

1 SB46
2 213029-6
3 By Senator Melson
4 RFD: Judiciary
5 First Read: 02-FEB-21
6 PFD: 01/14/2021

1 SB46

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4 ENROLLED, An Act,

5 Relating to the medical use of cannabis; to add a
6 new Chapter 2A to Title 20, Code of Alabama 1975; to amend
7 Section 13A-7-2, Code of Alabama 1975; to create the Darren
8 Wesley 'Ato' Hall Compassion Act; to provide civil and
9 criminal protections to certain patients with a qualifying
10 medical condition who have a valid medical cannabis card for
11 the medical use of cannabis; to establish the Alabama Medical
12 Cannabis Commission and provide for its membership and duties;
13 to provide for certification of patients to authorize use of
14 medical cannabis; to license and regulate the cultivation,
15 processing, transporting, testing, and dispensing of medical
16 cannabis; to prohibit certain types of medical cannabis
17 products; to provide for patient registry and seed-to-sale
18 tracking; to impose taxes; to provide certain legal
19 protections for users of medical cannabis; to provide certain
20 legal protections for employers; to provide further for
21 workers' compensation benefits in certain circumstances where
22 an employee uses medical cannabis; to amend the crime of
23 trespass in the first degree; to establish the Medical
24 Cannabis Research Consortium to award research grants using
25 tax proceeds; and in connection therewith would have as its

1 purpose or effect the requirement of a new or increased
2 expenditure of local funds within the meaning of Amendment 621
3 of the Constitution of Alabama of 1901, now appearing as
4 Section 111.05 of the Official ReCompilation of the
5 Constitution of Alabama of 1901, as amended.

6 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

7 Section 1. Chapter 2A, commencing with Section
8 20-2A-1, is added to Title 20, Code of Alabama 1975, to read
9 as follows:

10 Article 1. General Provisions.

11 §20-2A-1.

12 This chapter shall be known and may be cited as the
13 Darren Wesley 'Ato' Hall Compassion Act.

14 §20-2A-2.

15 The Legislature finds all of the following:

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

19 (2) Medical research indicates that the
20 administration of medical cannabis can successfully treat
21 various medical conditions and alleviate the symptoms of
22 various medical conditions.

23 (3) There are residents in Alabama suffering from a
24 number of medical conditions whose symptoms could be
25 alleviated by the administration of medical cannabis products

1 if used in a controlled setting under the supervision of a
2 physician licensed in this state.

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

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

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

20 (7) The State of Alabama, therefore, wishes to
21 create a health care market for medical cannabis.
22 Notwithstanding any medical benefit of cannabis or cannabis
23 derivatives, the recreational use of marijuana remains a
24 significant threat to public health and safety. Allowing the
25 cultivation, processing, dispensing, and use of cannabis for

1 medical use without appropriate safeguards to prevent unlawful
2 diversion for recreational use would pose a risk to public
3 health and safety.

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

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

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

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

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

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

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

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

1 safeguards to adequately protect the residents of this state
2 are essential.

3 §20-2A-3.

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

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

8 ~~(1)~~ (2) BOARD. The State Board of Medical Examiners.

9 ~~(2)~~ (3) CANNABIS. a. Except as provided in paragraph
10 b., all parts of any plant of the genus cannabis, whether
11 growing or not, including the seeds, extractions of any kind
12 from any part of the plant, and every compound, derivative,
13 mixture, product, or preparation of the plant.

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

16 ~~(3)~~ (4) COMMISSION. The Alabama Medical Cannabis
17 Commission created pursuant to Section 20-2A-20.

18 ~~(4)~~ (5) CULTIVATOR. An entity licensed by the
19 Department of Agriculture and Industries under Section
20 20-2A-62 authorized to grow cannabis pursuant to Article 4.

21 ~~(5)~~ (6) DAILY DOSAGE. The total amount of one or
22 more cannabis derivatives, including, but not limited to,
23 cannabidiol and tetrahydrocannabinol, which may be present in
24 a medical cannabis product that may be ingested by a

1 registered qualified patient during a 24-hour period, as
2 determined by a registered certifying physician.

3 ~~(6)~~ (7) DEPARTMENT. The Department of Agriculture
4 and Industries.

5 ~~(7)~~ (8) DISPENSARY. An entity licensed by the
6 commission under Section 20-2A-64 authorized to dispense and
7 sell medical cannabis at dispensing sites to registered
8 qualified patients and registered caregivers pursuant to
9 Article 4.

10 ~~(8)~~ (9) DISPENSING SITE. A site operated by an
11 dispensary licensee or an integrated facility licensee
12 pursuant to Article 4.

13 (10) ECONOMIC INTEREST. The rights to either the
14 capital or profit interests of an applicant or licensee or, if
15 the applicant or licensee is a corporation, the rights to some
16 portion of all classes of outstanding stock in the
17 corporation.

18 ~~(9)~~ (11) FACILITY or MEDICAL CANNABIS FACILITY. Any
19 facility, or land associated with a facility, of a licensee.

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

24 ~~(11)~~ (13) LICENSEE. A cultivator, processor, secure
25 transporter, state testing laboratory, dispensary, or

1 integrated facility licensed by the commission under Article
2 4.

3 ~~(12)~~ (14) MEDICAL CANNABIS. a. A medical grade
4 product in the form of any of the following, as determined by
5 rule by the commission, that contains a derivative of cannabis
6 for medical use by a registered qualified patient pursuant to
7 this chapter:

8 1. Oral tablet, capsule, or tincture.

9 2. Non-sugarcoated gelatinous cube, gelatinous
10 rectangular cuboid, or lozenge in a cube or rectangular cuboid
11 shape.

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

13 4. Suppository.

14 5. Transdermal patch.

15 6. Nebulizer.

16 7. Liquid or oil for administration using an
17 inhaler.

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

19 1. Raw plant material.

20 2. Any product administered by smoking, combustion,
21 or vaping.

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

1 ~~(13)~~ (15) MEDICAL CANNABIS CARD. A valid card issued
2 pursuant to Section 20-2A-35 or a temporary card issued
3 pursuant to Section 20-2A-36.

4 ~~(14)~~ (16) MEDICAL USE or USE OF MEDICAL CANNABIS or
5 USE MEDICAL CANNABIS. The acquisition, possession, use,
6 delivery, transfer, or administration of medical cannabis
7 authorized by this chapter. The term does not include
8 possession, use, or administration of cannabis that was not
9 purchased or acquired from a licensed dispensary.

10 ~~(15)~~ (17) PACKAGE. Any container that a processor
11 may use for enclosing and containing medical cannabis. The
12 term does not include any carry-out bag or other similar
13 container.

14 ~~(16)~~ (18) PATIENT REGISTRY. The Alabama Medical
15 Cannabis Patient Registry System that is an electronic
16 integrated system that tracks physician certifications,
17 patient registrations, medical cannabis cards, the daily
18 dosage and type of medical cannabis recommended to qualified
19 patients by registered certifying physicians, and the dates of
20 sale, amounts, and types of medical cannabis that were
21 purchased by registered qualified patients at licensed
22 dispensaries.

23 ~~(17)~~ (19) PHYSICIAN CERTIFICATION. A registered
24 certifying physician's authorization for a registered
25 qualified patient to use medical cannabis.

1 ~~(18)~~ (20) PROCESSOR. An entity licensed by the
2 commission under Section 20-2A-63 authorized to purchase
3 cannabis from a cultivator and extract derivatives from the
4 cannabis to produce a medical cannabis product or products for
5 sale and transfer in packaged and labeled form to a dispensing
6 site pursuant to Article 4.

7 ~~(19)~~ (21) QUALIFYING MEDICAL CONDITION. Any of the
8 following conditions or symptoms of conditions, but only after
9 documentation indicates that conventional medical treatment or
10 therapy has failed unless current medical treatment indicates
11 that use of medical cannabis is the standard of care:

- 12 a. Autism Spectrum Disorder (ASD).
- 13 b. Cancer-related cachexia, nausea or vomiting,
14 weight loss, or chronic pain.
- 15 c. Crohn's Disease.
- 16 d. Depression.
- 17 e. Epilepsy or a condition causing seizures.
- 18 f. HIV/AIDS-related nausea or weight loss.
- 19 g. Panic disorder.
- 20 h. Parkinson's disease.
- 21 i. Persistent nausea that is not significantly
22 responsive to traditional treatment, except for nausea related
23 to pregnancy, cannabis-induced cyclical vomiting syndrome, or
24 cannabinoid hyperemesis syndrome.
- 25 j. Post Traumatic Stress Disorder (PTSD).

1 k. Sickle Cell Anemia.

2 l. Spasticity associated with a motor neuron
3 disease, including Amyotrophic Lateral Sclerosis.

4 m. Spasticity associated with Multiple Sclerosis or
5 a spinal cord injury.

6 n. A terminal illness.

7 o. Tourette's Syndrome.

8 p. A condition causing chronic or intractable pain
9 in which conventional therapeutic intervention and opiate
10 therapy is contraindicated or has proved ineffective.

11 ~~(20)~~ (22) REGISTERED CAREGIVER. An individual who
12 meets the requirements described in subsection (c) of Section
13 20-2A-30 and is authorized to acquire and possess medical
14 cannabis and to assist one or more registered qualified
15 patients with the use of medical cannabis pursuant to this
16 chapter.

17 ~~(21)~~ (23) REGISTERED CERTIFYING PHYSICIAN. A
18 physician authorized by the State Board of Medical Examiners
19 to certify patients for the use of medical cannabis under this
20 article.

21 ~~(22)~~ (24) REGISTERED QUALIFIED PATIENT. Either of
22 the following:

23 a. An adult who meets the requirements described in
24 subsection (a) of Section 20-2A-30 and is authorized to

1 acquire, possess, and use medical cannabis pursuant to this
2 chapter.

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

7 ~~(23)~~ (25) SECURE TRANSPORTER. An entity licensed by
8 the commission under Section 20-2A-65 authorized to transport
9 cannabis or medical cannabis from one licensed facility or
10 site to another licensed facility or site.

11 ~~(24)~~ (26) STATE TESTING LABORATORY. An entity
12 licensed under Section 20-2A-66 authorized to test cannabis
13 and medical cannabis to ensure the product meets safety
14 qualifications required under this chapter.

15 ~~(25)~~ (27) STATEWIDE SEED-TO-SALE TRACKING SYSTEM.
16 The tracking system established pursuant to Section 20-2A-54
17 that tracks all cannabis and medical cannabis in the state.

18 ~~(26)~~ (28) UNIVERSAL STATE SYMBOL. The image
19 established by the commission pursuant to Section 20-2A-53
20 made available to processors which indicates the package
21 contains medical cannabis.

22 §20-2A-4.

23 This chapter supersedes state criminal and civil
24 laws pertaining to the recommending, acquisition, possession,
25 use, cultivation, manufacturing, processing, research and

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

8 §20-2A-5.

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

18 §20-2A-6.

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

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

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

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

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

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

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

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.

1 (11) Affect, alter, or supersede any obligation or
2 condition imposed on a parolee, probationer, or an individual
3 participating in a pretrial diversion program or other
4 court-ordered substance abuse rehabilitation program.

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

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

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

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

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

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

5 §20-2A-7.

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

11 (b) A registered certifying physician who acts in
12 good faith compliance with this chapter regarding the dosage
13 established under this chapter and the applicable
14 administrative rules established pursuant to this chapter
15 shall be immune from civil and criminal prosecution and is not
16 subject to arrest, prosecution, or penalty in any manner and
17 may not be denied any right or privilege, including, but not
18 limited to, protection from civil penalty for certifying
19 patients under Section 20-2A-33 or for otherwise stating that,
20 in the physician's professional opinion, a patient is likely
21 to receive therapeutic or palliative benefit from the medical
22 use of medical cannabis to treat or alleviate the patient's
23 qualifying medical condition or symptoms associated with the
24 qualifying medical condition, provided that nothing shall
25 prevent the board from disciplining a physician. Nothing in

1 this chapter shall modify, amend, repeal, or supersede any
2 provision of Section 6-5-333, the Alabama Medical Liability
3 Act of 1987, commencing with Section 6-5-540, or the Alabama
4 Medical Liability Act of 1996, commencing with Section
5 6-5-548, or any amendment to any of these laws or judicial
6 interpretation of these laws.

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

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

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

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

7 §20-2A-8.

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

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

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

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

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

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

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

8 §20-2A-9.

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

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

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

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

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

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

25 (6) Relevant scientific research.

1 (7) Applicable tax revenue.

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

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

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

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

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

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

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

20 §20-2A-10.

21 (a) There is created a special account in the State
22 Treasury to be known as the Medical Cannabis Commission Fund.
23 Expenditures from the Medical Cannabis Commission Fund may be
24 made only by the commission to implement, administer, and

1 enforce this chapter. Specifically, the Medical Cannabis
2 Commission Fund includes all of the following:

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

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

12 (3) Any monies appropriated by the Legislature for
13 the initial operation of the commission.

14 (b) Amounts in the Medical Cannabis Commission Fund
15 shall be budgeted and allotted in accordance with Section
16 41-4-80 through 41-4-96 and Sections 41-19-1 through 41-19-12,
17 but shall not be limited by the fiscal year appropriation cap.

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

22 (1) 60 percent shall be transferred to the General
23 Fund.

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

4 §20-2A-11.

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

8 §20-2A-12.

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

12 Article 2. Alabama Medical Cannabis Commission.

13 §20-2A-20.

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

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

23 (2) Three members appointed by the Lieutenant
24 Governor, one of whom is a physician licensed to practice
25 medicine in this state certified in the specialty of

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

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

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

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

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

23 (7) One member appointed by the Attorney General,
 24 who shall be a nonvoting advisory member. The initial term
 25 shall be three years.

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

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

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

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

24 (e) After initial appointments, each member shall
25 serve a term of four years, but may be reappointed for one

1 additional term. If at any time there is a vacancy, a
2 successor member shall be appointed by the respective
3 appointing officer to serve for the remainder of the term.
4 Members may be removed for cause by the appointing authority.

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

8 (g) While serving on business of the commission,
9 members who are not public officials or public employees shall
10 be entitled to a per diem of five hundred dollars (\$500) per
11 day, as well as actual travel expenses incurred in the
12 performance of duties as a member, as other state employees
13 are paid, when approved by the chair.

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

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

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

24 (2) The director shall maintain all records of the
25 commission and also serve as secretary of the commission. The

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

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

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

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

21 (l) In any action or suit brought against the
22 members of the commission in their official capacity in a
23 court of competent jurisdiction, to review any decision or
24 order issued by the commission, service of process issued
25 against the commission may be lawfully served or accepted by

1 the director on behalf of the commission as though the members
2 of the commission were personally served with process.

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

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

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

16 (p) The commission shall be subject to the Alabama
17 Administrative Procedure Act.

18 §20-2A-21.

19 (a) A member of the commission and any individual
20 employed by the commission may not be an owner, shareholder,
21 director, or board member of, or otherwise have any economic
22 interest in, a licensee. In addition, a member or employee of
23 the commission may not have any family member who is employed
24 by a licensee. A member or employee of the commission or his
25 or her family member may not have an interest of any kind in

1 any building, fixture, or premises occupied by any person
2 licensed under this chapter; and may not own any stock or have
3 any interest of any kind, direct or indirect, pecuniary or
4 otherwise, by a loan, mortgage, gift, or guarantee of payment
5 of a loan, in any licensee.

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

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

14 (d) For purposes of this section, family member
15 includes a spouse, child, parent, or sibling, by blood or
16 marriage.

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

22 (f) In addition to any violation of Chapter 25 of
23 Title 36, a violation of this section is a Class C
24 misdemeanor.

25 §20-2A-22.

1 (a) The Alabama Medical Cannabis Commission shall
2 implement this chapter by making medical cannabis derived from
3 cannabis grown in Alabama available to registered qualified
4 patients and by licensing facilities that process, transport,
5 test, or dispense medical cannabis.

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

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

10 §20-2A-30.

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

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

16 b. Is registered with the commission.

17 c. Has been issued a valid medical cannabis card by
18 the commission.

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

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

1 a. Has been certified by a registered certifying
2 physician as having a qualifying medical condition.

3 b. Is registered with the commission.

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

6 (2) A registered qualified patient described in
7 subdivision (1) may use medical cannabis but may not purchase
8 or possess medical cannabis.

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

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

13 a. Is registered with the commission.

14 b. Has been issued a valid medical cannabis card by
15 the commission.

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

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

22 (2) A registered caregiver described in subdivision
23 (1) may purchase and possess medical cannabis, subject to
24 subsection (d), but may not use medical cannabis unless he or
25 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

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

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

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

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

16 (c) The board, by rule, may establish requirements
17 for registered certifying physicians to remain qualified,
18 grounds for revoking registration, and a process for renewing
19 registration of qualified certifying physicians, including
20 payment of an annual registration renewal fee, not to exceed
21 two hundred dollars (\$200).

22 §20-2A-32.

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

1 (1) Except for the limited purpose of performing a
2 medical cannabis-related study, accept, solicit, or offer any
3 form of remuneration from or to a qualified patient,
4 designated caregiver, or any licensee, including a principal
5 officer, board member, agent, or employee of the licensee, to
6 certify a patient, other than accepting payment from a patient
7 for the fee associated with the examination, medical
8 consultation, or other treatment, including, but not limited
9 to, any third party reimbursement for the same.

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

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

17 (4) Hold a direct or indirect economic interest in a
18 licensee.

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

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

23 (7) Advertise in a dispensary.

24 (8) Advertise on the physician's website, brochures,
25 or any other media that generally describe the scope of

1 practice of the physician, any statement that refers to the
 2 physician as a "medical cannabis" or "medical marijuana"
 3 physician or doctor, or otherwise advertises his or her status
 4 as a registered certifying physician, other than the
 5 following: "Dr. _____ is qualified by the State of Alabama
 6 to certify patients for medical cannabis use under the Alabama
 7 Compassion Act."

8 §20-2A-33.

9 (a) In order to certify a patient, a registered
 10 certifying physician must diagnose the patient with at least
 11 one qualifying medical condition or confirm that the patient
 12 has been medically diagnosed with at least one qualifying
 13 medical condition.

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

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

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

23 (3) Requirements for review of the patient's
 24 controlled drug prescription history in the controlled

1 substance prescription database established under Article 10
2 of Chapter 2 of this title.

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

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

11 a. The federal and state classification of cannabis
12 as a Schedule I controlled substance.

13 b. The approval and oversight status of cannabis by
14 the Food and Drug Administration.

15 c. The current state of research on the efficacy of
16 cannabis to treat the qualifying medical condition or
17 conditions.

18 d. The potential for addiction.

19 e. The potential effect that cannabis may have on a
20 patient's coordination, motor skills, and cognition, including
21 a warning against operating heavy machinery, operating a motor
22 vehicle, or engaging in activities that require an individual
23 to be alert or respond quickly.

24 f. The potential side effects of cannabis use.

1 g. The risks, benefits, and drug interactions of
2 cannabis.

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

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

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

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

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

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

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

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

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

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

1 b. A registered certifying physician may increase a
2 patient's daily dosage if the patient has been diagnosed with
3 a terminal illness, provided, if the recommended daily dosage
4 exceeds 75 mg of delta-9-tetrahydrocannabinol, the physician
5 shall notify the patient that the patient's driver's license
6 will be suspended.

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

19 §20-2A-34.

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

24 (1) Establish and administer an integrated,
25 electronic patient and caregiver registry, known as the

1 Alabama Medical Cannabis Patient Registry System, that does
2 all of the following:

3 a. Receives and records physician certifications.

4 b. Receives and tracks qualified patient
5 registration and issuance of medical cannabis cards.

6 c. Receives and tracks designated caregiver
7 registration and issuance of medical cannabis cards.

8 d. Includes in the patient registry database for
9 each qualified patient registrant the name of the qualified
10 patient and the patient's designated caregiver, if applicable,
11 the patient's registered certifying physician, the respective
12 qualifying medical condition or conditions, the recommended
13 daily dosage and type of medical cannabis, and any other
14 information the commission, by rule, deems relevant.

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

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

19 g. Determines whether a particular sale of medical
20 cannabis transaction exceeds the permissible limit.

21 h. Tracks medical cannabis cards that are denied,
22 revoked, or suspended.

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

1 j. Provides access as further provided in subsection
2 (b).

3 (b) The patient registry shall be accessible to the
4 following:

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

15 (2) Health care practitioners licensed to prescribe
16 prescription drugs.

17 (3) Registered certifying physicians.

18 (4) Dispensaries.

19 (5) The State Board of Medical Examiners.

20 (6) Licensed pharmacists.

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

25 §20-2A-35.

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

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

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

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

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

24 (4) The expiration date, as determined by commission
25 rule.

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

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

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

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

17 ~~§20-2A-36.~~

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

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

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

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

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

24 ~~(e) If requested by the regulatory agency of the~~
25 ~~nonresident's home state which issued the nonresident a valid~~

1 ~~medical cannabis or medical marijuana card, the commission~~
2 ~~shall notify that regulatory agency of the nonresident's~~
3 ~~purchase of medical cannabis pursuant to this section.~~

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

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

14 §20-2A-50.

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

24 (b) The commission shall license and regulate all
25 aspects of medical cannabis under this article, excluding

1 cultivation. The Department of Agriculture and Industries
2 shall license and regulate the cultivation of cannabis. For
3 integrated facility licenses, the commission and the
4 department shall enter into a memorandum of understanding
5 relating to the sharing of regulatory and licensing and
6 enforcement authority over licensees with regard to the
7 cultivation function.

8 §20-2A-51.

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

21 (b) The commission, and where applicable the
22 department, shall ensure that at least one-fourth of all
23 licenses, or in the case of Section 20-2A-67, one-fifth of all
24 licenses, are awarded to business entities at least 51 percent
25 of which are owned by members of a minority group or, in the

1 case of a corporation, at least 51 percent of the shares of
2 the corporation are owned by members of a minority group, and
3 are managed and controlled by members of a minority group in
4 its daily operations. For purposes of this subsection,
5 minority group means individuals of African American, Native
6 American, Asian, or Hispanic descent.

7 (c) (1) Notwithstanding any other provision of this
8 chapter to the contrary, the commission shall not permit a
9 dispensary to operate a dispensing site in any municipality or
10 unincorporated area of a county unless the municipality or
11 county has authorized the operation of dispensing sites within
12 its boundaries, as provided in subdivision (2).

13 (2) Any county commission, by resolution, may
14 authorize the operation of dispensing sites in the
15 unincorporated areas of the county, and the governing body of
16 any municipality, by ordinance, may authorize the operation of
17 dispensing sites within the corporate limits of the
18 municipality. The county commission or municipal governing
19 body shall notify the commission not more than seven calendar
20 days after adopting the resolution or ordinance.

21 (3) This subsection does not prohibit a municipality
22 from adopting zoning ordinances restricting the operation of
23 dispensing sites within its corporate limits.

24 §20-2A-52.

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

6 (1) Investigate applicants for licenses, determine
7 the eligibility for licenses, and grant licenses to applicants
8 in accordance with this article and the rules.

9 (2) Investigate all individuals employed by
10 licensees.

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

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

19 b. To inspect and examine relevant records of the
20 licensee and, if the licensee fails to cooperate with an
21 investigation, impound, seize, assume physical control of, or
22 summarily remove from the premises all books, ledgers,
23 documents, writings, photocopies, correspondence, records, and
24 videotapes, including electronically stored records, money
25 receptacles, or equipment in which the records are stored.

1 c. To inspect the person, and inspect or examine
2 personal effects of an individual who holds a license, while
3 that individual is present in a medical cannabis facility of
4 the licensee.

5 d. To investigate alleged violations of this
6 article.

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

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

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

20 (7) Conduct periodic audits of licensees.

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

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

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

4 (c) The commission may enter into one or more
5 memoranda of understanding with law enforcement agencies to
6 assist with enforcement of this article.

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

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

16 (f) Nothing in this article shall affect the
17 authority of the Alabama Department of Environmental
18 Management to administer and enforce any existing law over
19 which the Alabama Department of Environmental Management has
20 jurisdiction.

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,

1 2022. Rules must ensure safety, security, and integrity of the
2 operation of medical cannabis facilities, that do all of the
3 following for each category of license:

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

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

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

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

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

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

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

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

7 (9) Establish quality control standards, procedures,
8 and requirements.

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

11 (11) In compliance with Chapters 27 and 30 of Title
12 22, establish standards, procedures, and requirements for
13 waste product storage and disposal and chemical storage.

14 (12) Establish standards, procedures, and
15 requirements for securely and safely transporting medical
16 cannabis between facilities.

17 (13) Establish standards, procedures, and
18 requirements for the storage of cannabis and medical
19 cannabis.

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

23 (15) Establish marketing and advertising
24 restrictions for medical cannabis products and medical
25 cannabis facilities.

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

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

7 §20-2A-54.

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

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

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

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

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

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

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

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

24 (3) Institute procedures to ensure that the person
25 awarded the contract does not disclose or use the information

1 in the system for any use or purpose except for the
2 enforcement, oversight, and implementation of this chapter.

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

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

8 (e) The information in the statewide seed-to-sale
9 tracking system is confidential and is exempt from disclosure
10 under the Open Records Act, Article 3 of Chapter 12 of Title
11 36; provided, however, information in the system may be
12 disclosed for purposes of enforcing this chapter.

13 §20-2A-55.

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

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

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

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

6 a. The identity of every individual having an
7 indirect or direct ownership interest in that business entity.

8 For purposes of this paragraph, if the business entity is a
9 trust, the application shall disclose the names and addresses
10 of all trustees and beneficiaries; if a privately held
11 corporation, the names and addresses of all shareholders,
12 officers, and directors; if a publicly held corporation, the
13 names and addresses of all shareholders holding a direct or
14 indirect interest of greater than five percent, officers, and
15 directors; if a partnership or limited liability partnership,
16 the names and addresses of all partners; if a limited
17 partnership or limited liability limited partnership, the
18 names of all partners, both general and limited; or if a
19 limited liability company, the names and addresses of all
20 members and managers.

21 ~~(3) An identification of any business that is~~
22 ~~directly or indirectly involved in the cultivation,~~
23 ~~processing, packaging, labeling, testing, transporting, or~~
24 ~~sale of cannabis, including, if applicable, the state of~~
25 ~~incorporation or registration, in which an applicant or, if~~

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

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

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

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

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

1 2. This paragraph shall be construed broadly to
2 ensure the broadest disclosure and greatest transparency
3 reasonably possible.

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

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

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

14 3. Any limited liability company of which the
15 individual or his or her spouse, parent, or child is a member
16 or manager.

17 b. This subdivision shall be construed broadly to
18 ensure the broadest disclosure and greatest transparency
19 reasonably possible.

20 (4) Whether an owner, director, board member, or
21 individual with a controlling interest in the applicant has
22 been indicted for, charged with, arrested for, or convicted
23 of, pled guilty or nolo contendere to, forfeited bail
24 concerning any criminal offense under the laws of any
25 jurisdiction, either felony or controlled substance-related

1 misdemeanor, not including traffic violations, regardless of
2 whether the offense has been reversed on appeal or otherwise,
3 including the date, the name and location of the court,
4 arresting agency, and prosecuting agency, the case caption,
5 the docket number, the offense, the disposition, and the
6 location and length of incarceration.

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

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

22 (7) A statement listing the names and titles of all
23 public officials of any unit of government, and the spouses,
24 parents, and children of those public officials, who, directly
25 or indirectly, own any financial interest in, have any

1 beneficial interest in, are the creditors of or hold any debt
2 instrument issued by, or hold or have any interest in any
3 contractual or service relationship with an applicant.

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

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

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

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

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

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

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

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

22 (e) An applicant shall certify that the applicant
23 does not have an economic interest in any other license under
24 this article.

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

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

23 §20-2A-56.

24 (a) Before issuing any license under this article,
25 the commission shall provide notice and a 30-day period during

1 which members of the public may submit written comments
2 regarding an applicant. The commission shall consider all
3 comments received during the 30-day period. The commission may
4 hold a public hearing as it deems necessary, at which the
5 applicant may present its business plan for the operation of
6 its facilities and allow further comments or questions from
7 the public. The hearing shall be conducted in a manner that
8 allows members of the public to participate remotely by
9 virtual means.

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

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

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

1 (3) An owner, director, board member, or individual
2 with an economic interest in the applicant is a member of the
3 commission.

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

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

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

13 ~~(5)~~ (7) The applicant fails to meet other criteria
14 established by rule.

15 ~~(b)~~ (c) In determining whether to grant a license to
16 an applicant, the commission may consider all of the
17 following:

18 (1) The integrity, moral character, and reputation;
19 personal and business probity; financial ability and
20 experience; and responsibility or means to operate or maintain
21 a facility of the applicant and of any other individual that
22 meets either of the following:

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

1 b. Is controlled, directly or indirectly, by the
2 applicant or by a person who controls, directly or indirectly,
3 the applicant.

4 (2) The financial ability of the applicant to
5 maintain required financial guarantees.

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

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

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

20 (6) Whether the applicant has been served with a
21 complaint or other notice filed with any court or public
22 agency regarding payment of any tax required under federal,
23 state, or local law that has been delinquent for one or more
24 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 proposed medical
13 cannabis facilities as being suitable for all activities, not
14 inconsistent with applicable zoning, and the applicant's
15 ability to serve an 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.

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

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

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

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

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

21 (g) If a license renewal application is not
22 submitted by the license expiration date, the license may be
23 renewed within 60 days after its expiration date upon
24 application, payment of the annual license fee, and
25 satisfaction of any renewal requirement and late fee set forth

1 in rules. The licensee may continue to operate during the 60
2 days after the license expiration date if the license is
3 renewed by the end of the 60-day period.

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

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

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

14 §20-2A-57.

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

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

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

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

24 (b) The commission may impose civil fines of up to
25 five thousand dollars (\$5,000) against an individual and up to

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

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

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

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

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

25 §20-2A-58.

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

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

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

18 §20-2A-59.

19 ~~(a) Before hiring a prospective employee, a licensee~~
 20 ~~shall conduct a background check of the prospective employee.~~
 21 ~~If the background check indicates a pending charge or~~

22 (a) The commission, prior to appointment,
 23 employment, or service for a licensee, shall require all
 24 officers, employees, contractors, and other individuals
 25 performing work of any character who would have access to

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

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

22 ~~(b)~~ (c) Each licensee shall enter all transactions,
23 current inventory, and other information into the statewide
24 seed-to-sale tracking system in accordance with rules adopted

1 by the commission and the Department of Agriculture and
2 Industries.

3 §20-2A-60.

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

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

18 (2) Tracking lot and batch information throughout
19 the entire chain of custody.

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

22 (4) Tracking cannabis plant, batch, and product
23 destruction.

24 (5) Tracking transportation of product.

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

- 4 a. Sold product.
- 5 b. Product inventory that is finished and available
6 for sale.
- 7 c. Product that is in the process of transfer.
- 8 d. Product being processed into another form.
- 9 e. Postharvest raw product, such as product that is
10 in the drying, trimming, or curing process.

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

13 (8) Reporting and tracking all inventory
14 discrepancies.

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

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

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

22 (12) Identifying test results that may have been
23 altered.

24 (13) Providing the licensee with access to
25 information in the tracking system that is necessary to verify

1 that the licensee is carrying out all transactions authorized
2 under the licensee's license in accordance with this article.

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

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

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

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

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

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

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

9 §20-2A-61.

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

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

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

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

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

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

5 §20-2A-62.

6 (a) (1) A cultivator license authorizes all of the
7 following:

8 a. The cultivation of cannabis.

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

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

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

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

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

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

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

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

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

9 ~~(6)~~ (4) Demonstrate the ability to destroy unused or
10 waste cannabis in accordance with rules adopted by the
11 Department of Agriculture and Industries.

12 ~~(7)~~ (5) Demonstrate the financial stability to
13 provide proper testing of individual lots and batches.

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

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

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

23 (3) All employees may not have any conviction within
24 the past 10 years for a controlled substance-related felony or
25 a controlled substance-related misdemeanor other than a

1 conviction that was overturned on appeal or a charge that was
2 expunged pursuant to Chapter 27 of Title 15.

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

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

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

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

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

16 §20-2A-63.

17 (a) (1) A processor license authorizes all of the
18 following:

19 a. The purchase or transfer of cannabis from a
20 cultivator.

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

24 c. The sale or transfer of medical cannabis to a
25 dispensary.

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

4 (b) The commission shall issue no more than four
5 processor licenses.

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

13 (2) The Department of Agriculture and Industries
14 shall be responsible for enforcing Good Manufacturing
15 Practices.

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

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

22 (2) Any product bearing a reasonable resemblance to
23 a product available for consumption as a commercially
24 available candy.

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

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

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

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

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

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

20 a. Lot and batch numbers.

21 b. A license identification number for the
22 cultivator and a license identification number for the
23 processor.

24 c. Cannabinoids content and potency.

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

3 (f) The commission shall establish one universal
4 flavor for all gelatinous cube, cuboid, and lozenge medical
5 cannabis products.

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

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

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

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

1 §20-2A-64.

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

4 a. The purchase or transfer of medical cannabis from
5 a processor.

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

10 c. The purchase or transfer of medical cannabis from
11 an integrated facility.

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

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

17 (b) The commission shall issue no more than four
18 dispensary licenses.

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

22 (d) A licensed dispensary shall comply with all of
23 the following:

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

4 (2) Each dispensing site must be equipped with
5 surveillance cameras that are focused on each point of entry
6 and that operate on a continuous basis. The dispensary must
7 maintain surveillance records for a minimum of 60 days
8 following the date of recording.

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

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

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

18 (6) Not allow the use of medical cannabis product on
19 the premises.

20 (7) Only allow registered qualified patients and
21 registered caregivers on the premises.

22 (e) (1) As used in this subsection, certified
23 dispenser means an employee of a dispensary who dispenses
24 medical cannabis to a registered qualified patient or

1 registered caregiver and who has been trained and certified by
2 the commission.

3 (2) The commission shall establish and administer a
4 training program for dispensers that addresses proper
5 dispensing procedures, including the requirements of this
6 subsection, and other topics relating to public health and
7 safety and preventing abuse and diversion of medical cannabis.
8 The commission shall certify trained dispensers and may
9 require, as a qualification to remain certified, periodic
10 training.

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

13 a. Before dispensing medical cannabis, inquire of
14 the patient registry to confirm that the patient or caregiver
15 holds a valid, current, unexpired, and unrevoked medical
16 cannabis card and that the dispensing of medical cannabis
17 conforms to the type and amount recommended in the physician
18 certification and will not exceed the 60-day daily dosage
19 purchasing limit.

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

22 c. Comply with any additional requirements
23 established by the commission by rule.

24 (4) The commission shall adopt rules to implement
25 this subsection.

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

11 Notwithstanding the foregoing, a licensee may not
12 operate any dispensing site in the unincorporated area of a
13 county or in a municipality that has not adopted a resolution
14 or ordinance authorizing the operation of dispensing sites
15 under subsection (c) of Section 20-2A-51.

16 §20-2A-65.

17 (a) A secure transporter license authorizes the
18 licensee to store and transport cannabis and medical cannabis
19 for a fee upon request of a licensee. A license does not
20 authorize transport to a registered qualified patient or
21 registered caregiver.

22 (b) A secure transporter shall comply with all of
23 the following:

24 (1) Each employee who has custody of cannabis or
25 medical cannabis shall not have been convicted of or released

1 from incarceration for a felony under the laws of this state,
2 any other state, or the United States within the past five
3 years or have been convicted of a misdemeanor involving a
4 controlled substance within the past five years.

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

9 (3) The cannabis or medical cannabis shall be
10 transported in one or more sealed containers and not be
11 accessible while in transit.

12 (4) A secure transporting vehicle may not bear
13 markings or other indication that it is carrying cannabis or
14 medical cannabis.

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

19 §20-2A-66.

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

23 (b) The commission, by rule, shall establish
24 protocols for product testing by a licensed state testing
25 laboratory, which shall be conducted during cultivation,

1 processing, and dispensing to ensure that all dispensed
2 medical cannabis is consistently high grade and maintains a
3 consistency with less than 0.5 percent variability among
4 batches of the same product. The protocols for testing shall
5 include the following, as well as a determination of
6 corresponding tolerance limits:

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

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

14 (2) Terpene profiles.

15 (3) Heavy metals.

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

18 (5) Microbials, including pathogenic microbials.

19 (6) Mycotoxins.

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

22 (8) Residual solvents.

23 (c) A state testing laboratory license authorizes
24 the licensee to do all of the following without using a secure
25 transporter:

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

4 (2) Collect a random sample of cannabis or medical
5 cannabis at the premises of a cultivator, processor, or
6 dispensary for testing.

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

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

17 (f) The licensee shall comply with all of the
18 following:

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

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

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

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

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

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

11 §20-2A-67.

12 (a) An integrated facility license authorizes all of
13 the following:

14 (1) The cultivation of cannabis.

15 (2) The processing of cannabis into medical
16 cannabis, including proper packaging and labeling of medical
17 cannabis products.

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

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

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

24 (b) The commission may issue no more than five
25 ~~integrated facility licenses. The licenses must be awarded to~~

1 ~~entities whose majority ownership is attributable to an~~
2 ~~individual or individuals with proof of residency in this~~
3 ~~state for a continuous period of no less than eight years~~
4 ~~preceding the application date and who provide records~~
5 ~~indicating continuous, full-time business experience in the~~
6 ~~field of commercial horticulture or agronomic production for a~~
7 ~~period of at least eight years. integrated facility licenses.~~

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

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

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

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

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

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

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

22 §20-2A-68.

23 A license issued under this article is a revocable
24 privilege granted by this state and is not a property right.
25 Granting a license does not create or vest any right, title,

1 franchise, or other property interest. A licensee or any other
2 person shall not lease, pledge, or borrow or loan money
3 against a license.

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

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

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

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

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

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

21 (5) The annual medical cannabis privilege tax shall
22 be reported on forms and in the manner as prescribed by rule
23 by the Department of Revenue. The failure to receive a form
24 from the Department of Revenue shall not relieve a taxpayer
25 from liability for any tax, penalty, or interest otherwise

1 due. The tax due, as reported, shall constitute an admitted
2 liability for that amount. The Department of Revenue may
3 compute and assess additional tax, penalty, and interest
4 against a taxpayer as provided in Chapter 2A of Title 40, Code
5 of Alabama 1975.

6 (c) The Department of Revenue shall adopt rules to
7 implement this section.

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

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.

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

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

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

24 (1) Award grants to public or private entities to
25 conduct rigorous research relating to cannabis, the cannabis

1 industry, medical cannabis, and the use of medical cannabis
2 and its impact.

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

5 (3) Encourage dialog among interested entities.

6 (4) Effectively disseminate research findings and
7 outcomes.

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

14 (f) There is created a special account in the State
15 Treasury to be known as the Medical Cannabis Research Fund.
16 Expenditures from the Medical Cannabis Research Fund shall be
17 made to fund grants awarded by the consortium in accordance
18 with this section and to otherwise implement and administer
19 this section. Amounts in the Medical Cannabis Research Fund
20 shall be budgeted and allotted in accordance with Sections
21 41-4-80 through 41-4-96 and Sections 41-19-1 through 41-19-12,
22 Code of Alabama 1975.

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

25 "§13A-7-2.

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

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

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

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

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

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President and Presiding Officer of the Senate

Speaker of the House of Representatives

SB46

Senate 24-FEB-21

I hereby certify that the within Act originated in and passed the Senate, as amended.

Patrick Harris,
Secretary.

House of Representatives
Amended and passed 06-MAY-21

Senate concurred in House amendment 06-MAY-21

By: Senator Melson