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SYNOPSIS:

Under existing law, products that contain psychoactive cannabinoids found in or derived from hemp may not be sold to minors but are otherwise not regulated.

This bill would authorize the Alabama Alcoholic Beverage Control Board to regulate all consumable hemp products through the licensure of manufacturers, wholesale distributors, and retailers of consumable hemp products.

This bill would prohibit the sale of any consumable hemp products to individuals under 21 years of age.

This bill would restrict retail establishments that sell consumable hemp products, other than pharmacies selling topical products, to include only existing liquor stores or other locations that minors may not access.

This bill would provide specific penalties for selling products to minor.

This bill would establish labeling and testing requirements on consumable hemp products.

This bill would prohibit the sale of any inhalable hemp product.

This bill would limit the amount of



29 tetrahydrocannabinols (THCs) that may be present in
30 consumable hemp products.

31 This bill would impose an excise tax on the
32 gross sales of consumable hemp products sold to
33 retailers and provide for the distribution of tax
34 proceeds to the State General Fund, counties, and
35 municipalities.

36 This bill would create the Consumable Hemp
37 Product Compliance Fund and provide for expenditures of
38 the fund for the board's administration and enforcement
39 costs.

40 This bill would provide civil and criminal
41 penalties for violations and authorize the board to
42 seize unlawful consumable hemp products.

43 This bill would also repeal the law allowing
44 psychoactive cannabinoid sales to adults.

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A BILL

TO BE ENTITLED

AN ACT

51 Relating to consumable hemp products; to add Chapter 12
52 to Title 28, Code of Alabama 1975; to regulate the
53 manufacture, wholesale distribution, and retail sale of
54 consumable hemp products in this state; to authorize the
55 Alcoholic Beverage Control Board to license manufacturers,
56 wholesalers, and retailers of these products; to impose



57 restrictions on retail establishments; to prohibit the sale of
58 consumable hemp products to minors; to impose testing and
59 labeling requirements on these consumable hemp products; to
60 prohibit the sale of inhalable hemp products; to impose an
61 excise tax on consumable hemp products and provide for the
62 distribution of tax proceeds; to establish the Consumable Hemp
63 Product Compliance Fund and provide for expenditures of the
64 fund; to authorize the board to seize unlawful consumable hemp
65 products; to provide for civil and criminal penalties for
66 violations; and to repeal Section 13A-12-214.4, Code of
67 Alabama 1975, relating to the sale of psychoactive
68 cannabinoids.

69 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

70 Section 1. Chapter 12 is added to Title 28, Code of
71 Alabama 1975, to read as follows:

72 Article 1 General Provisions

73 §28-12-1

74 (a) The purpose of this chapter is to regulate the
75 manufacture, wholesale distribution, and sale of hemp-derived
76 consumable hemp products, including products containing
77 cannabidiol (CBD) or tetrahydrocannabinol (THC). It is the
78 intent of the Legislature that the manufacture, wholesale
79 distribution, and sale of hemp-derived cannabinoid products is
80 strictly prohibited unless specifically provided for in this
81 chapter. In acknowledging that the products regulated in this
82 chapter may be psychoactive, the regulation and control of
83 these products in this state are in the interest of public
84 health and safety through ensuring proper age verification and



85 the state's ability to efficiently enforce the requirements
86 and restrictions contained in this chapter.

87 (b) Nothing contained in this chapter relates to
88 medical cannabis regulated under Chapter 2A of Title 20.

89 §28-12-2

90 As used in this chapter, the following terms have the
91 following meanings:

92 (1) BATCH. A specific quantity of a specific product
93 containing cannabinoids that: (i) is manufactured at the same
94 time and using the same methods, equipment, and ingredients
95 that are uniform and intended to meet specifications for
96 identity, strength, purity, and composition; and (ii) is
97 manufactured, packaged, and labeled according to a single
98 batch production record executed and documented.

99 (2) CANNABINOIDS. Includes cannabidiol (CBD) and any
100 tetrahydrocannabinol (THC), whether naturally occurring or
101 synthetically created, from hemp.

102 (3) CARTON. The package or container or containers in
103 which consumable hemp products are originally packaged for
104 shipment to market by the manufacturer.

105 (4) CERTIFICATE OF ANALYSIS. A document issued by an
106 independent, accredited laboratory that provides information
107 about the chemical composition of a particular batch of
108 consumable hemp product.

109 (5) CERTIFIED LABORATORY. An ISO (International
110 Organization for Standardization)/IEC (International
111 Electrotechnical Commission) 17025:2017 certified laboratory.

112 (6) CONSUMABLE HEMP PRODUCT. A finished product that is



113 intended for human or animal consumption and that contains any
114 part of the hemp plant or any compound, concentrate, extract,
115 isolate, or resin, whether naturally occurring or
116 synthetically created, derived from hemp. The term includes,
117 but is not limited to, products that contain cannabinoids,
118 whether psychoactive or not.

119 (7) CONSUMPTION. Ingesting or topically applying to
120 skin or hair.

121 (8) CONTAINER. The bottle, can, bag, or other
122 receptacle, excluding cartons, in which consumable hemp
123 products are originally packaged for the market by the
124 manufacturer and from which the consumable hemp product is
125 consumed by the public.

126 (9) CONTAMINANT. A foreign substance or compound that,
127 if ingested, inhaled, or absorbed, may have an adverse effect
128 on the health of a human or animal. The term includes, but is
129 not limited to, heavy metals, pesticide residuals, residual
130 solvents or processing chemicals, and any other substance or
131 compound that the Alabama Department of Public Health
132 determines, if ingested, inhaled, or absorbed, could have an
133 adverse effect on the health of a human or animal.

134 (10) DISQUALIFYING OFFENSE. Any crime against children,
135 cruelty to animals, human trafficking, any crime involving
136 controlled substances, sex offenses, or any crime of violence.

137 (11) HEMP. The term as defined in Section 2-8-381.

138 (12) IMPORT. To bring any consumable hemp product
139 manufactured outside the state into this state for
140 distribution of consumable hemp products in this state.



141 (13) LICENSEE. A person licensed by the board pursuant
142 to this chapter as a manufacturer, a wholesaler, or a retailer
143 of consumable hemp products.

144 (14) MANUFACTURER. A person licensed by the board that
145 manufactures and packages consumable hemp products for
146 wholesale distribution or sale to retailers in this state.

147 (15) RETAILER. A person licensed by the board located
148 in this state that purchases consumable hemp products from a
149 manufacturer or a wholesaler and sells consumable hemp
150 products at retail in this state for off-premises consumption.

151 (16) THC. Any tetrahydrocannabinol, whether naturally
152 occurring in, or synthetically created from, hemp, including,
153 but not limited to, delta-8-tetrahydrocannabinol,
154 delta-9-tetrahydrocannabinol, or
155 delta-10-tetrahydrocannabinol.

156 (17) WHOLESALER. A person licensed by the board located
157 in this state that purchases consumable hemp products from a
158 manufacturer and distributes and sells the products to
159 retailers.

160 §28-12-3

161 (a) The manufacture, possession, distribution, and sale
162 of consumable hemp products within this state shall be
163 regulated and enforced by the board through the licensure of
164 manufacturers, wholesalers, and retailers of consumable hemp
165 products as provided in this chapter.

166 (b) In addition to the powers provided to the board
167 under this chapter, the board shall retain all powers
168 otherwise provided in this title as necessary to administer



169 and enforce this chapter, and this chapter shall be construed
170 in pari materia with other provisions of this title
171 authorizing the board to regulate intoxicating products and
172 restricting sales and possession of products to individuals
173 under 21 years of age.

174 (c) On and after January 1, 2026, any person that
175 manufactures, distributes, or sells at retail any consumable
176 hemp product in this state without a license issued pursuant
177 to this chapter shall be in violation of this section, and all
178 consumable hemp products in that person's possession shall be
179 considered contraband and may be seized by the board or its
180 agents or any law enforcement officer of the state without a
181 warrant.

182 (d) Every place licensed as a manufacturer shall be
183 subject to inspection by members of the board or by agents
184 authorized and designated by the board at any time of the day
185 or night as they may deem necessary, for the detection of
186 violations of this chapter, any law, or the rules of the
187 board, or for the purpose of ascertaining the correctness of
188 the records required to be kept by a licensee.

189 (e) The board shall adopt rules as necessary to
190 implement this chapter.

191 §28-12-4

192 (a) The Consumable Hemp Product Compliance Fund is
193 created within the State Treasury and shall be administered by
194 the board. All filing fees, annual license fees, and label
195 approval fees collected under this chapter shall be deposited
196 into the fund. Amounts deposited into the fund shall be



197 budgeted and allotted in accordance with Sections 41-4-80
198 through 41-4-96 and Sections 41-19-1 through 41-19-12.

199 (b) The board may expend monies in the Consumable Hemp
200 Product Compliance Fund only for the following purposes:

201 (1) Training, education, and administrative and
202 operating costs for the administration and enforcement of this
203 chapter.

204 (2) Pursuant to an agreement between the board and the
205 Alabama State Law Enforcement Agency, operating and staffing
206 costs incurred by the Alabama State Law Enforcement Agency to
207 conduct underage purchase compliance checks pursuant to this
208 chapter.

209 (3) Random purchases by the board of consumable hemp
210 products and testing of products to ensure compliance with
211 this chapter.

212 (c) Any remaining funds on September 30 shall be
213 distributed to the State General Fund.

214 §28-12-5

215 (a) A manufacturer or wholesaler shall be assessed an
216 excise tax at the rate of seven percent of gross sales of
217 consumable hemp products sold to retailers. The tax is in
218 addition to any other tax imposed by federal, state, or local
219 law.

220 (b) (1) The tax levied in subsection (a) shall be
221 collected by a return which shall be filed by a manufacturer
222 or wholesaler licensee with the board postmarked not later
223 than the last day of the month following the month of sale of
224 consumable hemp products and shall be accompanied by the



225 remittance of the tax due. The manufacturer licensee report
226 shall include, but not be limited to, gross sales to licensed
227 retailers and to customers for off-premises consumption. The
228 wholesaler licensee report shall include, but not be limited
229 to, gross sales to licensed retailers. The report shall be in
230 a form and contain information as the board may prescribe.

231 (2) If a licensee fails to file any return by the date
232 described in subdivision (1), including any written extension
233 of time granted by the board in advance, there shall be
234 assessed as a penalty the greater of 10 percent of the tax
235 required to be shown on the return or fifty dollars (\$50).

236 (3) If a licensee fails to pay to the board the amount
237 of the tax due by the date described in subdivision (1),
238 including any written extension of time granted by the board
239 in advance, there shall be added as a penalty 10 percent of
240 the unpaid amount due on the return.

241 (4) Interest shall be added to any tax due which is not
242 paid by the due date, from the due date of the tax, computed
243 based on the underpayment rate established by the U.S.
244 Secretary of the Treasury pursuant to 26 U.S.C. § 6621.

245 (c) The revenue generated from the tax shall be
246 distributed as follows:

247 (1) Fifty percent to the State General Fund.

248 (2) Twenty-five percent to the respective counties in
249 the state proportionate to the ratio of the population of each
250 respective county to the total population of all counties,
251 based on the most recent federal decennial census.

252 (3) Twenty-five percent to the respective



253 municipalities in the state proportionate to the ratio of the
254 population of each respective municipality to the total
255 population of all municipalities, based on the most recent
256 federal decennial census.

257 (d) If the board or any authorized agent of the board
258 finds any illegal product sold at a retailer establishment,
259 the illegal product shall be confiscated and, in addition to
260 all other penalties authorized by law, the board shall assess
261 taxes based on an excise tax at the rate of seven percent of
262 the gross wholesale value of the illegal product.

263 Article 2 Licensure

264 §28-12-20

265 (a) The board shall issue and renew licenses to
266 manufacturers, wholesale distributors, and retailers of
267 consumable hemp products as provided in this chapter.

268 (b) The board is granted discretionary powers in acting
269 upon license applications under this chapter.

270 (c) Every applicant for an original license issued
271 under this chapter shall file a written application with the
272 board in such form and containing such information as the
273 board may prescribe, by rule, which shall be accompanied by a
274 nonrefundable initial filing fee of fifty dollars (\$50) and
275 the appropriate license fee.

276 (d) The board may not issue a license under this
277 chapter unless the local governing body of the county or
278 municipality in which the licensee's facility will be located
279 has approved the application for licensure.

280 (e) Licenses issued under this chapter, unless revoked



281 or suspended by the board, shall be valid for the license year
282 which shall begin on October 1 of each year. Licenses may be
283 issued at any time during the year, but license fees shall not
284 be prorated.

285 (f) The board may suspend or revoke a license in
286 accordance with Section 28-3A-24 or 28-3A-26; provided,
287 however, the board may suspend a license without a hearing in
288 situations of imminent danger to the public or for purposes of
289 protecting the public welfare, peace, safety, and health of
290 the residents of the state.

291 §28-12-21

292 (a) For purposes of this section, the term "applicant"
293 includes every individual that has any proprietary or
294 financial interest of 10 percent or more in the licensed
295 establishment but shall not include any public corporation
296 whose shares are traded on a recognized stock exchange.

297 (b) Each applicant must be legally present in the
298 United States and shall provide to the board a valid driver
299 license issued in the United States, a valid military
300 identification, or other valid identification card, as
301 determined by the board.

302 (c) (1) In addition to all other requirements, an
303 applicant for a license under this section shall submit to the
304 board a form, sworn to by the applicant, providing written
305 consent from the applicant for the release of criminal history
306 background information. The form shall also require the
307 applicant's name, date of birth, and Social Security number
308 for completion of a criminal history background check.



309 (2) An applicant shall provide the board with two
310 complete functional sets of fingerprints, either cards or
311 electronic, properly executed by a criminal justice agency or
312 an individual properly trained in fingerprinting techniques.
313 The fingerprints and form shall be submitted by the board to
314 the State Bureau of Investigations for the purposes of
315 furnishing criminal background checks. The State Bureau of
316 Investigations shall forward a copy of the applicant's prints
317 to the Federal Bureau of Investigation for a national criminal
318 background check. The applicant shall pay all costs associated
319 with the background checks required by this section.

320 (d) The board shall keep information received pursuant
321 to this section confidential, except that information received
322 and relied upon in denying the issuance of a license in this
323 state may be disclosed as may be necessary to support the
324 denial or when subpoenaed by a court.

325 (e) The board shall not issue a license to any
326 applicant that has been convicted of a disqualifying offense
327 within 10 years of the date of the application.

328 (f) (1) Any person applying for an initial license under
329 this chapter shall be required to purchase and maintain a
330 surety bond, payable to the board, for each licensed location,
331 executed by the applicant as principal, and by a corporate
332 surety company qualified to do business in this state as
333 surety, in the amount of twenty-five thousand dollars
334 (\$25,000).

335 (2) The board may file a claim against the surety bond
336 of any licensee that fails to timely collect and remit taxes



337 under this chapter or fails to timely pay any outstanding
338 penalty imposed by the board.

339 (g) Every license issued under this title shall be
340 constantly and conspicuously displayed on the licensed
341 premises.

342 §28-12-22

343 (a) (1) Effective January 1, 2026, upon the applicant's
344 compliance with this title and rules adopted thereunder, as
345 appropriate, and submission of an application, initial filing
346 fee, and license fee, the board shall issue to the applicant a
347 manufacturer license that authorizes the licensee to
348 manufacture or otherwise produce consumable hemp products
349 within this state or for sale or distribution within this
350 state.

351 (2) No person shall manufacture or otherwise produce
352 consumable hemp products within this state or for sale or
353 distribution within this state, unless the person is issued a
354 manufacturer license by the board.

355 (b) A manufacturer may:

356 (1) Sell consumable hemp products to licensed
357 wholesalers or directly to licensed retailers; and

358 (2) Sell consumable hemp products directly to
359 customers, but only for off-premises consumption and not for
360 resale.

361 (c) A manufacturer may not:

362 (1) Sell any consumable hemp product for consumption on
363 the licensed premises or conduct any tastings for customers;

364 (2) Sell any consumable hemp product in other than



365 original containers approved by the board; or

366 (3) Sell any consumable hemp product whose label and
367 certificate of analysis have not been approved as provided in
368 subsections (d) and (e).

369 (d)(1) Prior to the initial sale of any consumable hemp
370 product in this state, a manufacturer shall submit to the
371 board a label that meets the standards set forth in Section
372 28-12-41, and obtain label approval from the board. At the
373 time of submission, the licensee shall pay a label approval
374 fee of fifty dollars (\$50).

375 (2) If the board determines that the label meets the
376 requirements of Section 28-12-42, the board shall approve the
377 label.

378 (3) A manufacturer licensee must resubmit the label for
379 board approval if there is any change to the label other than
380 the date of manufacture, the date of expiration, or the batch
381 number.

382 (e) In addition to subsection (d), prior to the initial
383 sale of any consumable hemp product, and at least annually
384 thereafter for each consumable hemp product, a manufacturer
385 shall obtain approval from the Alabama Department of Public
386 Health that the product meets the criteria for a certificate
387 of analysis as provided in Section 28-12-42.

388 (f) On and after January 1, 2026, all consumable hemp
389 products whose labels and certificates of analysis have not
390 been approved as required under subsections (d) and (e) shall
391 be considered contraband and may be seized by the board or its
392 agents, or any law enforcement officer of the state without a



393 warrant.

394 (g) A manufacturer shall submit to the board prior to
395 the twentieth day of each month a consolidated report of all
396 shipments of consumable hemp products made to each wholesaler
397 and retailer during the preceding month and any other
398 information relevant to the manufacturing of consumable hemp
399 products as determined by the board, by rule. The reports
400 shall be in the form and containing information as the board
401 may prescribe.

402 (h) A manufacturer shall keep at its licensed premises
403 daily permanent records that show the quantities of raw
404 materials received and used in the manufacture of consumable
405 hemp products and the quantities of consumable hemp products
406 manufactured and stored, the sale of consumable hemp products,
407 and the names and addresses of the purchasers of consumable
408 hemp products, excluding sales made to customers under
409 subdivision (b) (2). In addition, a manufacturer shall retain
410 on the licensed premises the applicable certificates of
411 analysis and approvals by the Alabama Department of Public
412 Health, as well as the labels approved by the board for a
413 period of three years.

414 §28-12-23

415 (a) (1) Effective January 1, 2026, upon the applicant's
416 compliance with this title and rules adopted thereunder, as
417 appropriate, and submission of an application, the initial
418 filing fee, and license fee, the board shall issue to the
419 applicant a wholesaler license that authorizes the licensee to
420 purchase, import, and receive shipments of consumable hemp



421 products from outside the state from licensed manufacturers,
422 to purchase consumable hemp products from manufacturers within
423 this state, and to sell at wholesale and distribute consumable
424 hemp products to retailers in this state.

425 (2) No person shall import or receive consumable hemp
426 products or distribute and sell consumable hemp products to
427 retailers in this state unless the person is issued a
428 manufacturer license by the board.

429 (b) Sales to all retailers shall be in original
430 containers approved by the board.

431 (c) A wholesaler shall submit to the board prior to the
432 twentieth day of each month a consolidated report of all
433 receipts and shipments of consumable hemp products made to
434 each retailer during the preceding month and any other
435 information relevant to the wholesale distribution of
436 consumable hemp products as determined by the board, by rule.
437 The reports shall be in the form and containing information as
438 the board may prescribe.

439 §28-12-24

440 (a) (1) Effective January 1, 2026, upon the applicant's
441 compliance with this title and rules adopted thereunder, as
442 appropriate, and submission of an application, the initial
443 filing fee, and license fee, the board shall issue to the
444 applicant a retailer license that authorizes the licensee to
445 purchase consumable hemp products from a licensed wholesaler
446 or licensed manufacturer and to sell consumable hemp products
447 at retail for off-premises consumption.

448 (2) No person shall sell consumable hemp products in



449 this state to customers unless the person has been issued a
450 retailer license by the board.

451 (b) Topical consumable hemp products may be sold in a
452 pharmacy licensed by the Alabama State Board of Pharmacy,
453 provided the pharmacy obtains a consumable hemp product
454 retailer license from the Alcoholic Beverage Control Board and
455 complies with this chapter and rules of the board. Any topical
456 consumable hemp product sold in a pharmacy must be sold by a
457 licensed pharmacist or by a pharmacy technician or employee
458 who is under the direct supervision and control of a licensed
459 pharmacist.

460 (c) Sales to all customers shall be in original
461 packages or containers as prepared for the market by the
462 manufacturer.

463 (d) Except for pharmacies selling topical consumable
464 hemp products pursuant to subsection (b), the location of any
465 retailer licensee must be restricted so that only those
466 individuals 21 years of age or older are permitted to enter
467 the location. The board shall only issue retailer licenses to:

468 (1) Applicants that have a valid retail liquor license
469 from the board that authorizes off-premises consumption only;
470 or

471 (2) Applicants whose retail premises is a standalone
472 location that only sells consumable hemp products.

473 (e) A retailer may not:

474 (1) Purchase consumable hemp products from or sell
475 consumable hemp products to another retailer;

476 (2) Sell any consumable hemp product for consumption on



477 the licensed premises or conduct any tastings for customers;
478 or

479 (3) Sell any consumable hemp product in other than
480 original sealed containers approved by the board.

481 (f) A retailer shall submit to the board prior to the
482 twentieth day of each month a consolidated report of all
483 receipts and sales of all consumable hemp products made to
484 customers during the preceding month and any other information
485 relevant to the retail sale of consumable hemp products as
486 determined by the board, by rule. The reports shall be in the
487 form and containing information as the board may prescribe.

488 (g) A retailer licensee shall maintain at its licensed
489 premises a copy of the certificate of analysis and approved
490 label for every consumable hemp product available for sale by
491 the retailer, which shall be made available for inspection to
492 any law enforcement officer or authorized agent of the board.

493 §28-12-25

494 (a) The following annual license fees are levied and
495 prescribed for licenses issued and renewed by the board
496 pursuant to the authority of this chapter:

497 (1) Manufacturer license, license fee of five thousand
498 dollars (\$5,000).

499 (2) Wholesaler license, license fee of five thousand
500 dollars (\$5,000).

501 (3) Retailer license, license fee of one thousand
502 dollars (\$1,000).

503 (b) The license fees levied and fixed by this section
504 shall be paid before a license is issued or renewed.



505 §28-12-26

506 (a) A license issued under this article shall be
507 renewed annually upon the filing of an application and payment
508 of the applicable license fee. A licensee must file a renewal
509 application, as prescribed by the board, by rule, by August 1
510 annually.

511 (b) A consumable hemp product license may be renewed
512 without penalty during the following fiscal year between
513 October 1 and October 20 and may continue to be renewed after
514 October 20 of such license year by payment of appropriate
515 state and county licensing and filing fees and a penalty of 50
516 percent of the annual license fee. If a license is not renewed
517 before midnight September 30 of the succeeding license year,
518 the license shall terminate with no privilege of renewal.
519 Thereafter, a new application must be made and a new license
520 issued before continuation of the business.

521 (c) No consumable hemp product licensee may purchase,
522 receive, store, ship, sell, or give away any consumable hemp
523 product or enjoy any of the rights and privileges of the
524 license after the expiration of a license.

525 (d) Unless the licensee is notified by the board of
526 objections to the renewal of the license, the board shall
527 renew the license of any licensee who has submitted the
528 renewal application and license fee.

529 §28-12-27

530 (a) The books and records of licensees at all times
531 shall be open to inspection by members of the board or by
532 agents authorized and designated by the board. Members of the



533 board and its authorized agents, without hindrance, may enter
534 any place that is subject to inspection under this chapter or
535 any place where records are kept for the purpose of making
536 inspections and making transcripts thereof.

537 (b) A licensee shall keep and preserve all invoices,
538 books, papers, canceled checks, or other memoranda relating to
539 the purchase, sale, exchange, or receipt of all consumable
540 hemp products for a period of three years. This includes the
541 applicable certificates of analysis and label approvals as
542 otherwise required under this chapter.

543 (c) All invoices, books, papers, canceled checks or
544 other memoranda shall be subject to audit and inspection by
545 any duly authorized agents of the board at any time.

546 (d) Any person who fails or refuses to keep and
547 preserve the records as required by this section or who, upon
548 request by an authorized agent of the board, fails or refuses
549 to allow an audit or inspection of records as provided in this
550 section shall be guilty of a Class C misdemeanor.

551 (e) The board may enter upon the premises of any
552 licensee to inspect, examine, audit, or cause to be examined
553 or audited by any agent or representative designated by the
554 board for that purpose, any books, papers, or other records to
555 verify the proper filing and to determine the accuracy of any
556 state tax return required to be filed by any licensee
557 authorized to distribute or sell, and to determine the payment
558 of all state taxes when and where due with respect to any
559 state tax levied on consumable hemp products by statute. This
560 section imposes no duty upon the board to inspect, examine,



561 and audit with respect to local taxes on consumable hemp
562 products.

563 Article 3 Consumable Hemp Products

564 §28-12-40

565 (a) (1) One serving size of a consumable hemp product
566 may not contain more than the following amount of THC:

567 a. For a beverage or any edible product, five
568 milligrams of total THC or 0.3 percent total THC on a dry
569 weight basis, whichever is less.

570 b. For any topical, sublingual, or other consumable
571 hemp product not addressed in paragraph a., 0.3 percent total
572 THC on a dry weight basis.

573 (2) All edible consumable hemp products shall be
574 individually wrapped in single serve packaging.

575 (3) A beverage serving size may not exceed 12 fluid
576 ounces or 355 milliliters.

577 (b) A consumable hemp product may not contain alcohol,
578 other than as a flavoring agent, or any other intoxicating
579 compound other than cannabinoids.

580 (c) The packaging of consumable hemp products:

581 (1) May not be designed in a manner that appeals to
582 minors;

583 (2) May not include a statement, artwork, or design
584 that could reasonably mislead an individual to believe that
585 the package contains anything other than a consumable hemp
586 product; and

587 (3) Must be child-resistant.

588 (d) Notwithstanding any provision of state law other



589 than Chapter 2A of Title 20, inhalable products containing
590 cannabinoids, whether psychoactive or not, are strictly
591 prohibited for sale or possession in the state. Inhalable
592 products include, but are not limited to:

593 (1) Any product marketed to consumers as an electronic
594 cigarette, electronic cigarillo, electronic pipe, electronic
595 hookah, vape pen, vape tool, vaping device, or any variation
596 of these terms, to include an e-liquid that contains
597 cannabinoids, whether psychoactive or not.

598 (2) Any plant product or raw hemp material that is
599 marketed to consumers as hemp cigarettes, hemp cigars, hemp
600 joints, hemp buds, hemp flowers, hemp leaves, ground hemp
601 flowers, or any variation of these terms to include any
602 product that contains a cannabinoid, whether psychoactive or
603 not.

604 (3) Any other product designed to be inhaled through
605 the nose or mouth.

606 §28-12-41

607 Each label for a consumable hemp product must contain,
608 at a minimum:

609 (1) A list of all ingredients in descending order of
610 predominance;

611 (2) The name, address, and website of the manufacturer
612 of the product;

613 (3) The manufacture date and expiration date;

614 (4) The batch number;

615 (5) The total number of milligrams of THCs found in the
616 container;



- 617 (6) The serving size;
- 618 (7) The total number of milligrams of THC's per serving;
- 619 and
- 620 (8) The following warnings:
- 621 a. That consumption of the product may cause the person
- 622 to fail a drug test due to THC being present;
- 623 b. That the product is not safe nor intended for any
- 624 person under 21 years of age;
- 625 c. That the product is not safe for any person who is
- 626 pregnant or breastfeeding; and
- 627 d. That the product may impair a person's ability to
- 628 drive and operate machinery.

629 §28-12-42

630 (a) Prior to making the initial sale of a consumable

631 hemp product to be sold within this state or for sale or

632 distribution within this state, a manufacturer licensee shall

633 submit representative samples of each batch of the product to

634 a certified laboratory for a certificate of analysis. A

635 certifying laboratory conducting analyses pursuant to this

636 section may not be affiliated in any way or have any financial

637 or business interest in any manufacturer, wholesaler, or

638 retailer licensed by the board.

639 (b) A certificate of analysis shall include, at a

640 minimum:

- 641 (1) The batch number or lot number of the product;
- 642 (2) The date the certificate of analysis is issued;
- 643 (3) The method of analysis for each test conducted;
- 644 (4) The product name;



645 (5) The cannabinoid profile by the percentage in dry
646 weight of CBD and total THC content, and verification that the
647 product contains an amount of total THC not exceeding that
648 which is stated on the label of the product; and

649 (6) A listing of all ingredients for each product,
650 including, if present, solvents, pesticides, microbial
651 contaminants, and heavy metals.

652 (c) A manufacturer shall submit the unredacted and
653 unedited certificate of analysis to the Alabama Department of
654 Public Health, along with a processing fee in an amount
655 determined by the department, by rule. The certified
656 laboratory conducting the analysis shall report results for
657 each representative sample on the certificate of analysis as
658 an overall "pass" or "fail" for the entire batch. Based on the
659 certificate of analysis, the department shall determine if the
660 consumable hemp product is safe for human consumption and, if
661 the product is safe, shall approve the product and notify the
662 manufacturer in a method prescribed by the department, by
663 rule.

664 §28-12-43

665 (a) A retailer shall maintain a minimum of 500 square
666 feet of sales and service area. A retailer may not include in
667 the calculation of sales and service area any areas that are
668 not open to customers or not used for sales or displaying
669 products, such as office space or storage.

670 (b) Consumable hemp products may not be sold using a
671 vending machine or other self-service display and payment
672 system.



673 (c) An individual under 21 years of age may be employed
674 by a retailer licensee to the same extent and under the same
675 conditions as set forth for employees of alcoholic beverage
676 establishments in Section 28-1-5(c).

677 (d) Prior to initiating a sale or otherwise providing
678 consumable hemp products to a customer, an employee of a
679 retailer must verify that the customer is at least 21 years of
680 age. Proof of age may be established only by one of the
681 following:

682 (1) A valid driver license of any state.

683 (2) A valid United States Uniformed Service
684 Identification.

685 (3) A valid passport.

686 (4) A valid identification card issued by any agency of
687 a state for the purpose of identification, bearing a
688 photograph and date of birth of the individual in question.

689 (e) The board shall levy a penalty against any person,
690 retailer licensee, or servant, agent, or employee of the
691 retailer who sells, attempts to sell, delivers, furnishes, or
692 gives away a consumable hemp product to an individual under 21
693 years of age as follows:

694 (1) For a first offense within a four-year period,
695 suspension of the license for 90 days and a fine of five
696 thousand dollars (\$5,000) earmarked for the State General
697 Fund.

698 (2) For a second offense within a four-year period,
699 suspension of the license for 180 days and a fine of ten
700 thousand dollars (\$10,000) earmarked for the State General



729 (1) For a first offense within a four-year period, a
730 fine of one thousand dollars (\$1,000) earmarked for the State
731 General Fund.

732 (2) For a second offense within a four-year period, a
733 fine of two thousand five hundred dollars (\$2,500) earmarked
734 for the State General Fund.

735 (3) For a third offense within a four-year period, a
736 fine of five thousand dollars (\$5,000) earmarked for the State
737 General Fund and the board may revoke the retailer license.

738 §28-12-46

739 Online sales, direct delivery, drive-through sales, and
740 direct shipment of consumable hemp products within or into
741 this state are strictly prohibited.

742 §28-12-47

743 (a) The following products shall be considered
744 contraband and may be seized by the board or its agents or by
745 any law enforcement officer of the state without a warrant:

746 (1) Any consumable hemp product for which taxes were
747 not assessed and remitted to the board as required under
748 Section 28-12-5.

749 (2) Any consumable hemp product sold in this state
750 which does not have an approved label as required under
751 Section 28-12-41.

752 (3) Any consumable hemp product sold in this state
753 which does not have an approved certificate of analysis as
754 required under Section 28-12-42.

755 (4) Any inhalable hemp product sold in violation of
756 Section 28-12-40(d).



757 (5) Any consumable hemp product sold in or delivered
758 into this state in violation of Section 28-12-46.

759 (6) Any consumable hemp product sold in this state at
760 an unlicensed location.

761 (b) Any unlawful consumable hemp products kept, stored,
762 or deposited in any place in this state for the purpose of
763 unlawful sale or unlawful disposition or unlawful furnishing
764 or distribution, and the vessels and receptacles in which the
765 products are contained are declared to be contraband, shall be
766 seized and forfeited to the state, and may be condemned for
767 destruction pursuant to the procedures set out in Article 11
768 of Chapter 4 concerning alcoholic beverages.

769 (c) In any criminal prosecutions against a person for a
770 violation of this chapter, upon conviction, the court may
771 order the destruction of any unlawful consumable hemp products
772 that were: (i) sold, offered for sale, possessed, or otherwise
773 disposed of by the defendant; (ii) possessed or used in
774 conducting the business of a hemp product dealer; or (iii)
775 used as evidence in the case.

776 (d) All fixtures, equipment, materials, and personal
777 property used in substantial connection with the sale or
778 possession of consumable hemp products involved in a violation
779 of this chapter shall be subject to the same seizure and
780 forfeiture procedures as provided pursuant to Article 11 of
781 Chapter 4. The board shall dispose of consumable hemp products
782 seized under this chapter by destruction as provided by rule
783 of the board.

784 (e) Any person from whom a consumable hemp product is



785 seized and destroyed pursuant to this section shall be subject
786 to a fee, to be determined based on the cost of the
787 destruction and disposal of the hemp product as hazardous
788 waste.

789 Section 2. Section 13A-12-214.4, Code of Alabama 1975,
790 relating to the sale of psychoactive cannabinoids, is
791 repealed.

792 Section 3. This act shall become effective on July 1,
793 2025.