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3 HOUSE HEALTH COMMITTEE SUBSTITUTE FOR SB46, AS ENGROSSED
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8 SYNOPSIS: Under existing law, unlawful possession of
9 marijuana in the first degree is a Class C or Class
10 D felony, and unlawful possession of marijuana in
11 the second degree is a Class A misdemeanor.

12 This bill would create the Compassion Act.

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

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

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

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

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

12 This bill would authorize the Department of
13 Agriculture and Industries to regulate the
14 cultivation of cannabis for medical use.

15 This bill would provide for sales taxes.

16 This bill would establish the Alabama
17 Medical Cannabis Commission Fund and provide for
18 expenditures.

19 This bill would provide for certain criminal
20 and civil immunities when an individual is acting
21 pursuant to this act.

22 This bill would prohibit the ingestion of
23 any raw plant material, and would prohibit any
24 smokeable or vaping product.

25 This bill would provide certain legal
26 protections to employers.

1 This bill would prevent an employee who uses
2 medical cannabis from qualifying for workers'
3 compensation in certain circumstances.

4 This bill would create the Medical Cannabis
5 Research Consortium to provide grant monies using
6 tax proceeds for research on cannabis and medical
7 cannabis.

8 This bill would provide public health and
9 safety safeguards, including security measures,
10 packaging and labeling requirements, and criminal
11 background checks for licensed facility employees.

12 This bill would also revise the crime of
13 trespass in the first degree.

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

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

8
9 A BILL
10 TO BE ENTITLED
11 AN ACT

12
13 Relating to the medical use of cannabis; to add a
14 new Chapter 2A to Title 20, Code of Alabama 1975; to amend
15 Section 13A-7-2, Code of Alabama 1975; to create the
16 Compassion Act; to provide civil and criminal protections to
17 certain patients with a qualifying medical condition who have
18 a valid medical cannabis card for the medical use of cannabis;
19 to establish the Alabama Medical Cannabis Commission and
20 provide for its membership and duties; to provide for
21 certification of patients to authorize use of medical
22 cannabis; to license and regulate the cultivation, processing,
23 transporting, testing, and dispensing of medical cannabis; to
24 prohibit certain types of medical cannabis products; to
25 provide for patient registry and seed-to-sale tracking; to
26 impose taxes; to provide certain legal protections for users
27 of medical cannabis; to provide certain legal protections for

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

12 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

13 Section 1. Chapter 2A, commencing with Section
14 20-2A-1, is added to Title 20, Code of Alabama 1975, to read
15 as follows:

16 Article 1. General Provisions.

17 §20-2A-1.

18 This chapter shall be known and may be cited as the
19 Compassion Act.

20 §20-2A-2.

21 The Legislature finds all of the following:

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

25 (2) Medical research indicates that the
26 administration of medical cannabis can successfully treat

1 various medical conditions and alleviate the symptoms of
2 various medical conditions.

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

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

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

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

25 (7) The State of Alabama, therefore, wishes to
26 create a health care market for medical cannabis.
27 Notwithstanding any medical benefit of cannabis or cannabis

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

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

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

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

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

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

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

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

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

27 §20-2A-3.

1 As used in this chapter, the following terms have
2 the following meanings:

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

5 (2) BOARD. The State Board of Medical Examiners.

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

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

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

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

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

24 (7) DEPARTMENT. The Department of Agriculture and
25 Industries.

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

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

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

6 (10) ECONOMIC INTEREST. The rights to either the
7 capital or profit interests of an applicant or licensee, or if
8 the applicant or licensee is a corporation, rights to some
9 portion of all classes of outstanding stock in the
10 corporation.

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

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

17 (13) LICENSEE. A cultivator, processor, secure
18 transporter, state testing laboratory, dispensary, or
19 integrated facility licensed by the commission under Article
20 4.

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

- 26 1. Oral tablet, capsule, or tincture.

1 2. Non-sugarcoated gelatinous cube, gelatinous
2 rectangular cuboid, or lozenge in a cube or rectangular cuboid
3 shape.

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

5 4. Suppository.

6 5. Transdermal patch.

7 6. Nebulizer.

8 7. Liquid or oil for administration using an
9 inhaler.

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

11 1. Raw plant material.

12 2. Any product administered by smoking, combustion,
13 or vaping.

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

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

20 (16) MEDICAL USE or USE OF MEDICAL CANNABIS or USE
21 MEDICAL CANNABIS. The acquisition, possession, use, delivery,
22 transfer, or administration of medical cannabis authorized by
23 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 (17) PACKAGE. Any container that a processor may use
2 for enclosing and containing medical cannabis. The term does
3 not include any carry-out bag or other similar container.

4 (18) PATIENT REGISTRY. The Alabama Medical Cannabis
5 Patient Registry System that is an electronic integrated
6 system that tracks physician certifications, patient
7 registrations, medical cannabis cards, the daily dosage and
8 type of medical cannabis recommended to qualified patients by
9 registered certifying physicians, and the dates of sale,
10 amounts, and types of medical cannabis that were purchased by
11 registered qualified patients at licensed dispensaries.

12 (19) PHYSICIAN CERTIFICATION. A registered
13 certifying physician's authorization for a registered
14 qualified patient to use medical cannabis.

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

21 (21) QUALIFYING MEDICAL CONDITION. Any of the
22 following conditions or symptoms of conditions, but only after
23 documentation indicates that conventional medical treatment or
24 therapy has failed unless current medical treatment indicates
25 that use of medical cannabis is the standard of care:

26 a. Autism Spectrum Disorder (ASD).

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

25 (22) REGISTERED CAREGIVER. An individual who meets
26 the requirements described in subsection (c) of Section
27 20-2A-30 and is authorized to acquire and possess medical

1 cannabis and to assist one or more registered qualified
2 patients with the use of medical cannabis pursuant to this
3 chapter.

4 (23) REGISTERED CERTIFYING PHYSICIAN. A physician
5 authorized by the State Board of Medical Examiners to certify
6 patients for the use of medical cannabis under Article 3.

7 (24) REGISTERED QUALIFIED PATIENT. Either of the
8 following:

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

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

17 (25) SECURE TRANSPORTER. An entity licensed by the
18 commission under Section 20-2A-65 authorized to transport
19 cannabis or medical cannabis from one licensed facility or
20 site to another licensed facility or site.

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

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

1 (28) UNIVERSAL STATE SYMBOL. The image established
2 by the commission pursuant to Section 20-2A-53 made available
3 to processors which indicates the package contains medical
4 cannabis.

5 §20-2A-4.

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

16 §20-2A-5.

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

26 §20-2A-6.

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

1 (1) Require an insurer, organization for managed
2 care, health benefit plan, or any individual or entity
3 providing coverage for a medical or health care service to pay
4 for or to reimburse any other individual or entity for costs
5 associated with the use of medical cannabis.

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

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

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

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

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

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

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

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

25 (10) Affect, alter, or otherwise impact an
26 employer's right to deny, or establish legal defenses to, the
27 payment of workers' compensation benefits to an employee on

1 the basis of a positive drug test or refusal to submit to or
2 cooperate with a drug test, as provided under Section 25-5-51.

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

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

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

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

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

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

27 §20-2A-7.

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

6 (b) A registered certifying physician who acts in
7 good faith compliance with this chapter regarding the dosage
8 established under this chapter and the applicable
9 administrative rules established pursuant to this chapter
10 shall be immune from civil and criminal prosecution and is not
11 subject to arrest, prosecution, or penalty in any manner and
12 may not be denied any right or privilege, including, but not
13 limited to, protection from civil penalty for certifying
14 patients under Section 20-2A-33 or for otherwise stating that,
15 in the physician's professional opinion, a patient is likely
16 to receive therapeutic or palliative benefit from the medical
17 use of medical cannabis to treat or alleviate the patient's
18 qualifying medical condition or symptoms associated with the
19 qualifying medical condition, provided that nothing shall
20 prevent the board from disciplining a physician. Nothing in
21 this chapter shall modify, amend, repeal, or supersede any
22 provision of Section 6-5-333, the Alabama Medical Liability
23 Act of 1987, commencing with Section 6-5-540, or the Alabama
24 Medical Liability Act of 1996, commencing with Section
25 6-5-548, or any amendment to any of these laws or judicial
26 interpretation of these laws.

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

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

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

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

24 §20-2A-8.

25 (a) (1) An individual may not distribute, possess,
26 manufacture, or use medical cannabis or a medical cannabis
27 product that has been diverted from a registered qualified

1 patient, a registered caregiver, or a licensed cultivator,
2 processor, secure transporter, dispensary, or a state testing
3 laboratory.

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

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

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

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

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

22 §20-2A-9.

23 The commission shall provide annual written reports
24 to the Legislature, with the first due no later than January
25 1, 2022, tracking implementation of this chapter. The report
26 shall be made publicly available and posted on the

1 commission's website. The report shall include all of the
2 following:

3 (1) The number of patients applying for and
4 receiving medical cannabis cards.

5 (2) The qualifying medical conditions identified to
6 obtain the medical cannabis cards.

7 (3) Comments from physicians and other health care
8 providers and from pharmacists.

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

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

13 (6) Relevant scientific research.

14 (7) Applicable tax revenue.

15 (8) The commission's annual operating expenses and
16 revenues.

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

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

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

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

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

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

8 §20-2A-10.

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

15 (1) Tax proceeds collected pursuant to subsections
16 (a) and (b) of Section 2 of the act adding this language, less
17 an amount sufficient to cover the cost of administration of
18 the tax levies imposed under subsections (a) and (b) of
19 Section 2, which shall be retained by the Department of
20 Revenue.

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

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

26 (b) Amounts in the Medical Cannabis Commission Fund
27 shall be budgeted and allotted in accordance with Sections

1 41-4-80 through 41-4-96 and Sections 41-19-1 through 41-19-12,
2 but shall not be limited by the fiscal year appropriation cap.

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

7 (1) Sixty percent shall be transferred to the
8 General Fund.

9 (2) Thirty percent shall be transferred to the
10 Medical Cannabis Research Fund established pursuant to
11 subsection (f) of Section 4.

12 §20-2A-11.

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

16 §20-2A-12.

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

20 Article 2. Alabama Medical Cannabis Commission.

21 §20-2A-20.

22 (a) The Alabama Medical Cannabis Commission is
23 established. The commission shall consist of the following
24 members, with initial members appointed not later than July 1,
25 2021:

26 (1) Three members appointed by the Governor, one of
27 whom is a physician licensed to practice medicine in this

1 state; one of whom is a licensed pharmacist; and one of whom
2 has experience in agricultural lending or banking. Initial
3 terms shall be four, three, and two years, respectively.

4 (2) Three members appointed by the Lieutenant
5 Governor, one of whom is a physician licensed to practice
6 medicine in this state certified in the specialty of
7 pediatrics; one of whom is licensed to practice law in this
8 state who specializes in health law; and one of whom is a
9 biochemist. Initial terms shall be one, four, and three years,
10 respectively.

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

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

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

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

3 (7) One member appointed by the Attorney General who
4 shall be a nonvoting advisory member. The initial term shall
5 be three years.

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

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

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

23 (d) Members must be at least 30 years of age and
24 residents of this state for at least five continuous years
25 immediately preceding their appointment. The appointing
26 officers shall coordinate their appointments so that diversity

1 of gender, race, and geographical areas is reflective of the
2 makeup of this state.

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

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

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

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

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

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

25 (2) The director shall maintain all records of the
26 commission and also serve as secretary of the commission. The
27 director shall prepare and keep the minutes of all meetings

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

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

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

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

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

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

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

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

14 (p) The commission shall be subject to the Alabama
15 Administrative Procedure Act.

16 §20-2A-21.

17 (a) A member of the commission and any individual
18 employed by the commission may not be an owner, shareholder,
19 director, or board member of, or otherwise have any economic
20 interest in, a licensee. In addition, a member or employee of
21 the commission may not have any family member who is employed
22 by a licensee. A member or employee of the commission or his
23 or her family member may not have an interest of any kind in
24 any building, fixture, or premises occupied by any person
25 licensed under this chapter; and may not own any stock or have
26 any interest of any kind, direct or indirect, pecuniary or

1 otherwise, by a loan, mortgage, gift, or guarantee of payment
2 of a loan, in any licensee.

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

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

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

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

19 (f) In addition to any violation of Chapter 25 of
20 Title 36, a violation of this section is a Class C
21 misdemeanor.

22 §20-2A-22.

23 (a) The Alabama Medical Cannabis Commission shall
24 implement this chapter by making medical cannabis derived from
25 cannabis grown in Alabama available to registered qualified
26 patients and by licensing facilities that process, transport,
27 test, or dispense medical cannabis.

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

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

5 §20-2A-30.

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

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

11 b. Is registered with the commission.

12 c. Has been issued a valid medical cannabis card by
13 the commission.

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

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

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

22 b. Is registered with the commission.

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

25 (2) A registered qualified patient described in
26 subdivision (1) may use medical cannabis but may not purchase
27 or possess medical cannabis.

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

3 a. Is registered with the commission.

4 b. Has been issued a valid medical cannabis card by
5 the commission.

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

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

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

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

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

22 (d) Notwithstanding subdivision (2) of subsections
23 (a) and (c), a registered qualified patient or registered
24 caregiver may not purchase more than 60 daily dosages of
25 medical cannabis and may not renew the supply more than 10
26 days before the 60-day period expires. At no time may a

1 registered qualified patient or registered caregiver possess
2 more than 70 daily dosages of medical cannabis.

3 §20-2A-31.

4 (a) In order for a physician to qualify as a
5 registered certifying physician, he or she must meet the
6 following requirements:

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

9 (2) Complete a four-hour course related to medical
10 cannabis and complete a subsequent examination, both of which
11 shall be offered by a multi-specialty statewide professional
12 organization of physicians in this state that is recognized to
13 accredit intrastate organizations to provide AMA PRA category
14 1 credits. The course must be administered at least annually
15 and may be offered in a distance learning format, including an
16 electronic online format upon request. The price of the course
17 may not exceed five hundred dollars (\$500). Every two years
18 thereafter, in order to requalify, a certifying physician must
19 complete a two-hour refresher course offered by an entity
20 described in this subdivision.

21 (3) Meet any additional qualifications established
22 by rule by the board.

23 (b) Upon meeting the requirements of subsection (a),
24 the board shall issue a registration certificate and
25 registration number to each registered certifying physician.
26 The board shall maintain on its website an updated list of
27 registered certifying physicians.

1 (c) The board, by rule, may establish requirements
2 for registered certifying physicians to remain qualified,
3 grounds for revoking registration, and a process for renewing
4 registration of qualified certifying physicians.

5 §20-2A-32.

6 A registered certifying physician may not do any of
7 the following:

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

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

20 (3) Offer a discount of any other item of value to a
21 qualified patient who uses or agrees to designate a specific
22 caregiver or use a specific dispensary to obtain medical
23 cannabis.

24 (4) Hold a direct or indirect economic interest in a
25 licensee.

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

1 (6) Refer qualified patients to a specific caregiver
2 or a specific dispensary.

3 (7) Advertise in a dispensary.

4 (8) Advertise on the physician's website, brochures,
5 or any other media that generally describe the scope of
6 practice of the physician, any statement that refers to the
7 physician as a "medical cannabis" or "medical marijuana"
8 physician or doctor, or otherwise advertises his or her status
9 as a registered certifying physician, other than the
10 following: "Dr. _____ is qualified by the State of Alabama
11 to certify patients for medical cannabis use under the Alabama
12 Compassion Act."

13 §20-2A-33.

14 (a) In order to certify a patient, a registered
15 certifying physician must diagnose the patient with at least
16 one qualifying medical condition or confirm that the patient
17 has been medically diagnosed with at least one qualifying
18 medical condition.

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

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

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

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

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

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

13 a. The federal and state classification of cannabis
14 as a Schedule I controlled substance.

15 b. The approval and oversight status of cannabis by
16 the Food and Drug Administration.

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

20 d. The potential for addiction.

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

26 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
26 type of medical cannabis recommended for medical use; and any
27 other information the board, by rule, deems relevant.

1 (d) A physician certification does not constitute a
2 prescription for medical cannabis.

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

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

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

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

23 b. A registered certifying physician may increase a
24 patient's daily dosage if the patient has been diagnosed with
25 a terminal illness, provided, if the recommended daily dosage
26 exceeds 75 mg of delta-9-tetrahydrocannabinol, the physician

1 shall notify the patient that the patient's driver's license
2 will be suspended.

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

15 §20-2A-34.

16 (a) In order to commence, use, and maintain a
17 reliable system to track all aspects of patient and caregiver
18 qualification not later than September 1, 2022, the commission
19 shall establish and administer an integrated, electronic
20 patient and caregiver registry, known as the Alabama Medical
21 Cannabis Patient Registry System, that does all of the
22 following:

23 (1) Receives and records physician certifications.

24 (2) Receives and tracks qualified patient
25 registration and issuance of medical cannabis cards.

26 (3) Receives and tracks designated caregiver
27 registration and issuance of medical cannabis cards.

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

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

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

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

14 (8) Tracks medical cannabis cards that are denied,
15 revoked, or suspended.

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

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

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

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

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

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

7 (3) Registered certifying physicians.

8 (4) Dispensaries.

9 (5) Licensed pharmacists.

10 (6) The State Board of Medical Examiners.

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

15 §20-2A-35.

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

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

1 issue the patient or designated caregiver a medical cannabis
2 card. The commission shall determine the criteria for revoking
3 or suspending a medical cannabis card. Medical cannabis cards
4 shall be resistant to counterfeiting and tampering and, at a
5 minimum, shall include 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, as determined by commission
13 rule.

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

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

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

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

4 Article 4. Cultivation, Processing, and Dispensing
5 of Medical Cannabis.

6 §20-2A-50.

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

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

25 §20-2A-51.

26 (a) Where the commission is authorized under this
27 article to determine the number of licenses of a specific

1 license category the commission will grant, or increase the
2 number of licenses of a specific license category to grant,
3 the commission shall consider the population of the state, the
4 number of active registered qualified patients, market demand,
5 the unemployment rate, the need for agricultural and other
6 business opportunities in communities, access to health care,
7 infrastructure, and other factors the commission deems
8 relevant in providing the greatest benefits to the residents
9 of this state and taking into account the racial and economic
10 makeup of the state.

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

22 (c) (1) Notwithstanding any provision of this article
23 to the contrary, any county commission, by resolution, may
24 prohibit the operation of dispensaries in the unincorporated
25 areas of the county, and the governing body of any
26 municipality, by ordinance, may prohibit the operation of
27 dispensaries within the corporate limits of the municipality.

1 A county commission or municipal governing body shall notify
2 the commission not more than seven calendar days after passing
3 the resolution or ordinance.

4 (2) The commission shall prohibit a licensed
5 dispensary or integrated facility from operating a dispensing
6 site in the unincorporated area of any county that has passed
7 a resolution, and in any municipality that has passed an
8 ordinance, prohibiting the operation of dispensing sites
9 pursuant to subdivision (1).

10 §20-2A-52.

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

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

19 (2) Investigate all individuals employed by
20 licensees.

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

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

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

9 c. To inspect the person, and inspect or examine
10 personal effects of an individual who holds a license, while
11 that individual is present in a medical cannabis facility of
12 the licensee.

13 d. To investigate alleged violations of this
14 article.

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

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

22 (6) Eject, or exclude or authorize the ejection or
23 exclusion of, an individual from the premises of a licensee if
24 the individual violates this article, rules, or final orders
25 of the commission; provided, however, the propriety of the
26 ejection or exclusion is subject to a subsequent hearing by
27 the commission.

1 (7) Conduct periodic audits of licensees.

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

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

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

10 (c) The commission may enter into one or more
11 memoranda of understanding with law enforcement agencies to
12 assist with enforcement of this article.

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

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

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

27 §20-2A-53.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

10 §20-2A-54.

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

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

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

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

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

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

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

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

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

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

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

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

11 §20-2A-55.

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

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

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

25 a. The identity of every individual having an
26 indirect or direct ownership interest in that business entity.
27 For purposes of this paragraph, if the business entity is a

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

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

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

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

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

25 2. This paragraph shall be construed broadly to
26 ensure the broadest disclosure and greatest transparency
27 reasonably possible.

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

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

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

11 3. Any limited liability company of which the
12 individual or his or her spouse, parent, or child is a member
13 or manager.

14 b. This subdivision shall be construed broadly to
15 ensure the broadest disclosure and greatest transparency
16 reasonably possible.

17 (4) Whether an owner, director, board member, or
18 individual with a controlling interest in the applicant has
19 been indicted for, charged with, arrested for, or convicted
20 of, pled guilty or nolo contendere to, forfeited bail
21 concerning any criminal offense under the laws of any
22 jurisdiction, either felony or controlled substance-related
23 misdemeanor, not including traffic violations, regardless of
24 whether the offense has been reversed on appeal or otherwise,
25 including the date, the name and location of the court,
26 arresting agency, and prosecuting agency, the case caption,

1 the docket number, the offense, the disposition, and the
2 location and length of incarceration.

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

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

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

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

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

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

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

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

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

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

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

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

16 (f) A nonrefundable application fee of two thousand
17 five hundred dollars (\$2,500) shall be paid at the time of
18 filing to defray the costs associated with the background
19 investigation conducted by the commission. If the costs of the
20 investigation and processing the application exceed the
21 application fee, the applicant shall pay the additional amount
22 to the commission. All information, records, interviews,
23 reports, statements, memoranda, or other data supplied to or
24 used by the commission in the course of its review or
25 investigation of an application for a license under this
26 article shall be disclosed only in accordance with this
27 article. The information, records, interviews, reports,

1 statements, memoranda, or other data are not admissible as
2 evidence or discoverable in any action of any kind in any
3 court or before any department, agency, board, commission, or
4 authority, except for any action considered necessary by the
5 commission, unless so ordered by a court of competent
6 jurisdiction according to the Rules of Civil Procedure.

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

11 §20-2A-56.

12 (a) Before issuing any license under this article,
13 the commission shall provide notice and a 30-day period during
14 which members of the public may submit written comments
15 regarding an applicant. The commission shall consider all
16 comments received during the 30-day period. The commission may
17 hold a public hearing as it deems necessary, at which the
18 applicant may present its business plan for the operation of
19 its facilities and allow further comments or questions from
20 the public. The hearing shall be conducted in a manner that
21 allows members of the public to participate remotely by
22 virtual means.

23 (b) An applicant is ineligible to receive a license
24 if any of the following circumstances exist:

25 (1) An owner, director, board member, or individual
26 with a controlling interest in the applicant has been
27 convicted of or released from incarceration for a felony under

1 the laws of this state, any other state, or the United States
2 within the past 10 years or has been convicted of a controlled
3 substance-related felony within the past 10 years; provided,
4 however, the commission shall not consider any conviction
5 overturned on appeal or any charge that has been expunged
6 pursuant to Chapter 27 of Title 15.

7 (2) The applicant has knowingly submitted an
8 application for a license under this article that contains
9 false information.

10 (3) An owner, shareholder, director, board member,
11 or individual with an economic interest in the applicant is a
12 member of the commission.

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

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

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

22 (7) The applicant fails to meet other criteria
23 established by rule.

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

26 (1) The integrity, moral character, and reputation;
27 personal and business probity; financial ability and

1 experience; and responsibility or means to operate or maintain
2 a facility of the applicant and of any other individual that
3 meets either of the following:

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

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

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

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

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

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

24 (6) Whether the applicant has been served with a
25 complaint or other notice filed with any court or public
26 agency regarding payment of any tax required under federal,

1 state, or local law that has been delinquent for one or more
2 years.

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

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

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

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

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

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

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

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

11 (g) 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 (h) 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
26 in rules. The licensee may continue to operate during the 60

1 days after the license expiration date if the license is
2 renewed by the end of the 60-day period.

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

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

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

13 §20-2A-57.

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

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

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

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

23 (b) The commission may impose civil fines of up to
24 five thousand dollars (\$5,000) against an individual and up to
25 twenty-five thousand dollars (\$25,000) or an amount equal to
26 the daily gross receipts, whichever is greater, against a
27 licensee for each violation of this article, rules, or an

1 order of the commission. Assessment of a civil fine under this
2 subsection is not a bar to the investigation, arrest,
3 charging, or prosecution of an individual for any other
4 violation of this article and is not grounds to suppress
5 evidence in any criminal prosecution that arises under this
6 article or any other law of this state.

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

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

1 the action of the commission must be served either by personal
2 delivery or by certified mail, postage prepaid, to the
3 aggrieved party. Notice served by certified mail is considered
4 complete on the business day following the date of the
5 mailing.

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

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

19 §20-2A-58.

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

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

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

11 §20-2A-59.

12 (a) The commission, prior to appointment,
13 employment, or service for a licensee, shall require all
14 officers, employees, contractors, and other individuals
15 performing work of any character who would have access to
16 cannabis, a medical cannabis facility, or related equipment or
17 supplies, to submit to a state and national criminal
18 background check. The commission shall determine the manner in
19 which fingerprints of the individuals shall be submitted to
20 the Alabama State Law Enforcement Agency along with a
21 sufficient fee required to perform the criminal history
22 records check by the agency and the Federal Bureau of
23 Investigation. Notwithstanding any state law to the contrary,
24 all records related to any criminal background check conducted
25 pursuant to this subsection shall be accessible and made
26 available, upon request, by the commission.

1 (b) If the criminal background check of a
2 prospective officer, employee, or contractor indicates a
3 pending charge or conviction within the past five years for a
4 controlled substance-related felony or a controlled
5 substance-related misdemeanor, a licensee may not appoint,
6 hire, or contract with the prospective officer, employee, or
7 contractor without written permission of the commission;
8 provided, however, a licensee shall not consider any
9 conviction overturned on appeal or any charge that has been
10 expunged pursuant to Chapter 27 of Title 15.

11 (c) Each licensee shall enter all transactions,
12 current inventory, and other information into the statewide
13 seed-to-sale tracking system in accordance with rules adopted
14 by the commission and the Department of Agriculture and
15 Industries.

16 §20-2A-60.

17 (a) Except as otherwise provided in subsection (b),
18 a licensee shall adopt and use a third-party inventory control
19 and tracking system that is capable of interfacing with the
20 statewide seed-to-sale tracking system to allow the licensee
21 to enter or access information in the statewide seed-to-sale
22 tracking system as required under this article and rules. The
23 third-party inventory control and tracking system must have
24 all of the following capabilities necessary for the licensee
25 to comply with the requirements applicable to the licensee's
26 license type:

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

5 (2) Tracking lot and batch information throughout
6 the entire chain of custody.

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

9 (4) Tracking cannabis plant, batch, and product
10 destruction.

11 (5) Tracking transportation of product.

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

15 a. Sold product.

16 b. Product inventory that is finished and available
17 for sale.

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

19 d. Product being processed into another form.

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

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

24 (8) Reporting and tracking all inventory
25 discrepancies.

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

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

2 (11) Receiving testing results electronically from a
3 state testing laboratory via a secured application program
4 interface into the system and directly linking the testing
5 results to each applicable source batch and sample.

6 (12) Identifying test results that may have been
7 altered.

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

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

16 (15) Providing the commission and state agencies
17 with access to information in the database that they are
18 authorized to access.

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

23 (17) Securing the confidentiality of information in
24 the database by preventing access by a person who is not
25 authorized to access the statewide seed-to-sale tracking
26 system or is not authorized to access the particular
27 information.

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

- 3 a. Total daily sales.
- 4 b. Total cannabis plants in production.
- 5 c. Total cannabis plants destroyed.
- 6 d. Total inventory adjustments.

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

15 §20-2A-61.

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

- 19 a. Advertise medical cannabis brand names or use
20 graphics related to cannabis or paraphernalia on the exterior
21 of the physical structure or vehicle.
- 22 b. Display medical cannabis products or
23 paraphernalia so as to be clearly visible from the exterior of
24 the physical structure or vehicle.

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

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

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

8 §20-2A-62.

9 (a) (1) A cultivator license authorizes all of the
10 following:

11 a. The cultivation of cannabis.

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

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

17 (2) A cultivator license authorizesthecultivator to
18 transfer cannabis only by means of a secure transporter.

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

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

25 (1) Demonstrate the ability to secure and maintain
26 cultivation facilities.

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

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

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

10 (5) Demonstrate the financial stability to provide
11 proper testing of individual lots and batches.

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

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

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

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

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

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

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

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

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

14 §20-2A-63.

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

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

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

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

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

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

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

10 (2) The Department of Agriculture and Industries
11 shall be responsible for enforcing Good Manufacturing
12 Practices.

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

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

19 (2) Any product bearing a reasonable resemblance to
20 a product available for consumption as a commercially
21 available candy.

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

25 (4) Any product whose shape bears the likeness or
26 contains characteristics of a realistic or fictional human,

1 animal, or fruit, including artistic, caricature, or cartoon
2 rendering.

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

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

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

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

15 a. Lot and batch numbers.

16 b. A license identification number for the
17 cultivator and a license identification number for the
18 processor.

19 c. Cannabinoids content and potency.

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

22 (f) The following statement shall be included on
23 each label, if space permits, or as an insert within the
24 package: "WARNING: This product may make you drowsy or dizzy.
25 Do not drink alcohol with this product. Use care when
26 operating a vehicle or other machinery. Taking this product
27 with medication may lead to harmful side effects or

1 complications. Consult your physician before taking this
2 product with any medication. Women who are breastfeeding,
3 pregnant, or plan to become pregnant should discuss medical
4 cannabis use with their physicians."

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

8 (h) The commission may require the implementation of
9 a digital image such as a QR Code for purposes of tracking
10 medical cannabis products. The digital image must interface
11 with the statewide seed-to-sale tracking system.

12 (i) The commission shall determine what information
13 from the label shall be entered into the statewide
14 seed-to-sale tracking system.

15 §20-2A-64.

16 (a) (1) A dispensary license authorizes all of the
17 following:

18 a. The purchase or transfer of medical cannabis from
19 a processor.

20 b. If a cultivator contracted with a processor to
21 process its cannabis into medical cannabis on the cultivator's
22 behalf, the purchase or transfer of medical cannabis from the
23 cultivator.

24 c. The purchase or transfer of medical cannabis from
25 an integrated facility.

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

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

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

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

9 (d) A licensed dispensary shall comply with all of
10 the following:

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

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

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

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

23 (5) Not allow the use of medical cannabis products
24 on the premises.

25 (6) Only allow registered qualified patients and
26 registered caregivers on the premises.

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

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

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

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

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

25 c. Comply with any additional requirements
26 established by the commission by rule.

1 (4) The commission shall adopt rules to implement
2 this subsection.

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

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

18 §20-2A-65.

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

24 (b) A secure transporter shall comply with all of
25 the following:

26 (1) Each employee who has custody of cannabis or
27 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,
26 processing, and dispensing to ensure that all dispensed
27 medical cannabis is consistently high grade and maintains a

1 consistency with less than 0.5 percent variability among
2 batches of the same product. The protocols for testing shall
3 include the following, as well as a determination of
4 corresponding tolerance limits:

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

7 a. Total THC (THC+THCA).

8 b. Total CBD (CBD+CBDA).

9 c. THC/CBD ratio, if applicable.

10 d. Percent of THC relative to original plant
11 material (w/w).

12 (2) Terpene profiles.

13 (3) Heavy metals.

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

16 (5) Microbials, including pathogenic microbials.

17 (6) Mycotoxins.

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

20 (8) Residual solvents.

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

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

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

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

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

14 (f) The licensee shall comply with all of the
15 following:

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

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

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

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

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

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

8 §20-2A-67.

9 (a) An integrated facility license authorizes all of
10 the following:

11 (1) The cultivation of cannabis.

12 (2) The processing of cannabis into medical
13 cannabis, including proper packaging and labeling of medical
14 cannabis products.

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

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

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

21 (b) The commission may issue no more than five
22 integrated facility licenses.

23 (c) An integrated facility licensee shall have the
24 same authorizations granted to, and shall comply with all
25 requirements for, cultivators, processors, secure
26 transporters, and dispensaries, in addition to any other

1 authorizations or requirements under this section or as
2 established by rule by the commission.

3 (d) An applicant for an integrated facility license
4 shall provide all of the following:

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

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

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

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

19 (f) A licensee may operate up to five dispensing
20 sites, each of which must be located in a different county
21 from any other dispensing site that the licensee operates;
22 provided, however, the commission may authorize a licensee to
23 operate a greater number of dispensing sites if, at least one
24 year after the date when the maximum number of total
25 dispensing sites authorized under this section and Section
26 20-2A-64 are operating, the commission determines that the
27 patient pool has reached a sufficient level to justify an

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

7 (g) This subsection shall not be construed to limit
8 wholesale distribution from integrated facility licensees to
9 dispensary licensees.

10 §20-2A-68.

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

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

25 (b) (1) Commencing January 1, 2022, there is levied
26 an annual privilege tax on every person doing business under
27 Chapter 2A of Title 20, Code of Alabama 1975, in Alabama. The

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

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

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

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

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

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

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

1 C.F.R. Part 40, as provided under Section 25-5-51, Code of
2 Alabama 1975, or if the employee refuses to submit to or
3 cooperate with a blood or urine test, as provided by that
4 section.

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

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

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

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

1 (1) Award grants to public or private entities to
2 conduct rigorous research relating to cannabis, the cannabis
3 industry, medical cannabis, and the use of medical cannabis
4 and its impact.

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

7 (3) Encourage dialog among interested entities.

8 (4) Effectively disseminate research findings and
9 outcomes.

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

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

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

24 "§13A-7-2.

25 "(a) A person is guilty of criminal trespass in the
26 first degree if he knowingly enters or remains unlawfully in a
27 dwelling or on the premises of any cultivator or processor, as

1 those terms are defined in Section 20-2A-3, or on the premises
2 of any cultivation or processing operation that is part of an
3 integrated facility, as defined in Section 20-2A-3.

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

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

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

21 Section 8. This act shall become effective
22 immediately following its passage and approval by the
23 Governor, or its otherwise becoming law.