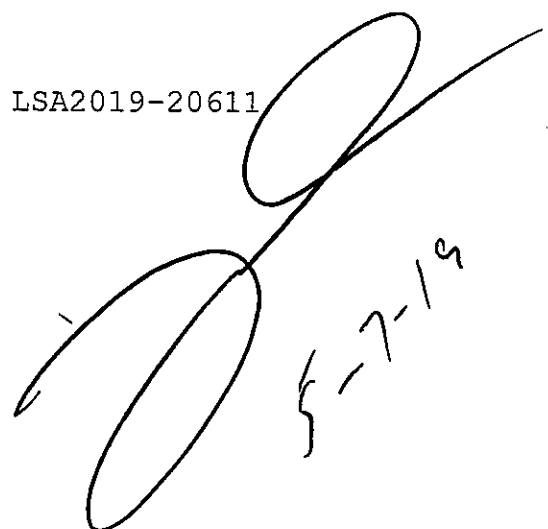


2
3 SUBSTITUTE FOR SB236



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

12 This bill would create the CARE Act.

13 This bill would exempt from the crime of
14 unlawful possession of marijuana a person with a
15 qualifying condition who has a valid medical
16 cannabis card for the medical use of cannabis.

17 Carly's Law authorizes the University of
18 Alabama at Birmingham to conduct research on the
19 use of cannabidiol (CBD) in specified circumstances
20 and provides a defense against unlawful possession
21 of marijuana under the research program. The law
22 expires July 1, 2019.

23 This bill would extend Carly's Law until
24 January 1, 2021.

25 Leni's Law provides a defense against
26 unlawful possession of marijuana for an individual

1 in possession of CBD if the person has a qualifying
2 condition.

3 This bill would revise Leni's Law to make
4 conforming changes to the substantive provisions of
5 the law, and repeal the law November 1, 2020.

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

11 This bill would establish the Alabama
12 Medical Cannabis Commission and provide for its
13 membership.

14 This bill would require the Alabama Medical
15 Cannabis Commission to establish and administer a
16 patient registry system that registers patients
17 with certain qualifying conditions, to issue
18 medical cannabis cards, to issue licenses for the
19 cultivation, processing, transportation,
20 manufacturing, packaging, dispensing, and sale of
21 cannabis, to adopt rules, and to generally
22 regulate, administer, and enforce a medical
23 cannabis program in the state.

24 This bill would authorize the Department of
25 Agriculture and Industries to inspect licensed
26 facilities under the program.

1 This bill would impose sales taxes and
2 privilege taxes.

3 This bill would establish a Medical Cannabis
4 Fund within the General Fund and provide that all
5 tax proceeds and license fees deposited in the fund
6 that exceed the costs of the Medical Cannabis
7 Commission to administer the program would be
8 deposited in the General Fund.

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

22 The purpose or effect of this bill would be
23 to require a new or increased expenditure of local
24 funds within the meaning of the amendment. However,
25 the bill does not require approval of a local
26 governmental entity or enactment by a 2/3 vote to

1 become effective because it comes within one of the
2 specified exceptions contained in the amendment.

3
4 A BILL
5 TO BE ENTITLED
6 AN ACT

7
8 Relating to the medical use of marijuana; to amend
9 Sections 13A-12-213, 13A-12-214, 13A-12-214.2, 13A-12-214.3,
10 and 20-2-214, Code of Alabama 1975, and to add a new Chapter
11 2A to Title 20, Code of Alabama 1975; to create the CARE Act;
12 to exempt from the crime of unlawful possession or use of
13 marijuana a resident diagnosed with a qualifying condition who
14 has a valid medical cannabis card for the medical use of
15 cannabis; to establish the Alabama Medical Cannabis Commission
16 and provide for its membership and duties; to provide for a
17 patient registry system of qualified patients and designated
18 caregivers and provide for issuance of medical cannabis cards
19 to registrants; to license the cultivation, processing,
20 transportation, manufacturing, packaging, dispensing, and sale
21 of cannabis; to authorize the Department of Agriculture and
22 Industries to inspect licensed facilities; to impose taxes; to
23 create a Medical Cannabis Fund and provide for its proceeds
24 and expenditures; to provide definitions; to extend Carly's
25 Law; to make conforming changes to Leni's Law; to repeal
26 Leni's Law at a later date; to require reporting to the

1 Legislature; and in connection therewith would have as its
2 purpose or effect the requirement of a new or increased
3 expenditure of local funds within the meaning of Amendment 621
4 of the Constitution of Alabama of 1901, now appearing as
5 Section 111.05 of the Official Recompilation of the
6 Constitution of Alabama of 1901, as amended.

7 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

8 Section 1. Sections 13A-12-213, 13A-12-214,
9 13A-12-214.2, 13A-12-214.3, and 20-2-214, Code of Alabama
10 1975, are amended to read as follows:

11 "§13A-12-213.

12 "(a) A person commits the crime of unlawful
13 possession of ~~marihuana~~ marijuana in the first degree if,
14 except as otherwise authorized:

15 "(1) He or she possesses ~~marihuana~~ marijuana for
16 other than personal use; or

17 "(2) He or she possesses ~~marihuana~~ marijuana for his
18 or her personal use only after having been previously
19 convicted of unlawful possession of ~~marihuana~~ marijuana in the
20 second degree or unlawful possession of ~~marihuana~~ marijuana
21 for his or her personal use only.

22 "(b) Commencing on the effective date of the act
23 adding this subsection, a person has not committed the crime
24 of unlawful possession of marijuana if the person is in
25 possession of a valid medical cannabis card issued pursuant to
26 Chapter 2A of Title 20, unless there is reasonable cause to

1 believe that the information contained on the medical cannabis
2 card is false or falsified, the medical cannabis card has been
3 obtained by means of fraud, or the person is otherwise in
4 violation of Chapter 32 of Title 2 or a rule adopted pursuant
5 to that chapter.

6 "~~(b)~~ (c) Unlawful possession of ~~marihuana~~ marijuana
7 in the first degree pursuant to subdivision (1) of subsection
8 (a) is a Class C felony.

9 "~~(c)~~ (d) Unlawful possession of ~~marihuana~~ marijuana
10 in the first degree pursuant to subdivision (2) of subsection
11 (a) is a Class D felony.

12 "§13A-12-214.

13 "(a) A person commits the crime of unlawful
14 possession of ~~marihuana~~ marijuana in the second degree if,
15 except as otherwise authorized, he possesses ~~marihuana~~
16 marijuana for his personal use only.

17 "(b) Commencing on the effective date of the act
18 adding this subsection, a person has not committed the crime
19 of unlawful possession of marijuana if the person is in
20 possession of a valid medical cannabis card issued pursuant to
21 Chapter 2A of Title 20, unless there is reasonable cause to
22 believe that the information contained on the medical cannabis
23 card is false or falsified, the medical cannabis card has been
24 obtained by means of fraud, or the person is otherwise in
25 violation of Chapter 2A of Title 20 or a rule adopted pursuant
26 to that chapter.

1 "~~(b)~~(c) Unlawful possession of ~~marihuana~~ marijuana
2 in the second degree is a Class A misdemeanor.

3 "§13A-12-214.2.

4 "(a) This section shall be known and may be cited as
5 "Carly's Law."

6 "(b) As used in this section, the following words
7 shall have the following meanings:

8 "(1) AUTHORIZED BY THE UAB DEPARTMENT. Authorized by
9 the UAB Department means that Cannabidiol (CBD) has been
10 prescribed by a health care practitioner employed by or on
11 behalf of the UAB Department.

12 "(2) CANNABIDIOL (CBD). [13956-29-1]. A
13 (nonpsychoactive) cannabinoid found in the plant Cannabis
14 sativa L. or any other preparation thereof that is essentially
15 free from plant material, and has a THC level of no more than
16 3 percent. Also known as (synonyms):
17 2-[(1R,6R)-3-Methyl-6-(1-methylethenyl)-2-cyclohexen-1-yl]-5-p
18 entyl-1,3-benzenediol;
19 trans-(-)-2-p-mentha-1,8-dien-3-yl-5-pentylresorcinol;
20 (-)-Cannabidiol; (-)-trans-Cannabidiol; Cannabidiol (7CI);
21 D1(2)-trans-Cannabidiol.

22 "(3) DEBILITATING EPILEPTIC CONDITION. Epilepsy or
23 other neurological disorder, or the treatment of epilepsy or
24 other neurological disorder that, as diagnosed by a
25 board-certified neurologist under the employment or authority

1 of the UAB Department, produces serious, debilitating, or
2 life-threatening seizures.

3 "(4) UAB DEPARTMENT. The Department of Neurology at
4 the University of Alabama at Birmingham, its successors, or
5 any subdivisions.

6 "(c) In a prosecution for the unlawful possession of
7 marijuana under the laws of this state, it is an affirmative
8 and complete defense to the prosecution that the defendant has
9 a debilitating epileptic condition and used or possessed
10 cannabidiol (CBD) pursuant to a prescription authorized by the
11 UAB Department.

12 "(d) In a prosecution for the unlawful possession of
13 marijuana under the laws of this state, it is an affirmative
14 and complete defense to the prosecution that the defendant
15 possessed cannabidiol (CBD) because he or she is the parent or
16 caretaker of an individual who has a debilitating epileptic
17 condition and who has a prescription for the possession and
18 use of cannabidiol (CBD) as authorized by the UAB Department,
19 and where the parent or caretaker's possession of the CBD is
20 on behalf of and otherwise for the prescribed person's use
21 only.

22 "(e) An agency of this state or a political
23 subdivision thereof, including any law enforcement agency, may
24 not initiate proceedings to remove a child from the home of a
25 parent based solely upon the parent's or child's possession or
26 use of cannabidiol (CBD) as authorized by this section.

1 "(f) A prescription for the possession or use of
2 cannabidiol (CBD) as authorized by this section shall be
3 provided exclusively by the UAB Department for a debilitating
4 epileptic condition. Health care practitioners of the UAB
5 Department shall be the sole authorized source of any
6 prescription for the use of cannabidiol (CBD), and shall be
7 the sole authorized source to use cannabidiol (CBD) in or as a
8 part of the treatment of a person diagnosed with a
9 debilitating epileptic condition. A health care practitioner
10 of the UAB Department shall have the sole authority to
11 determine the use or amount of cannabidiol (CBD), if any, in
12 the treatment of an individual diagnosed with a debilitating
13 epileptic condition.

14 "(g) The UAB Department and any UAB School of
15 Medicine affiliated pediatric training entity, including any
16 authorized physician, nurse, attendant, or agent thereof,
17 shall not be subject to prosecution for the unlawful
18 possession, use, distribution, or prescription of marijuana
19 under the laws of this state for its activities arising
20 directly out of or directly related to the prescription or use
21 of cannabidiol (CBD) in the treatment of individuals diagnosed
22 with a debilitating epileptic condition.

23 "(h) The UAB Department will establish a research
24 and development study purposed to determine medical uses and
25 benefits of cannabidiol (CBD) for individuals with
26 debilitating epileptic conditions.

1 "(i) The UAB Department and any UAB School of
2 Medicine affiliated pediatric training entity, including any
3 authorized physician, nurse, attendant or agent thereof, shall
4 not be subject to prosecution for the unlawful possession,
5 use, or distribution of marijuana under the laws of this state
6 for its activities arising directly out of or directly related
7 to the department's research and development activities in
8 pursuit of medical benefits and uses of cannabidiol (CBD), as
9 long as the prescription, treatment or use of cannabidiol
10 (CBD) is provided only to individuals diagnosed with a
11 debilitating epileptic condition.

12 "(j) Pursuant to the filing requirements of Rule
13 15.3 of the Alabama Rules of Criminal Procedure, the defendant
14 shall produce a valid prescription, certification of a
15 debilitating epileptic condition, and the name of the
16 prescribing health care professional authorized by the UAB
17 Department.

18 "(k) This section is repealed ~~July 1, 2019~~ January
19 1, 2021.

20 "(l) The Alabama Medical Cannabis Commission created
21 pursuant to Section 2-2A-7, added by Section 2 of the act
22 adding this amendatory language, may recommend to the
23 Legislature other potential studies that universities in the
24 state may wish to conduct regarding the medical use of
25 cannabidiol (CBD).

1 "~~(1)~~(m) Nothing in this section shall be construed
2 to allow or accommodate the prescription, testing, medical
3 use, or possession of any other form of Cannabis other than
4 that defined by this section.

5 "§13A-12-214.3.

6 "(a) (1) This section shall be known and may be cited
7 as Leni's Law.

8 "(2) For the purposes of this section, the following
9 terms shall have the following meanings:

10 "a. CANNABIDIOL (CBD). [13956-29-1]. A
11 (nonpsychoactive) cannabinoid found in the plant Cannabis
12 sativa L. or any other preparation thereof that is free from
13 plant material, and has a THC level
14 (delta-9-tetrahydrocannabinol) of no more than three percent
15 relative to CBD according to the rules adopted by the Alabama
16 Department of Forensic Sciences. Also known as (synonyms):
17 2-[(1R,6R)-3-Methyl-6-(1-methylethenyl)-2-cyclohexen-1-yl]-5-p
18 entyl-1,3-benzenediol;
19 trans-(-)-2-p-mentha-1,8-dien-3-yl-5-pentylresorcinol;
20 (-)-Cannabidiol; (-)-trans-Cannabidiol; Cannabidiol (7CI);
21 D1(2)-tran-Cannabidiol and that is tested by a independent
22 third-party laboratory.

23 "b. DEBILITATING MEDICAL CONDITION. A chronic or
24 debilitating disease or medical condition including one that
25 produces seizures for which a person is under treatment.

1 "(3) In addition to the affirmative defense provided
2 in Section 13A-12-214.2, in a prosecution for the unlawful
3 possession of marijuana in the second degree under Section
4 13A-12-214, it is an affirmative and complete defense that the
5 defendant used or possessed CBD if the defendant satisfies
6 either of the following:

7 "a. He or she has a debilitating medical condition.

8 "b. He or she is the parent or legal guardian of a
9 minor who has a debilitating medical condition, and the CBD is
10 being used by the minor.

11 "(4) An agency of this state or a political
12 subdivision thereof, including any law enforcement agency, may
13 not initiate proceedings to remove a child from the home of a
14 parent or guardian, nor initiate any child protection action
15 or proceedings, based solely upon the parent's or child's
16 possession or use of CBD as allowed by this section.

17 "(5) Nothing in this section shall be construed to
18 require the various individual or group insurance
19 organizations providing protection, indemnity, or insurance
20 against hospital, medical, or surgical expenses, or health
21 maintenance organizations to provide payment or reimbursement
22 for prescriptions of CBD.

23 "(6) Nothing in this section shall be construed to
24 allow or accommodate the prescription, testing, medical use,
25 or possession of any other form of Cannabis other than that
26 defined in this section.

1 "(b) The Legislature finds and declares the
2 following:

3 "(1) This section is intended to authorize only the
4 limited use of nonpsychoactive CBD as defined in this section
5 only for ~~specified~~ debilitating medical conditions ~~that~~
6 ~~produce seizures~~, and is not intended as a generalized
7 authorization of medical marijuana.

8 "(2) It is the intent of the Legislature to maintain
9 existing criminal prohibitions of marijuana, except as
10 expressly provided in ~~existing~~ law or as expressly provided in
11 this section.

12 "§20-2-214.

13 "(a) The following persons or entities shall be
14 permitted access to the information in the controlled
15 substances database, subject to the limitations indicated
16 below:

17 "(1) Authorized representatives of the certifying
18 boards; provided, however, that access shall be limited to
19 information concerning the licensees of the certifying board,
20 however, authorized representatives from the Board of Medical
21 Examiners may access the database to inquire about certified
22 registered nurse practitioners (CRNPs), or certified nurse
23 midwives (CNMs) that hold a Qualified Alabama Controlled
24 Substances Registration Certificate (QACSC).

25 "(2) A licensed practitioner approved by the
26 department who has authority to prescribe, dispense, or

1 administer controlled substances. The licensed practitioner's
2 access shall be limited to information concerning himself or
3 herself, registrants who possess a Qualified Alabama
4 Controlled Substances Registration Certificate over whom the
5 practitioner exercises physician supervision or with whom they
6 have a joint practice agreement, a certified registered nurse
7 practitioner and a certified nurse midwife with a Qualified
8 Alabama Controlled Substances Registration Certificate over
9 whom the practitioner exercises professional oversight and
10 direction pursuant to an approved collaborative practice
11 agreement, a current patient of the practitioner, and
12 individuals seeking treatment from the practitioner.
13 Practitioners shall have no requirement or obligation under
14 this article to access or check the information in the
15 controlled substances database prior to prescribing,
16 dispensing, or administering medications or as part of their
17 professional practice. However, the applicable licensing
18 boards, in their discretion, may impose such a requirement or
19 obligation by regulations.

20 "(3) A qualified physician concerning a qualified
21 patient, as those terms are defined in Section 2-2A-1, and
22 where access is made pursuant to Section 2-2A-21.

23 "(3)(4) A licensed physician approved by the
24 department who has authority to prescribe, dispense, or
25 administer controlled substances may designate up to two

1 employees who may access the database on the physician's
2 behalf.

3 "~~(4)~~(5) A licensed certified registered nurse
4 practitioner or a licensed certified nurse midwife approved by
5 the department who is authorized to prescribe, administer, or
6 dispense pursuant to a Qualified Alabama Controlled Substances
7 Registration Certificate; provided, however, that access shall
8 be limited to information concerning a current or prospective
9 patient of the certified registered nurse practitioner or
10 certified nurse midwife.

11 "~~(5)~~(6) A licensed assistant to physician approved
12 by the department who is authorized to prescribe, administer,
13 or dispense pursuant to a Qualified Alabama Controlled
14 Substances Registration Certificate; provided, however, that
15 access shall be limited to information concerning a current
16 patient of the assistant to the physician or an individual
17 seeking treatment from the assistant to physician.

18 "~~(6)~~(7) A licensed pharmacist approved by the
19 department, provided, however, that access is limited to
20 information related to the patient or prescribing practitioner
21 designated on a controlled substance prescription that a
22 pharmacist has been asked to fill. Pharmacists shall have no
23 requirement or obligation to access or check the information
24 in the controlled substances database prior to dispensing or
25 administering medications or as part of their professional
26 practices.

1 "~~(7)~~(8) State and local law enforcement authorities
2 as authorized under Section 20-2-91, and federal law
3 enforcement authorities authorized to access prescription
4 information upon application to the department accompanied by
5 a declaration that probable cause exists for the use of the
6 requested information.

7 "~~(8)~~(9) Employees of the department and consultants
8 engaged by the department to operate the controlled substances
9 database; provided, however, that access shall be limited to
10 operating and administering the database, conducting
11 departmental research when approved by the Information Release
12 Review Committee, and implementing a research request
13 authorized under subsection (b).

14 "~~(9)~~(10) The prescription drug monitoring program of
15 any of the other states or territories of the United States,
16 if recognized by the Alliance for Prescription Drug Monitoring
17 Programs under procedures developed, certified, or approved by
18 the United States Department of Justice or the Integrated
19 Justice Information Systems Institute or successor entity
20 subject to or consistent with limitations for access
21 prescribed by this chapter for the Alabama Prescription Drug
22 Monitoring Program.

23 "~~(10)~~(11) Authorized representatives of the Alabama
24 Medicaid Agency; provided, however, that access shall be
25 limited to inquiries concerning possible misuse or abuse of
26 controlled substances by Medicaid recipients.

1 "(b) Subject to the approval of the Information
2 Release Review Committee, the department may release or
3 publish de-identified aggregate statewide and regional
4 information for statistical, research, or educational
5 purposes.

6 "(1) Prior to being released or published, all
7 information that identifies, or could reasonably be used to
8 identify, a patient, a prescriber, a dispenser, or any other
9 person who is the subject of the information, shall be
10 removed, and at a minimum, such de-identification of the
11 information shall comply with 45 C.F.R. §164.514(b)(2), as
12 amended.

13 "(2) Release of information shall be made pursuant
14 to a written data use agreement between the requesting
15 individual or entity and the department."

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

19 Article 1. General Provisions.

20 §20-2A-1.

21 This chapter shall be known and may be cited as the
22 Compassionate Access, Research Expansion Act or CARE Act.

23 §20-2A-2.

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

1 (1) CANNABIS. All parts of any plant of the genus
2 cannabis, whether growing or not, including the seeds,
3 extractions of any kind from any part of the plant, and every
4 compound, derivative, mixture, product, or preparation of the
5 plant.

6 (2) CAREGIVER. A resident of this state who meets
7 the requirements of subsection (c) of Section 20-2A-5 and has
8 agreed to assist with the medical use of cannabis of another
9 individual with, or by applying for, a medical cannabis card.

10 (3) COMMISSION. The Alabama Medical Cannabis
11 Commission created pursuant to Section 20-2A-7.

12 (4) DISPENSARY. A licensed, enclosed, secure
13 building that may include attached storage units, where
14 cannabis and related supplies are maintained, stored, and sold
15 to patients and caregivers, which is not physically connected
16 to a cannabis cultivation, processing, or manufacturing
17 facility.

18 (5) MEDICAL CANNABIS CARD. A valid card issued
19 pursuant to this chapter or a valid card from another state
20 that has legalized the use of medical cannabis.

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

1 (7) PATIENT REGISTRY. A documented, electronic, and
2 integrated system for receiving physician certifications and
3 patient registrations and issuing medical cannabis cards.

4 (8) PHYSICIAN CERTIFICATION. A qualified physician's
5 authorization for a qualified patient to use cannabis for
6 medical use.

7 (9) QUALIFIED PATIENT. A resident of this state who
8 has been diagnosed by a qualified physician with a qualifying
9 condition, who receives a physician certification, and who
10 otherwise meets the requirements to obtain a medical cannabis
11 card.

12 (10) QUALIFIED PHYSICIAN. A physician who holds an
13 active license to practice medicine under Chapter 24 of Title
14 34 who meets the qualifications under Section 20-2A-20.

15 (11) QUALIFYING CONDITION. Any of the following
16 conditions diagnosed by a qualified physician who may
17 recommend the use of cannabis to treat the symptoms associated
18 with the condition:

- 19 a. Autism Spectrum Disorder (ASD).
20 b. Epilepsy.
21 c. Cancer.
22 d. Degenerative or pervasive neurological disorders.
23 e. Glaucoma.
24 f. HIV/AIDS.
25 g. Multiple sclerosis.

1 h. Muscle disorders, including those associated with
2 muscle spasms.

3 i. Opioid addiction.

4 j. Pain syndromes or pain associated with other
5 medical conditions.

6 k. Post Traumatic Stress Disorder (PTSD).

7 l. Any additional conditions approved by the
8 commission by rule.

9 §20-2A-3.

10 (a) The Alabama Medical Cannabis Commission shall
11 implement this chapter by making medical grade cannabis grown
12 in Alabama available to qualified patients.

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

15 (c) This chapter supersedes state criminal and civil
16 laws pertaining to the acquisition, possession, use,
17 cultivation, manufacturing, processing, research and
18 development, and sale of medical cannabis. The acquisition,
19 possession, use, cultivation, manufacturing, processing,
20 research and development, or sale of medical cannabis in
21 compliance with this chapter, and as approved by the
22 commission, does not constitute a violation of Article 5 of
23 Chapter 12 of Title 13A, or any other law to the contrary.

24 §20-2A-4.

25 All data related to the implementation of this
26 chapter, including, but not limited to, application forms,

1 licensing information, physician certifications, registration
2 of medical cannabis card holders and caregivers, compliance,
3 and the status of cannabis research programs must be
4 maintained in a secure system developed or procured by the
5 commission. Data may not be sold, and patient information
6 shall remain confidential and not be transferred or sold.

7 §20-2A-5.

8 (a) An individual may not acquire, possess, or use a
9 medical cannabis product without a valid medical cannabis card
10 issued pursuant to this chapter, except as provided in
11 subsection (d). A medical cannabis card may only be issued to
12 a qualified patient or designated caregiver.

13 (b) A qualified patient must be 19 years of age or
14 older; a resident of this state; and be diagnosed with a
15 qualifying condition by a qualified physician. If a qualified
16 patient is under 19 years of age, only a caregiver may
17 purchase or administer cannabis to the qualified patient.

18 (c) A designated caregiver must be 19 years of age
19 or older, a resident of this state, have no ownership interest
20 in or contract or employment relationship with a licensed
21 dispensary, and either be designated by a qualified patient as
22 the caregiver or be the parent or legal guardian of a minor
23 diagnosed with a qualifying condition. A designated caregiver
24 may lawfully acquire and possess cannabis, but not use
25 cannabis under this chapter without the caregiver actually

1 being diagnosed with a qualifying condition and issued a
2 medical cannabis card as a qualified patient.

3 (d) This state shall recognize and give reciprocity
4 to medical cannabis cards issued in other states. A cardholder
5 from another state is allowed temporary access to dispensaries
6 in this state under the conditions authorized by the
7 commission in accordance with rules adopted pursuant to the
8 Alabama Administrative Procedure Act.

9 §20-2A-6.

10 This chapter does not do any of the following:

11 (1) Require an insurer, organization for managed
12 care, health benefit plan, or any person who provides coverage
13 for a medical or health care service to pay for or reimburse a
14 person for costs associated with the medical use of cannabis.

15 (2) Require any employer to permit or accommodate an
16 employee's use or possession of medical cannabis, to allow the
17 medical use of cannabis in the workplace, or to modify the job
18 or working conditions of an individual who engages in the
19 medical use of cannabis that are based upon the reasonable
20 business purposes of the employer.

21 (3) Prohibit an employer from refusing to hire,
22 discharging, disciplining, or otherwise taking an adverse
23 employment action against an individual with respect to hire,
24 tenure, terms, conditions, or privileges of employment because
25 of that individual's use or possession of medical cannabis.

1 (4) Prohibit an employer from establishing and
2 enforcing a drug testing policy or from implementing a
3 drug-free workforce program established in accordance with
4 Article 13, commencing with Section 25-5-330, of Chapter 5 of
5 Title 25.

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

10 (6) Permit an individual to commence a cause of
11 action against an employer for refusing to hire, discharging,
12 disciplining, or otherwise taking an adverse employment action
13 against an individual with respect to hire, tenure, terms,
14 conditions, or privileges of employment related to medical
15 cannabis.

16 §20-2A-7.

17 (a) There is created the Alabama Medical Cannabis
18 Commission. Members of the commission shall be as follows,
19 with initial members appointed not later than August 30, 2019:

20 (1) Three members appointed by the Governor, one of
21 whom is a physician licensed to practice medicine in this
22 state, certified in the specialty of neurology; one of whom is
23 a physician licensed to practice medicine in this state with a
24 practice that involves pain management; and one of whom is a
25 licensed pharmacist. The initial terms shall be four, three,
26 and two years, respectively.

1 (2) Three members appointed by the President Pro
2 Tempore of the Senate, one of whom is a physician licensed to
3 practice medicine in this state, certified in the specialty of
4 oncology; one of whom is a general physician licensed to
5 practice medicine in this state and practices in a rural,
6 underserved community; and one of whom has experience in
7 multiple crop development and agricultural practices. The
8 initial terms shall be one, four, and three years,
9 respectively.

10 (3) Three members appointed by the Speaker of the
11 House of Representatives, one of whom is a physician licensed
12 to practice medicine in this state, certified in the specialty
13 of psychiatry; one of whom has a background and experience in
14 mental health or substance abuse; and one of whom has
15 professional experience in agricultural systems management.
16 Initial terms shall be two, one, and four years, respectively.

17 (4) Two members appointed by the Attorney General,
18 one of whom has experience advocating for patients in a health
19 care setting. Initial terms shall be three and two years,
20 respectively.

21 (b) A member may not have any interest, financial or
22 otherwise, direct or indirect, in any dispensary, cultivator,
23 or manufacturer licensed as such in this state. Any current
24 public official, candidate for public office, current public
25 employee, or registered lobbyist may not serve as a member.

1 (c) Members must be at least 30 years of age,
2 citizens of the United States, and residents of this state for
3 at least five continuous years immediately preceding their
4 appointment. The appointing officers shall coordinate their
5 appointments so that diversity of gender, race, and
6 geographical areas is reflective of the makeup of this state.

7 (d) After initial appointments, each member shall
8 serve a term of four years, but may be reappointed for one
9 additional term. If at any time there is a vacancy, a
10 successor member shall be appointed by the respective
11 appointing officer to serve for the remainder of the term.
12 Members may be removed for cause by the Governor.

13 (e) The commission shall elect from the membership
14 one member to serve as chair and one member to serve as
15 vice-chair.

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

21 (g) Except as provided in subsection (h), the
22 commission shall meet each month and hold other meetings for
23 any period of time as may be necessary for the commission to
24 transact and perform its official duties and functions. A
25 majority of members of the commission constitutes a quorum for
26 the transaction of any business, or in the performance of any

1 duty, power, or function of the commission, and the
2 concurrence of a majority of those present and voting in any
3 matter within its duties is required for a determination of
4 matters within its jurisdiction. The commission may hold a
5 special meeting at any time it deems necessary and advisable
6 in the performance of its official duties. A special meeting
7 may be called by the chair, or upon the written request of two
8 or more members. All members shall be duly notified by the
9 commission director of the time and place of any regular or
10 special meeting at least five days in advance of any meeting.
11 The chair is responsible for setting and keeping a meeting
12 schedule that ensures the commission meets the requirements of
13 this chapter. Members may not miss more than three meetings in
14 one calendar year.

15 (h) (1) The commission shall hold a minimum of two
16 regularly scheduled meetings each month in the first 12 months
17 commencing no later than November 1, 2019, in order to do all
18 of the following:

19 a. Expeditiously create and publish an application
20 form for medical cannabis cards.

21 b. Establish a website for public access and
22 information.

23 c. Review, approve, or deny fast track license
24 applications.

25 d. Adopt rules pursuant to the Alabama
26 Administrative Procedure Act to implement this chapter.

1 (2) After adopting initial rules, issuing the fast
2 track licenses, establishing a patient registry, and
3 publishing the patient medical cannabis card application forms
4 and procedures, the commission may reduce meetings to one per
5 month or vote on a schedule appropriate for meeting all
6 obligations under this chapter regarding patient medical
7 cannabis cards.

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

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

1 decisions rendered shall be kept on file at the commission's
2 main office and shall be available for public inspection.

3 (3) The director shall act and serve as hearing
4 officer when designated by the commission and shall perform
5 such duties as the regular hearing officer.

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

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

21 (l) The commission, in consultation with the
22 Department of Agriculture and Industries, shall appoint a
23 chief inspection and enforcement officer who meets all of the
24 following qualifications and requirements:

25 (1) Be under the immediate supervision of the
26 director..

1 (2) Be at least 30 years of age.

2 (3) Has been a citizen and resident of this state
3 for at least five years prior to appointment.

4 (4) Has experience and training in agricultural
5 inspections.

6 (m) The chief inspection and enforcement officer
7 shall be reimbursed for travel expenses in a manner similar to
8 state employees.

9 (n) The director, assistant director, and chief
10 inspection and enforcement officer shall be reimbursed for
11 actual travel expenses as other state employees are paid, when
12 approved by the chair. The director, chief inspection and
13 enforcement officer, and all other inspection and enforcement
14 personnel shall be employed on a full-time basis only.

15 (o) The commission shall retain legal counsel
16 familiar with the requirements of this chapter and medical
17 cannabis licensing and best practices in other states in order
18 to assist the commission and staff with establishing a
19 functional program and achieving compliance with applicable
20 laws.

21 §20-2A-8.

22 (a) A member of the commission and any individual
23 employed by the commission may not have any interest,
24 financial or otherwise, either direct or indirect, in any
25 dispensary, cultivator, or manufacturer licensed under this
26 chapter. In addition, a member or employee of the commission

1 may not have any family member who is employed by any
2 dispensary, cultivator, or manufacturer or who holds any
3 cannabis license in this state. A member or employee of the
4 commission or his or her family member may not have an
5 interest of any kind in any building, fixture, or premises
6 occupied by any person licensed under this chapter; and may
7 not own any stock or have any interest of any kind, direct or
8 indirect, pecuniary or otherwise, by a loan, mortgage, gift,
9 or guarantee of payment of a loan, in any dispensary,
10 cultivator, or manufacturer licensed under this chapter.

11 (b) A member or employee of the commission may not
12 accept any gift, favor, merchandise, donation, contribution,
13 or any article or thing of value, from any person licensed
14 under this chapter.

15 (c) Any individual violating this section shall be
16 terminated from employment or position, and as a consequence,
17 the individual shall forfeit any pay or compensation which
18 might be due.

19 (d) For purposes of this section, family member
20 includes a spouse, child, parent, or sibling, by blood or
21 marriage.

22 (e) A violation of this section is a Class C
23 misdemeanor.

24 Article 2. Medical Cannabis Patient Registry and
25 Medical Cannabis Cards.

26 §20-2A-20.

1 Before being approved as a qualified physician, and
2 before each license renewal, a physician must successfully
3 complete 10 hours of continuing medical education that
4 addresses cannabis treatment for medical conditions and
5 encompasses the requirements of this chapter and any rules
6 adopted pursuant to this chapter. Any course and examination,
7 if applicable, shall be administered at least annually and may
8 be offered in a distance learning format, including an
9 electronic, online format that is available upon request. The
10 commission may contract with a third party or the Board of
11 Medical Examiners to administer this section, provided the
12 commission approves any course material and examination. The
13 price of the training may not exceed five hundred dollars
14 (\$500).

15 §20-2A-21.

16 (a) A qualified physician may issue a physician
17 certification only if the qualified physician does all of the
18 following:

19 (1) Conducts a physical examination while physically
20 present in the same room as the patient and a full assessment
21 of the medical history of the patient.

22 (2) Diagnoses the patient with at least one
23 qualifying condition.

24 (3) Determines that the medical use of cannabis
25 would likely outweigh the potential health risks for the

1 patient and documents that determination in the patient's
2 medical record.

3 (4) Reviews the patient's controlled drug
4 prescription history in the controlled substance prescription
5 database established under Article 10 of Chapter 2 of this
6 title.

7 (5) Reviews the patient registry and confirms that
8 the patient does not have an active physician certification
9 from another qualified physician.

10 (6) Obtains the voluntary and informed written
11 consent of the patient to use cannabis for medical use each
12 time the qualified physician issues a physician certification
13 for the patient, which shall be maintained in the patient's
14 medical record. The patient, or the patient's parent or legal
15 guardian if the patient is a minor, must sign the informed
16 consent acknowledging that the qualified physician has
17 sufficiently explained its content. The qualified physician
18 shall use a standardized informed consent form adopted by rule
19 by the commission, that must include, at a minimum,
20 information relating to all of the following:

21 a. The federal and state classification of cannabis
22 as a Schedule I controlled substance.

23 b. The approval and oversight status of cannabis by
24 the Food and Drug Administration.

25 c. The current state of research on the efficacy of
26 cannabis to treat the qualifying condition or conditions.

1 d. The potential for addiction.

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

7 f. The potential side effects of cannabis use.

8 g. The risks, benefits, and drug interactions of
9 cannabis.

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

15 (b) If medically appropriate, the qualified
16 physician issuing a physician certification shall refer the
17 qualified patient to a physician certified in a speciality
18 relevant to the diagnosis of a qualifying condition.

19 (c) As the issuer of a physician certification, the
20 qualified physician shall register electronically the named
21 qualified patient in the patient registry in a manner
22 determined by the commission.

23 (d) When registering a qualified patient under
24 subsection (c), a qualified physician may limit the cannabis
25 that a qualified patient may obtain from a dispensary based on
26 quantity, type, or dosage.

1 (e) Before a qualified physician may reissue a
2 physician certification, he or she shall do all of the
3 following:

4 (1) Determine if the patient still meets the
5 criteria for issuing a physician certification under
6 subsection (a).

7 (2) Determine that, over a period of not less than
8 six months, the qualified patient's health or the symptoms of
9 the qualifying condition have significantly improved.

10 (3) Identify and document in the qualified patient's
11 medical records whether the qualified patient experienced
12 either of the following related to the medical use of
13 cannabis:

14 a. An adverse drug interaction with any prescription
15 or nonprescription medication.

16 b. A reduction in the use of, or dependence on,
17 other types of controlled substances.

18 (f) A qualified physician shall update the patient
19 registry within seven days after any change is made to the
20 original physician certification to reflect the change.

21 (g) A qualified physician shall deactivate the
22 registration of a qualified patient and the patient's
23 caregiver in the following circumstances:

24 (1) When the qualified physician no longer
25 recommends cannabis for medical use for the patient.

1 (2) If there is clear evidence, in accordance with
2 rules adopted by the commission, that a patient may be
3 diverting or misusing cannabis.

4 (3) When the physician-patient relationship is
5 terminated.

6 (h) The commission may monitor physician
7 certification and patient registration in the patient registry
8 for practices that could facilitate unlawful diversion or
9 misuse of cannabis and shall recommend disciplinary action to
10 the Board of Medical Examiners as appropriate. Monitoring may
11 include reviewing the medical records of patients, in
12 accordance with state and federal law, on whose behalf a
13 qualified physician issued physician certifications, in order
14 to ascertain whether the patients were diagnosed with the
15 qualifying condition specified by the qualified physician on
16 the physician certification.

17 (i) The commission shall adopt rules to implement
18 this section which shall include criteria for reissuing
19 physician certifications and may include guidelines on dosage,
20 quantities, and types of cannabis products that may be
21 recommended by qualified physicians for a particular
22 qualifying condition.

23 §20-2A-22.

24 (a) In order to commence, use, and maintain a
25 reliable patient registry system, by no later than July 31,
26 2020, the commission shall do all of the following:

1 (1) Establish and administer an integrated,
2 electronic patient registry system that does all of the
3 following:

4 a. Receives physician certifications from qualified
5 physicians in the registry database.

6 b. Includes in the registry database for each
7 qualified patient registrant the names of the qualified
8 patient and the patient's designated caregiver, if applicable,
9 and information relating to the physician certification,
10 including the name of the qualified physician, the diagnosed
11 qualifying condition or conditions, and the type and quantity
12 of cannabis product recommended by the qualified physician.

13 c. Provides a procedure for keeping the information
14 on a qualified patient up-to-date.

15 d. Tracks the medical cannabis card application
16 process through issuance or denial.

17 e. Tracks medical cannabis cards that are denied,
18 issued, revoked, suspended, or reinstated.

19 f. Provides access as further provided in subsection
20 (b).

21 (2) Adopt rules to implement this section that
22 include criteria by which medical cannabis cards may be
23 revoked, suspended, and renewed. The rules may not prohibit
24 the issuance or use of a medical cannabis card based on an
25 arrest for any felony or misdemeanor, unless the arrest is for
26 a violation of this chapter.

1 (3) Begin issuing medical cannabis card requests
2 that meet the requirements of this chapter.

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

5 (1) Law enforcement agencies in order to verify that
6 an individual in possession of a medical cannabis card is
7 lawfully in possession of the card and to avoid counterfeiting
8 of cards.

9 (2) Health care practitioners licensed to prescribe
10 prescription drugs in order to ensure proper care for patients
11 before medications are prescribed that may interact with
12 medical cannabis.

13 (3) Licensed dispensaries in order to verify that an
14 individual in possession of a medical cannabis card is
15 lawfully in possession of the card and to determine whether
16 there are any specific recommendations or limits on quantity,
17 type, or dosage of cannabis products that the cardholder may
18 receive.

19 (c) No later than July 31, 2020, the commission
20 shall ensure that a process is available, as part of the
21 patient registry system, for qualified physicians to register
22 a physician certification, report any change in the status of
23 a qualifying condition, or deactivate a physician
24 certification.

25 (d) A medical cannabis cardholder must be locatable
26 in the registry system with adequate identifying information.

1 §20-2A-23.

2 (a) The commission shall develop an application form
3 to be completed by qualified patients and designated
4 caregivers in order to be placed on the patient registry and
5 issued a medical cannabis card. The application form shall
6 include all of the following:

7 (1) Proof that the applicant is 19 years of age or
8 older and a resident of this state by means of state-issued
9 photo identification.

10 (2) For an applicant who is a designated caregiver,
11 both of the following:

12 a. Proof that the caregiver meets the qualifications
13 in subsection (c) of Section 20-2A-5.

14 b. The names of each qualified patient for whom the
15 caregiver provides care, including a confirmation of the
16 caregiver relationship in writing from each qualified patient,
17 unless the caregiver is the legal guardian of a minor.

18 (3) A full-face, passport-type, color photograph
19 taken within 90 days immediately preceding registration.

20 (4) An application fee of sixty-five dollars (\$65),
21 or other amount as determined by the commission.

22 (5) Any other information deemed relevant by the
23 commission.

24 (b) The commission shall issue a medical cannabis
25 card to an individual once the commission has received a
26 completed application and fee from the applicant and a

1 physician certification has been registered by a qualified
2 physician through the patient registry system.

3 (c) Medical cannabis cards shall be resistant to
4 counterfeiting and tampering and, at a minimum, shall include
5 all of the following:

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

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

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

12 (4) The expiration date of the card.

13 (d) A medical cannabis card expires two years from
14 the date of issuance.

15 (e) Medical cannabis cards may be renewed in
16 accordance with rules adopted by the commission and upon
17 payment of a renewal fee of sixty-five dollars (\$65), or other
18 amount as determined by the commission.

19 (f) The commission, through a procedure adopted by
20 rule, shall notify the qualified physician who issued a
21 physician certification and registered a qualified patient in
22 the patient registry, that the qualified patient has been
23 issued a medical cannabis card.

24 (g) The commission may suspend or revoke a medical
25 cannabis card if the cardholder does any of the following:

1 (1) Provides misleading, incorrect, false, or
2 fraudulent information to the commission.

3 (2) Falsifies, alters, or otherwise modifies a
4 medical cannabis card.

5 (3) Violates the requirements of this chapter or any
6 rule adopted under this chapter.

7 §20-2A-24.

8 (a) When a qualified patient has a designated
9 caregiver, only the designated caregiver is authorized to
10 purchase cannabis; a patient with a designated caregiver may
11 not purchase cannabis.

12 (b) A caregiver may receive compensation from the
13 qualified patient or other entity for any services provided to
14 the qualified patient.

15 (c) A caregiver may not provide care to more than 10
16 qualified patients at any given time.

17 Article 3. Cultivation, Processing, and Dispensing
18 of Medical Cannabis.

19 §20-2A-40.

20 (a) All of the cultivation, processing,
21 transportation, packaging, and dispensing and selling of any
22 form or derivative of medical cannabis is subject to licensing
23 and regulation under this article.

24 (b) The commission shall consult with the Department
25 of Agriculture and Industries when adopting rules relating to
26 the cultivation and processing of cannabis, and the department

1 shall provide assistance and advice to the commission as
2 needed. The commission shall bear the administrative costs
3 incurred by the department pursuant to this subsection.

4 §20-2A-41.

5 This state hereby preemptively regulates medical
6 cannabis from seed to sale to use and shall reasonably
7 regulate and control all aspects of the medical cannabis
8 industry to meet the stated intent of this chapter. Any county
9 or municipality seeking to ban the cultivation, processing,
10 manufacture, or sale of medical cannabis within its
11 jurisdiction is authorized to do so by a two-thirds vote of
12 the local governing body; provided, that the vote occurs no
13 later than July 31, 2020.

14 §20-2A-42.

15 (a) In order to facilitate an initial level of
16 medical grade cannabis product availability and avoid a
17 program delay dependent on rulemaking, the commission may
18 review and issue approved provisional fast track licenses for
19 the cultivation, processing, transportation, manufacturing,
20 packaging, and dispensing and selling of medical cannabis, in
21 an expedited manner, before the commission has adopted a final
22 regulatory program as provided in Section 20-2A-43. Any fast
23 track licenses issued by the commission shall be done in a
24 manner that provides access to medical cannabis throughout
25 rural and urban populations, taking into account the racial
26 and economic makeup of the state. A provisional fast track

1 license shall not be finally approved or denied until an
2 on-site inspection of all facilities operated by the fast
3 track licensee has been conducted.

4 (b) The commission shall issue a final approval or
5 denial of a fast track license not later than January 1, 2021.

6 §20-2A-43.

7 (a) Not later than July 1, 2021, the commission
8 shall adopt rules that provide for all of the following:

9 (1) Determining the various types of licenses and
10 the activities and functions that may be conducted by a
11 licensee and the area of operation of a licensee.

12 (2) Qualifications and requirements for licensees,
13 as further provided in subsection (b).

14 (3) The number of licenses the commission will issue
15 and locations of facilities, based on market demand for
16 stand-alone dispensaries, stand-alone cultivation, and
17 stand-alone processing or manufacturing facilities, and for
18 similar vertically integrated operations, and taking into
19 account the racial and economic makeup of the state, the
20 unemployment rate, the need for agricultural and other
21 business opportunities in communities, access to health care,
22 infrastructure, and other factors the commission deems
23 relevant in providing the greatest benefits to the residents
24 of this state.

25 (4) The on-site inspection process to be conducted
26 at each facility of an applicant prior to being issued a

1 license, as well as ongoing on-site inspections of the
2 facilities of a licensee.

3 (5) Standards and procedures for the revocation,
4 suspension, and nonrenewal of licenses.

5 (6) Standards and procedures for the renewal of
6 licenses, which shall include, but not be limited to, payment
7 of a renewal fee and an additional criminal background check.

8 (7) Standards and procedures for the transfer of
9 licenses. Any transfer of a license or change of ownership
10 shall comply with the requirements of a new licensee,
11 including approval by the commission and payment of the
12 license fee.

13 (8) Measures or standards to ensure any cannabis
14 product remains secure at all times, including, but not
15 limited to, requirements that licensed facilities remain
16 securely enclosed and locked as appropriate.

17 (9) Any other measures necessary to protect health,
18 safety, and welfare.

19 (b) When applying for a license under this article,
20 an applicant shall submit the following information to the
21 commission:

22 (1) Proof of residence. The applicant's majority
23 ownership must be attributable to an individual with proof of
24 residency in this state for a continuous period of no less
25 than five years preceding the application date.

1 (2) A detailed business and operations plan that
2 includes, at a minimum, all of the following:

3 a. Identification of each individual with a
4 financial interest in the applicant.

5 b. Identification of each business entity with a
6 financial interest in the applicant.

7 c. A proposed location with street address, which
8 may not be within a 1,000 foot radius of any pre-kindergarten,
9 elementary, or secondary school.

10 d. A full list of activities such as cultivation,
11 processing, packaging, transporting, or dispensing and
12 selling, to be undertaken by the applicant.

13 e. A summary of projected tenant improvements,
14 production schedule, products, production capacity, standard
15 operating procedures, target customer base, and projected open
16 date.

17 f. Identification of all corporate officers and
18 summaries of the business experience for each individual
19 expected to be responsible for facility operations.

20 (3) Payment of a license fee. The commission may
21 alter the fee, by rule, based on guidelines that consider the
22 geographical area or other factors the commission deems
23 relevant in making sure that licensees are representative of
24 the racial and economic makeup of this state; provided,
25 however, a license fee for a stand-alone facility shall be no
26 less than ten thousand dollars (\$10,000).

1 (4) Payment of a non-refundable application fee to
2 cover the administrative costs of processing a license
3 application.

4 (5) A criminal background check. All owners,
5 officers, board members, and managers of the applicant, shall
6 pass a Federal Bureau of Investigation Level 2 background
7 screening process, which shall be documented on the
8 application materials prior to final review and approval.

9 (6) An attestation statement and signature from a
10 responsible corporate officer of an applicant affirming that
11 the contents of any application are true and correct under
12 penalty of perjury to the best of the officer's personal
13 knowledge.

14 (7) Any other information the commission deems
15 appropriate.

16 (c) When determining whether to issue or deny a
17 license under this section, the commission shall consider the
18 applicant's business plan as it relates to all of the
19 following:

20 (1) The applicant's ability to capitalize and
21 conduct operations as proposed in its business plan, including
22 business experience in related fields such as agriculture,
23 real estate, development, manufacturing, or retail sales.

24 (2) The applicant's history of business activities
25 as it applies to the entity and the individuals who are the
26 entity's owners, officers, and managers.

1 (3) The proposed location of all operations as being
2 suitable for all activities, not inconsistent with applicable
3 zoning, and the applicant's ability to serve an identifiable
4 geographic area.

5 §20-2A-44.

6 (a) A licensed dispensary shall be required by the
7 commission to inspect a medical cannabis card before
8 dispensing any cannabis product.

9 (b) The commission, by rule, shall establish
10 guidelines and standards to ensure that cannabis is only
11 dispensed to individuals holding a valid medical cannabis card
12 and dispensed in accordance with the physician certification
13 with regard to quantity, type, or dosage of cannabis products,
14 if applicable.

15 §20-2A-45.

16 In order to ensure that all cannabis products sold
17 in the state maintain product quality to protect the health
18 and welfare of state residents, the commission shall procure
19 and use a secure, online system for seed-to-sale tracking of
20 all medical cannabis in the state in order to ensure that
21 medical cannabis may not be produced from, obtained from, sold
22 to, or transferred to, any location outside of this state.

23 §20-2A-46.

24 The commission, by rule, may provide guidelines for
25 establishing a fair market value or base price on the retail
26 sale of cannabis products.

1 §20-2A-47.

2 The commission shall provide annual written reports,
3 with the first due no later than July 31, 2020, tracking
4 implementation of this chapter. The report shall be made
5 publicly available and posted on the commission's website. The
6 report shall include all of the following:

7 (1) The number of patients applying for and
8 receiving medical cannabis cards.

9 (2) The qualifying conditions identified to obtain
10 the medical cannabis cards.

11 (3) Comments from physicians and other health care
12 providers and from pharmacists.

13 (4) Revenues and expenses of card issuance and
14 business licensing.

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

17 (6) Relevant scientific research.

18 (7) Applicable tax revenue.

19 (8) The commission's operating budget.

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

23 §20-2A-48.

24 The commission, by rule, shall establish protocols
25 for product testing, which shall be conducted during
26 cultivation, processing, and dispensing to ensure that all

1 dispensed medical cannabis is consistently medical grade. The
2 protocols for testing shall include the following, as well as
3 a determination of corresponding tolerance limits:

4 (1) Cannabinoid potency.

5 (2) Terpene profiles.

6 (3) Heavy metals.

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

9 (5) Microbials, including pathogenic microbials.

10 (6) Mycotoxins.

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

13 (8) Residual solvents.

14 §20-2A-49.

15 (a) There is created a special account in the State
16 Treasury to be known as the Medical Cannabis Fund.

17 Expenditures from the Medical Cannabis Fund may be made only
18 by the commission to implement and administer this chapter.
19 Specifically, the Medical Cannabis Fund includes all of the
20 following:

21 (1) Fees collected by the commission.

22 (2) Tax proceeds collected pursuant to subsections
23 (b) and (c) of Section 3 of the act adding this language.

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

1 (b) Upon a determination by the Legislature that the
2 commission has established sufficient revenues for the
3 administration of this chapter, the Legislature shall direct
4 the state Comptroller to transfer any excess balance that is
5 in the Medical Cannabis Fund to the General Fund.

6 Section 3. (a) A county or municipality may tax the
7 sale of medical cannabis in accordance with Article 1,
8 commencing with Section 40-23-1, of Chapter 23 of Title 40,
9 Code of Alabama 1975; provided, that the tax may not exceed
10 2.1 percent of the gross proceeds of the sales.

11 (b) Commencing January 1, 2020, there is levied, in
12 addition to all other taxes of every kind now imposed by law,
13 and shall be collected and remitted in accordance with Article
14 1, commencing with Section 40-23-1, of Chapter 23 of Title 40,
15 Code of Alabama 1975, a tax on the gross proceeds of the sales
16 of medical cannabis when sold at retail in this state at the
17 rate of nine percent of the gross proceeds of the sales.

18 (c) (1) Commencing January 1, 2021, there is levied
19 an annual privilege tax on every person doing business under
20 Chapter 2A of Title 20, Code of Alabama 1975, in Alabama. The
21 tax shall accrue as of January 1 of every taxable year, or in
22 the case of a taxpayer licensed under Chapter 2A of Title 20,
23 Code of Alabama 1975, during the year, or doing business in
24 this state for the first time, as of the date the taxpayer is
25 licensed to do business under Chapter 2A of Title 20, Code of
26 Alabama 1975. The rate of tax shall be 10 percent of the net

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

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

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

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

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

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

5 Section 4. Although this bill would have as its
6 purpose or effect the requirement of a new or increased
7 expenditure of local funds, the bill is excluded from further
8 requirements and application under Amendment 621, now
9 appearing as Section 111.05 of the Official Recompilation of
10 the Constitution of Alabama of 1901, as amended, because the
11 bill defines a new crime or amends the definition of an
12 existing crime.

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

SENATE 58 2019
ADOPTED
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PATRICK HARRIS, SECRETARY