registered certifying physicians.

1 (4) Dispensaries.

2 (5) The State Board of Medical Examiners.

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

7 §20-2A-35.

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

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

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

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

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

5 (4) The expiration date, as determined by commission  
6 rule.

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

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

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

21 §20-2A-36.

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



1 to commission rules; provided, however, the commission may  
2 only register the nonresident patient or caregiver on a  
3 temporary basis and issue a temporary card if the commission  
4 can determine that a medical cannabis product comparable to  
5 the type of product the patient or caregiver is permitted to  
6 use in his or her home state is available and can be dispensed  
7 in this state.

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

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

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

25 Article 4. Cultivation, Processing, and Dispensing  
26 of Medical Cannabis.

27 §20-2A-50.

1 (a) The state hereby preemptively regulates medical  
2 cannabis from seed to sale and shall reasonably regulate and  
3 control all aspects of the medical cannabis industry to meet  
4 the intent of this chapter. All functions and activities  
5 relating to the production of medical cannabis in the state  
6 shall be licensed, and licenses shall be granted to integrated  
7 facilities, state testing laboratories, as well as to  
8 independent entities in the following categories: Cultivator,  
9 processor, dispensary, and secure transporter.

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

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

1 relevant in providing the greatest benefits to the residents  
2 of this state and taking into account the racial and economic  
3 makeup of the state.

4 §20-2A-51.

5 Any county or municipality seeking to ban the  
6 processing, testing, or dispensing of medical cannabis within  
7 its jurisdiction is authorized to do so by a two-thirds vote  
8 of the local governing body; provided, that the vote occurs no  
9 later than July 31, 2020, and the local governing body  
10 notifies the commission and the department within 10 days of a  
11 vote in favor of a ban.

12 §20-2A-52.

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

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

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

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

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

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

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

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

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

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

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

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

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

3 (7) Conduct periodic audits of licensees.

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

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

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

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

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

21 §20-2A-53.

22 (a) The commission, and the department with regard  
23 to cultivation, shall adopt rules as necessary to implement,  
24 administer, and enforce this article in a timely manner that  
25 allows persons to begin applying for a license by September 1,  
26 2021. Rules must ensure safety, security, and integrity of the

1 operation of medical cannabis facilities, that do all of the  
2 following for each category of license:

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

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

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

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

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

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

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

1           (8) Establish license fees for each type of license,  
2 provided the fee shall be not less than ten thousand dollars  
3 (\$10,000) and not more than fifty thousand dollars (\$50,000).

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

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

8           (11) Establish standards, procedures, and  
9 requirements for waste product storage and disposal and  
10 chemical storage.

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

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

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

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

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

25           (b) The commission, by rule, shall design a  
26 universal state symbol that is a color image and made

1 available to licensed processors to include on all packages of  
2 medical cannabis, as required under Section 20-2A-63.

3 §20-2A-54.

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

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

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

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



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

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

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

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

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

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

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

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

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

4 §20-2A-55.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 institution, while applying for or holding a license.  
2 Information the commission receives under this subsection is  
3 exempt from disclosure under the Open Records Act.

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

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

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

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

3 §20-2A-56.

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

6 (1) The applicant has been convicted of or released  
7 from incarceration for a felony under the laws of this state,  
8 any other state, or the United States within the past 10 years  
9 or has been convicted of a controlled substance-related felony  
10 within the past 10 years.

11 (2) The applicant has knowingly submitted an  
12 application for a license under this article that contains  
13 false information.

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

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

19 (5) The applicant is a public official or public  
20 employee.

21 (6) The applicant fails to meet other criteria  
22 established by rule.

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

25 (1) The integrity, moral character, and reputation;  
26 personal and business probity; financial ability and  
27 experience; and responsibility or means to operate or maintain

1 a facility of the applicant and of any other individual that  
2 meets either of the following:

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

11 §20-2A-57.

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

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

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

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

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

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

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

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

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

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

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

17 §20-2A-58.

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

25 (b) A nonrefundable application fee shall be paid to  
26 the commission at the time of filing any transfer request  
27 under subsection (a).

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

7 §20-2A-59.

8 (a) Before hiring a prospective employee, a licensee  
9 shall conduct a background check of the prospective employee.  
10 If the background check indicates a pending charge or  
11 conviction within the past five years for a controlled  
12 substance-related felony or a controlled substance-related  
13 misdemeanor, a licensee may not hire the prospective employee  
14 without written permission of the commission.

15 (b) Each licensee shall enter all transactions,  
16 current inventory, and other information into the statewide  
17 seed-to-sale tracking system in accordance with rules adopted  
18 by the commission and the Department of Agriculture and  
19 Industries.

20 §20-2A-60.

21 (a) Except as otherwise provided in subsection (b),  
22 a licensee shall adopt and use a third-party inventory control  
23 and tracking system that is capable of interfacing with the  
24 statewide seed-to-sale tracking system to allow the licensee  
25 to enter or access information in the statewide seed-to-sale  
26 tracking system as required under this article and rules. The  
27 third-party inventory control and tracking system must have

1 all of the following capabilities necessary for the licensee  
2 to comply with the requirements applicable to the licensee's  
3 license type:

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

8 (2) Tracking lot and batch information throughout  
9 the entire chain of custody.

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

12 (4) Tracking cannabis plant, batch, and product  
13 destruction.

14 (5) Tracking transportation of product.

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

18 a. Sold product.

19 b. Product inventory that is finished and available  
20 for sale.

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

22 d. Product being processed into another form.

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

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

1                   (8) Reporting and tracking all inventory  
2 discrepancies.

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

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

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

10                  (12) Identifying test results that may have been  
11 altered.

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

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

20                  (15) Providing the commission and state agencies  
21 with access to information in the database that they are  
22 authorized to access.

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



1           (17) Securing the confidentiality of information in  
2 the database by preventing access by a person who is not  
3 authorized to access the statewide seed-to-sale tracking  
4 system or is not authorized to access the particular  
5 information.

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

- 8           a. Total daily sales.
- 9           b. Total cannabis plants in production.
- 10          c. Total cannabis plants destroyed.
- 11          d. Total inventory adjustments.

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

20           §20-2A-61.

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

- 24          a. Advertise medical cannabis brand names or use  
25 graphics related to cannabis or paraphernalia on the exterior  
26 of the physical structure or vehicle.

1           b. Display medical cannabis products or  
2 paraphernalia so as to be clearly visible from the exterior of  
3 the physical structure or vehicle.

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

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

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

14           §20-2A-62.

15           (a) An independent cultivator license authorizes the  
16 cultivation of cannabis and sale and transfer of cannabis to a  
17 processor. A cultivator license authorizes the cultivator to  
18 transfer cannabis only by means of a secure transporter.

19           (b) The commission shall consult with the Department  
20 of Agriculture and Industries when determining the number of  
21 cultivator licenses to issue, provided the commission shall  
22 issue at least three independent cultivator licenses.

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

25           (1) Provide records indicating continuous, full-time  
26 business experience in the field of commercial horticulture or  
27 agronomic production for a period of at least five years.

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

5           (3) Demonstrate the ability to secure and maintain  
6 cultivation facilities.

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

10          (5) Demonstrate the ability to commence cultivation  
11 of cannabis within 60 days of application approval  
12 notification.

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

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

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

21           (1) All facilities shall be protected by a monitored  
22 security alarm system, be enclosed, and remain locked at all  
23 times.

24           (2) All individuals entering and exiting facilities  
25 shall be monitored by video surveillance and keypad or access  
26 card entry.

1 (3) All employees may not have any conviction within  
2 the past 10 years for a controlled substance-related felony or  
3 a controlled substance-related misdemeanor.

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

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

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

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

15 §20-2A-63.

16 (a) An independent processor license authorizes  
17 purchase of cannabis only from a cultivator and sale of  
18 properly packaged and labeled medical cannabis only to a  
19 dispensary. A processor license authorizes the processor to  
20 transfer medical cannabis only by means of a secure  
21 transporter.

22 (b) The commission shall issue no more than three  
23 independent processor licenses.

24 (c) All medical cannabis products must be medical  
25 grade product, manufactured using documented good quality  
26 practices, such that the product is shown to meet intended  
27 levels of purity and be reliably free of toxins and

1 contaminants. Medical cannabis products may not contain any  
2 additives other than pharmaceutical grade excipients.

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

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

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

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

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

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

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

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

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

5 a. Lot and batch numbers.

6 b. A license identification number for the  
7 cultivator and a license identification number for the  
8 processor.

9 c. Cannabinoids content and potency.

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

12 e. The following statement: "WARNING: There is  
13 insufficient evidence showing it is safe to ingest medical  
14 cannabis while pregnant or while breastfeeding. Women who are  
15 pregnant or plan to become pregnant should discuss medical  
16 cannabis use with their doctors."

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

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

24 (h) The commission shall determine what information  
25 from the label shall be entered into the statewide  
26 seed-to-sale tracking system.

27 §20-2A-64.

1 (a) An independent dispensary license authorizes the  
2 purchase or transfer of medical cannabis only from a  
3 cultivator and the sale only to a registered qualified patient  
4 or registered caregiver. All transfers of medical cannabis to  
5 a dispensary from a separate facility or site must be by means  
6 of a secure transporter.

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

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

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

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

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

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

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

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

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

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

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

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

22 §20-2A-65.

23 (a) An independent secure transporter license  
24 authorizes the licensee to store and transport cannabis and  
25 medical cannabis for a fee upon request of a licensee. A  
26 license does not authorize transport to a registered qualified  
27 patient or registered caregiver.



1 (b) A secure transporter shall comply with all of  
2 the following:

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

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

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

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

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

23 §20-2A-66.

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

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

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

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

17 (2) Terpene profiles.

18 (3) Heavy metals.

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

21 (5) Microbials, including pathogenic microbials.

22 (6) Mycotoxins.

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

25 (8) Residual solvents.

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

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

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

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

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

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

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

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

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

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

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

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

14          §20-2A-67.

15          (a) An integrated facility license authorizes the  
16 licensee to cultivate and process cannabis, dispense medical  
17 cannabis to registered qualified patients and registered  
18 caregivers, and transport cannabis or medical cannabis between  
19 facilities.

20          (b) The commission may issue no more than five  
21 integrated facility licenses. Three of the five licenses must  
22 be awarded to entities whose majority ownership is  
23 attributable to an individual or individuals with proof of  
24 residency in this state for a continuous period of no less  
25 than eight years preceding the application date.

26          (c) An integrated facility licensee shall have the  
27 same authorizations granted to, and shall comply with all

1 requirements for, independent cultivators, processors, secure  
2 transporters, and dispensaries, in addition to any other  
3 authorizations or requirements under this section or as  
4 established by rule by the commission.

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

7 (1) A performance bond issued by a surety insurance  
8 company approved by the commission in the amount of two  
9 million dollars (\$2,000,000).

10 (2) Proof of at least five hundred thousand dollars  
11 (\$500,000) in liquid assets.

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

15 (4) If the applicant's majority ownership is not  
16 attributable to an individual or individuals with proof of  
17 residency in this state for a continuous period of no less  
18 than eight years preceding the application date, the applicant  
19 must provide proof that it has partnered with a cultivator  
20 whose majority ownership is attributable to an individual or  
21 individuals with proof of residency in this state for a  
22 continuous period of no less than eight years preceding the  
23 application date.

24 (e) A licensee may operate up to five dispensing  
25 sites, each of which must be located in a different county  
26 from any other dispensing site; provided, however, the  
27 commission may authorize a licensee to operate a greater

1 number of dispensing sites if, at least one year after the  
2 date when the maximum number of total dispensing sites  
3 authorized under this section and Section 20-2A-64 are  
4 operating, the commission determines that the patient pool has  
5 reached a sufficient level to justify an additional dispensing  
6 site in an underserved or unserved area of the state. This  
7 subsection shall not be construed to limit wholesale  
8 distribution from integrated facility licensees to independent  
9 dispensary licensees.

10 §20-2A-68.

11 A license issued under this article is a revocable  
12 privilege granted by this state and is not a property right.  
13 Granting a license does not create or vest any right, title,  
14 franchise, or other property interest. A licensee or any other  
15 person shall not lease, pledge, or borrow or loan money  
16 against a license.

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

25 (b) (1) Commencing January 1, 2021, there is levied  
26 an annual privilege tax on every person doing business under  
27 Chapter 2A of Title 20, Code of Alabama 1975, in Alabama. The

1 tax shall accrue as of January 1 of every taxable year, or in  
2 the case of a taxpayer licensed under Chapter 2A of Title 20,  
3 Code of Alabama 1975, during the year, or doing business in  
4 this state for the first time, as of the date the taxpayer is  
5 licensed to do business under Chapter 2A of Title 20, Code of  
6 Alabama 1975. The tax shall be levied upon the taxpayer's net  
7 worth in Alabama for the taxable year. For purposes of this  
8 subdivision, a taxpayer's net worth in Alabama shall be  
9 determined by apportioning the taxpayer's net worth computed  
10 under Section 40-14A-23, Code of Alabama 1975, in the same  
11 manner as prescribed for apportioning income during the  
12 determination period for purposes of the income tax levied by  
13 Chapter 18 of Title 40, Code of Alabama 1975, or the manner in  
14 which the income would be apportioned if the taxpayer were  
15 subject to the income tax.

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

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

1           (4) The Department of Revenue may grant a reasonable  
2 extension of time for filing returns under rules adopted by  
3 the department. No extension shall be for more than six  
4 months.

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

14           (c) The Department of Revenue shall adopt rules to  
15 implement this section.

16           Section 3. An employee who is injured or killed  
17 while using medical cannabis, as defined in Section 20-2A-2,  
18 is ineligible to receive any compensation under Chapter 5 of  
19 Title 25, Code of Alabama 1975, if the injury or death was  
20 caused by an action or inaction of the employee, even if the  
21 employee was in full compliance with Chapter 2A of Title 20,  
22 Code of Alabama 1975, at the time of injury or death.

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

26           (b) There is established the Consortium for Medical  
27 Cannabis Research for the purpose of awarding grants to



1 entities for research relating to cannabis and medical  
2 cannabis. The initial member institutions shall consist of  
3 public and private four-year colleges and universities within  
4 the state designated not later than January 1, 2021, by the  
5 Alabama Commission on Higher Education. Membership in the  
6 consortium may be increased or decreased by rules established  
7 by the board of directors of the consortium.

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

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

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

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

24 (3) Encourage dialog among interested entities.

25 (4) Effectively disseminate research findings and  
26 outcomes.

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

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

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

15 "§13A-7-2.

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

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

24 Section 6. Although this bill would have as its  
25 purpose or effect the requirement of a new or increased  
26 expenditure of local funds, the bill is excluded from further  
27 requirements and application under Amendment 621, now

1 appearing as Section 111.05 of the Official ReCompilation of  
2 the Constitution of Alabama of 1901, as amended, because the  
3 bill defines a new crime or amends the definition of an  
4 existing crime.

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