

SB237 INTRODUCED



1 SB237
2 11HSPL3-1
3 By Senators Melson, Albritton, Waggoner, Livingston, Butler,
4 Kitchens, Williams, Chesteen, Allen, Sessions, Hovey, Kelley,
5 Jones, Beasley, Stewart, Chambliss, Price
6 RFD: Healthcare
7 First Read: 18-Mar-25



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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 regulate beverages containing hemp derivatives, defined as "hemp beverages," and treat hemp beverages for purposes of state law similar to beer or wine, to be licensed and regulated by the Alcoholic Beverage Control Board.

This bill would require a license from the board to manufacture, distribute, or sell at retail for either on-premises or off-premises consumption.

This bill would establish labeling and testing requirements for safety, and would place restrictions on where hemp beverages may be sold in stores.

This bill would levy an excise tax on hemp beverages at the rate of ten percent on the retail sales price, in addition to any state or local sales tax.

This bill would regulate consumable products containing hemp derivatives other than beverages, defined as "psychoactive hemp products" and treat these products for purposes of state law similar to tobacco products, to be permitted and regulated by the



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29 Alcoholic Beverage Control Board.

30 This bill would require psychoactive hemp
31 products to be placed onto the ENDS directory
32 maintained by the Department of Revenue and would
33 provide requirements for such products to be listed on
34 the directory.

35 This bill would establish labeling requirements
36 and restrict advertising of these products.

37 This bill would prohibit the sale of any
38 products containing hemp derivatives to individuals
39 under 21 years of age and provide penalties for
40 violations.

41 This bill would prohibit smokable hemp products
42 in the state.

43 This bill would also provide civil and criminal
44 penalties for violations.

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A BILL

48

TO BE ENTITLED

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AN ACT

50

51 Relating to psychoactive cannabinoids; to add Chapter
52 12 to Title 28, Code of Alabama 1975; to license and regulate
53 hemp beverages that contain psychoactive cannabinoids; to
54 provide for licensure of manufacturers, wholesalers, and
55 retailers of hemp beverages by the Alcoholic Beverage Control
56 Board and set fees and requirements for licensure; to impose



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57 labeling and testing requirements for hemp beverages; to levy
58 an excise tax on retail sales of hemp beverages; to amend
59 Sections 28-11-1, 28-11-2, 28-11-3, 28-11-4, 28-11-5,
60 28-11-6.2, 28-11-8, and 28-11-9, Section 28-11-13, as last
61 amended by Act 2024-79 of the 2024 Regular Session, and
62 Sections 28-11-15, 28-11-16, and 28-11-19, Code of Alabama
63 1975; to add Sections 28-11-1.1, 28-11-1.2, 28-11-7.1,
64 28-11-15.1, 28-11-16.1, 28-11-17.2, and 28-11-22 to the Code
65 of Alabama 1975; to permit and regulate psychoactive hemp
66 products other than beverages; to require a permit for
67 retailers of psychoactive hemp products and set fees; to
68 impose labeling and advertising requirements; to impose
69 labeling and testing requirements for psychoactive hemp
70 products; to impose civil and criminal penalties for
71 violations; to prohibit sales of all consumable products
72 containing hemp derivatives to individuals under 21 years of
73 age; to levy an excise tax on retail sales of psychoactive
74 hemp products; and to amend Section 13A-12-214.4, Code of
75 Alabama 1975, and add Section 13A-12-214.5 to the Code of
76 Alabama 1975, to prohibit the possession of smokable hemp
77 products and provide for criminal penalties.

78 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

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

81 Article 1. General Provisions

82 §28-12-1

83 It is the intent of the Legislature, through the
84 provisions of this chapter, to:



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85 (1) Exercise the police power of the State of Alabama
86 to regulate the sale and distribution of hemp beverages for
87 the protection of the public welfare, health, peace, and
88 morals of the people of the state; and

89 (2) Eliminate the sale of hemp beverages to, and
90 consumption of hemp beverages by, individuals under 21 years
91 of age.

92 §28-12-2

93 Nothing in this chapter shall prevent the governing
94 body of any county or municipality to ban or further regulate
95 where or when hemp beverages may be sold within the respective
96 jurisdiction of the county or municipality.

97 §28-12-3

98 As used in this chapter, the following terms have the
99 following meanings:

100 (1) BATCH. A specific quantity of a specific product
101 containing psychoactive cannabinoids that: (i) is manufactured
102 at the same time and using the same methods, equipment, and
103 ingredients that are uniform and intended to meet
104 specifications for identity, strength, purity, and
105 composition, and (ii) is manufactured, packaged, and labeled
106 according to a single batch production record executed and
107 documented.

108 (2) CARTON. The package or container or containers in
109 which hemp beverages are originally packaged for shipment to
110 market by the manufacturer or its designated representatives.

111 (3) CERTIFICATE OF ANALYSIS (COA). A document issued by
112 an independent, accredited laboratory that provides



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113 information about the chemical composition of a particular
114 batch of hemp beverages.

115 (4) CONTAINER. The bottle, can, bag, or other
116 receptacle, not a carton, in which hemp beverages are
117 originally packaged for the market by the manufacturer or its
118 designated representatives and from which the hemp beverage is
119 consumed by or dispensed to the public.

120 (5) HEMP BEVERAGE. Any product that is intended to be
121 consumed as a beverage by humans that contains psychoactive
122 cannabinoids. The term excludes medical cannabis regulated
123 under Chapter 2A of Title 20.

124 (6) KEG. A pressurized factory sealed container used to
125 dispense hemp beverages on draft.

126 (7) MANUFACTURER. Any person licensed by the board
127 engaged in the producing, bottling, manufacturing, blending,
128 infusing, cooking, rectifying, or compounding of hemp
129 beverages in this state for sale or distribution in this state
130 or to the board or to a licensee of the board.

131 (8) MULTI-USE CONTAINER. A resealable container
132 designed and intended for multiple servings of a hemp
133 beverage.

134 (9) PSYCHOACTIVE CANNABINOID. Cannabinoids derived
135 from or found in hemp as defined in Section 2-8-381,
136 including, but not limited to, cannabidiol (CBD),
137 delta-8-tetrahydrocannabinol (delta-8 THC),
138 delta-9-tetrahydrocannabinol (delta-9 THC), and
139 delta-10-tetrahydrocannabinol (delta-10 THC).

140 (10) RETAILER. Any person licensed by the board to



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141 engage in the retail sale of any hemp beverages to the
142 consumer.

143 (11) WHOLESALER. Any person licensed by the board to
144 engage in the sale and distribution of hemp beverages within
145 this state, at wholesale only, to be sold by export or to
146 retail licensees or other wholesaler licensees or others
147 within this state lawfully authorized to sell hemp beverages
148 for the purpose of resale only.

149 §28-12-4

150 (a) The manufacture, possession, sale, consumption,
151 use, and delivery of hemp beverages within this state shall be
152 regulated and enforced by the board through the licensure of
153 manufacturers, wholesalers, and retailers of hemp beverages,
154 as provided in this chapter.

155 (b) The board may enter upon the premises of any
156 licensee to examine, or cause to be examined by any agent or
157 representative designated by the board for that purpose, any
158 books, papers, or other records and to secure other
159 information directly or indirectly relating to the enforcement
160 of this chapter.

161 (c) The board shall adopt rules as necessary to
162 implement this chapter.

163 Article 2 Hemp Beverage Licenses

164 §28-12-20

165 (a) Subject to this chapter and rules adopted
166 thereunder, the board may issue and renew licenses to
167 reputable and responsible persons for the following purposes:

168 (1) To manufacture or otherwise produce, blend, bottle,



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169 infuse, cook, rectify, or compound hemp beverages within this
170 state for sale or distribution within this state.

171 (2) To distribute, wholesale, or act as jobber for the
172 sale of hemp beverages to licensed retailers within the state
173 and others within this state lawfully authorized to sell hemp
174 beverages.

175 (3) To sell hemp beverages at retail for on-premises
176 consumption.

177 (4) To sell hemp beverages at retail for off-premises
178 consumption.

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

181 (c) Licenses issued under this chapter, unless revoked
182 or suspended by the board, shall be valid for the license year
183 which shall begin on October 1 of each year, unless otherwise
184 established by this chapter or by the board. Licenses may be
185 issued at any time during the year.

186 §28-12-21

187 (a) (1) Effective January 1, 2026, upon the submission
188 of an application and application fee, as prescribed by the
189 board by rule, the board shall issue to the applicant a
190 manufacturer license that authorizes the licensee to
191 manufacture or otherwise produce, blend, bottle, infuse, cook,
192 rectify, or compound hemp beverages within this state or for
193 sale to a retailer or wholesaler within this state.

194 (2) No person shall manufacture or otherwise produce,
195 blend, bottle, infuse, cook, rectify, or compound hemp
196 beverages within this state or for sale or distribution within



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197 this state, unless the person is issued a manufacturer license
198 by the board.

199 (b) A manufacturer licensee may not:

200 (1) Sell any hemp beverages for consumption on the
201 premises where sold;

202 (2) Sell any hemp beverages within this state directly
203 to consumers;

204 (3) Sell or deliver any hemp beverages in other than
205 original containers approved by the board; or

206 (4) Maintain or operate within the state any place or
207 places, other than the place or places covered by the
208 manufacturer license where hemp beverages are manufactured or
209 sold.

210 (c) Effective January 1, 2026, each manufacturer
211 licensee shall file with the board prior to making any sales
212 within this state:

213 (1) The label for each container to be sold in this
214 state, which label must comply with Section 28-12-40; and

215 (2) The certificate of analysis for each batch of hemp
216 beverages to be sold in this state, which certificate must
217 provide the information as established in Section 28-12-41.

218 (d) On and after January 1, 2026, all hemp beverages
219 whose labels and certificates of analysis have not been filed
220 as provided in subsection (c) shall be considered contraband
221 and may be seized by the board or its agents, or any law
222 enforcement officer of the state without a warrant, and the
223 goods shall be delivered to, and disposed of by, the board.

224 (e) A manufacturer licensee shall be required to mail



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225 to the board prior to the twentieth day of each month a
226 consolidated report of all shipments of hemp beverages made to
227 each retailer and wholesaler during the preceding month. The
228 reports shall be in the form and containing information as the
229 board may prescribe.

230 (f) A manufacturer licensee shall keep at its principal
231 place of business within this state daily permanent records
232 that show the quantities of raw materials received and used in
233 the manufacture of hemp beverages and the quantities of hemp
234 beverages manufactured and stored, the sale of hemp beverages,
235 the quantities of hemp beverages stored for hire or
236 transported for hire by or for the licensee, and the names and
237 addresses of the purchasers or other recipients thereof.

238 (g) (1) Every place licensed as a manufacturer shall be
239 subject to inspection by members of the board or by
240 individuals authorized and designated by the board at any time
241 of the day or night as they may deem necessary, for the
242 detection of violations of this chapter, any law, or the rules
243 of the board, or for the purpose of ascertaining the
244 correctness of the records required to be kept by the
245 licensees.

246 (2) The books and records of licensees at all times
247 shall be open to inspection by members of the board or by
248 individuals authorized and designated by the board.

249 (3) Members of the board and its authorized agents,
250 without hindrance, may enter any place that is subject to
251 inspection hereunder or any place where records are kept for
252 the purpose of making inspections and making transcripts



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253 thereof.

254 §28-12-22

255 (a) Effective January 1, 2026, upon the submission of
256 an application and application fee, as prescribed by the board
257 by rule, the board shall issue to the applicant a wholesaler
258 license that authorizes the licensee to import and receive
259 shipments of hemp beverages from outside the state from
260 licensed manufacturers, to purchase hemp beverages from
261 licensed manufacturers or other licensed wholesalers within
262 the state, to sell at wholesale and distribute hemp beverages
263 to retailer licensees, and to export hemp beverages from the
264 state. Sales to all retailer licensees shall be in original
265 packages or containers as prepared for the market by the
266 manufacturer or bottler.

267 (b) No person shall sell at wholesale or distribute
268 hemp beverages within this state or to retailer licensees
269 unless the person has been issued a wholesaler license by the
270 board.

271 (c) A wholesaler may not sell any hemp beverages within
272 this state directly to consumers.

273 §28-12-23

274 (a) Effective January 1, 2026, upon the submission of
275 an application and application fee, as prescribed by the board
276 by rule, the board shall issue to the applicant a retail
277 license that authorizes the licensee to purchase hemp
278 beverages from a licensed manufacturer or wholesaler and to
279 sell hemp beverages at retail for on-premises consumption in a
280 room or rooms or place on the licensed premises, for



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281 off-premises consumption.

282 (b) A retail licensee for off-premises consumption may
283 only be sold in original unopened containers.

284 (c) No person shall sell hemp beverages at retail for
285 either: (i) on-premises consumption; or (ii) off-premises
286 consumption within this state unless the person has been
287 issued the appropriate on-premises retailer license or
288 off-premises retailer license by the board.

289 §28-12-24

290 (a) Effective January 1, 2026, upon the submission of
291 an application and application fee, as prescribed by the board
292 by rule, the board shall issue to the applicant the applicable
293 hemp beverage license as established in Sections 28-12-21
294 through 28-12-23 to any person who holds and possesses any of
295 the following:

296 (1) A valid manufacturer license as provided for in
297 Section 28-3A-6.

298 (2) A valid wholesaler license as provided for in
299 Section 28-3A-9.

300 (3) A valid retail license as provided for in Sections
301 28-3A-11 through 28-3A-20.

302 (b) Notwithstanding any provision of this title or
303 rules of the board to the contrary, upon the issuance of a
304 hemp beverage license in accordance with subsection (a)(3),
305 retail licensees under Section 28-3A-11, commonly known as
306 package stores, shall be authorized to purchase hemp beverages
307 from a licensed hemp beverage wholesaler and sell hemp
308 beverages at retail commensurate with the privileges granted



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309 to such store to sell alcoholic beverages.

310 (c) Except for payment of the applicable license fee,
311 there shall be no additional licensing or administrative
312 requirements, including no requirement for additional
313 background checks, which may be imposed by the state, a
314 county, or a municipality for licenses issued under this
315 section.

316 §28-12-25

317 (a) The board shall impose the following annual license
318 fees for hemp beverage licenses issued and renewed by the
319 board:

320 (1) Manufacturer license, license fee of five hundred
321 dollars (\$500).

322 (2) Wholesaler license, license fee of five hundred
323 fifty dollars (\$550), plus two hundred dollars (\$200) for each
324 warehouse in addition to the principal warehouse.

325 (3) Retail license for on-premises consumption, license
326 fee of one hundred fifty dollars (\$150).

327 (4) Retail license for off-premises consumption,
328 license fee of one hundred fifty dollars (\$150).

329 (b) The license fees shall be paid before a license may
330 be issued or renewed.

331 §28-12-26

332 The requirements and restrictions on licensees set
333 forth in subsections (a), (b), (c), (d), (f), (g), (k), (l),
334 (m), and (n) of Section 28-3A-23 are adopted and apply to this
335 article, and any reference therein to alcoholic beverages
336 shall refer to hemp beverages for purposes of this chapter.



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337 §28-12-27

338 (a) Except subdivisions (a)(10) and (a)(13) of Section
339 28-3A-25(a)(10) and (a)(13), the violations of the alcoholic
340 beverage laws described in Section 28-3A-25(a) and the
341 penalties described in Section 28-3A-25(b) and (c) are adopted
342 and apply to this article, and any reference therein to
343 alcoholic beverages shall refer to hemp beverages for purposes
344 of this chapter.

345 (b)(1) In addition to subsection (a), it shall be
346 unlawful for any person to:

347 a. Sell hemp beverages in any county or municipality
348 that has prohibited the sale of hemp beverages or to sell hemp
349 beverages in a manner that violates a restriction authorized
350 under Section 28-12-2 as to where or when hemp beverages may
351 be sold; or

352 b. Adulterate, contaminate, or in any manner change the
353 character or purity of a hemp beverage from that as originally
354 marketed and packaged by the manufacturer.

355 (2) A violation of this subsection shall be subject to
356 the penalties described in Section 28-3A-25(b).

357 §28-12-28

358 The board may revoke licenses under the same terms and
359 conditions set forth in Section 28-3A-26.

360 Article 3 Hemp Beverage Guidelines

361 §28-12-40

362 (a) Every container of hemp beverages must bear a label
363 that contains, at a minimum:

364 (1) The name, location, contact phone number, and



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365 website of the manufacturer of the product;

366 (2) The name and address of the independent, accredited
367 laboratory used by the manufacturer to test the product;

368 (3) The batch number;

369 (4) The total number of milligrams of psychoactive
370 cannabinoids found in the container;

371 (5) The serving size, which may not exceed 12 ounces;

372 (6) The total number of milligrams of psychoactive
373 cannabinoids per serving;

374 (7) The International Intoxicating Cannabinoid Product
375 Symbol (IICPS);

376 (8) A list of ingredients, including identification of
377 any major food allergens declared by name;

378 (9) A statement that the hemp beverage does not claim
379 to diagnose, treat, cure, or prevent any disease and has not
380 been evaluated or approved by the U.S. Food and Drug
381 Administration (FDA), unless the product has been so approved;
382 and

383 (10) The following warnings:

384 a. To keep the product out of reach of children;

385 b. That consumption of the product impairs person's
386 ability to drive and operate machinery;

387 c. For persons who are pregnant, nursing, or taking
388 medications, to consult their licensed healthcare professional
389 about safety before consuming the product;

390 d. That the product is not intended for sale to or use
391 by persons under 21 years of age;

392 e. That the psychoactive cannabinoids in the product



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393 are derived from hemp.

394 (b) Containers of hemp beverages may not:

395 (1) Bear the likeness or contain cartoon-like
396 characteristics of a real or fictional person, animal, or
397 fruit that appeals to children;

398 (2) Be modeled after a brand of products primarily
399 consumed by or marketed to children;

400 (3) Contain an ingredient, other than a psychoactive
401 cannabinoid, that is not approved by the United States Food
402 and Drug Administration for use in beverages;

403 (4) Include a statement, artwork, or design that could
404 reasonably mislead an individual to believe that the package
405 contains anything other than a hemp beverage product;

406 (5) Contain alcohol; provided, however, hemp beverages
407 may contain trace amounts of alcohol if the alcohol is solely
408 derived from flavoring agents or ingredients such as bitters
409 and the presence of trace amounts of alcohol does not cause
410 the hemp beverage to be classified as an alcoholic beverage
411 under state or federal law; or

412 (6) Contain caffeine; provided, however, hemp beverages
413 may contain naturally occurring caffeine derived from
414 ingredients such as coffee, tea, or other natural sources, so
415 long as the caffeine does not exceed levels deemed safe by
416 generally accepted dietary guidelines.

417 (c) Hemp beverages must be packaged in child-resistant
418 packaging, which may include traditional beverage cans with a
419 stay-on tab mechanism.

420 (d) Hemp beverages may not contain more than a total of



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421 10 milligrams of psychoactive cannabinoids per container, and
422 a single container may not contain more than 12 ounces of
423 beverage. Kegs and multi-use containers that hold a volume no
424 less than 750 milliliters may contain more than 10 milligrams
425 of psychoactive cannabinoids, so long as the intended single
426 serving from the keg or multi-use container does not exceed 10
427 milligrams of psychoactive cannabinoids.

428 (e) Hemp beverages must not be packaged in cartons
429 containing more than six containers.

430 (f) Hemp beverages may be dispensed from kegs and
431 multi-use containers for on-premises consumption only in
432 servings not exceeding 10 milligrams of psychoactive
433 cannabinoids. Kegs and multi-use containers may not be sold by
434 off-premises licensees.

435 (g) Any hemp beverages found not complying with the
436 provisions of this section shall be considered contraband and
437 may be seized by the board or its agents or by any law
438 enforcement officer of the State of Alabama without a warrant,
439 and the goods shall be delivered to, and disposed of by, the
440 board.

441 §28-12-41

442 (a) Prior to making any sales within this state, a
443 manufacturer shall submit representative samples of each batch
444 of the hemp beverage product to be sold within this state or
445 for sale or distribution within this state to an independent,
446 accredited laboratory for a certificate of analysis
447 certifying, at a minimum, that the product:

448 (1) Contains an amount of delta-8 tetrahydrocannabinol,



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449 delta-9 tetrahydrocannabinol, delta-10 tetrahydrocannabinol,
450 or any other psychoactive cannabinoid not exceeding that which
451 is stated on the label of the product; and

452 (2) Does not contain more than trace amounts of any
453 mold, residual solvents or other catalysts, pesticides,
454 fertilizers, or heavy metals.

455 (b) A manufacturer must disclose all known information
456 regarding pesticides, fertilizers, solvents, or other foreign
457 materials applied to hemp or added to hemp during any
458 production or processing stages of any batch from which a
459 representative sample has been sent for testing, including any
460 catalysts used to create psychoactive cannabinoids. The
461 disclosure must be made to the laboratory performing testing
462 or sampling and, upon request, to the board. The disclosure
463 must include all information known to the manufacturer
464 regardless of whether the application or addition was made
465 intentionally or accidentally, or by the manufacturer or any
466 other person.

467 (c) Prior to making any sales within this state, a
468 manufacturer shall submit the certificate of analysis required
469 by this section to the board, and a manufacturer shall not
470 sell or offer for sale or distribution within this state any
471 hemp beverages from a batch which has not obtained a
472 certificate of analysis.

473 (d) Any hemp beverages found not complying with this
474 section shall be considered contraband and may be seized by
475 the board or its agents or by any law enforcement officer of
476 the state without a warrant, and the goods shall be delivered



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477 to, and disposed of by, the board.

478 §28-12-42

479 (a) Prior to initiating a sale or otherwise providing
480 hemp beverages to an individual, an employee of a retailer
481 must verify that the individual is at least 21 years of age.

482 (b) Proof of age may be established only by one of the
483 following:

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

485 (2) A valid United States Uniformed Service
486 Identification.

487 (3) A valid passport.

488 (4) A valid identification issued by any agency of a
489 state for the purpose of identification, bearing a photograph
490 and date of birth of the individual in question.

491 (c) The board shall levy a civil penalty against any
492 licensee who sells a hemp beverage to an individual under 21
493 years of age as follows:

494 (1) One thousand five hundred dollars (\$1,500) for a
495 first offense.

496 (2) Two thousand five hundred dollars (\$2,500) for a
497 second offense.

498 (3) Five thousand dollars (\$5,000) for a third offense.

499 (4) Revocation of all licenses and permits issued by
500 the board to the licensee for a fourth offense. In addition,
501 the board shall not issue any license or permit under this
502 title until the expiration of one year from the date the
503 license or licenses are revoked at the location where the
504 violation occurred.



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505 (d) In addition to the penalties described in
506 subsection (c), a retailer who violates this section shall
507 notify the wholesaler from whom the retailer purchased the
508 hemp beverage of the violation. For a third or fourth offense,
509 the wholesaler shall be vicariously liable and subject to the
510 same penalties as the retailer.

511 §28-12-43

512 (a) Off-premises retail licensees must designate a
513 specific area within their premises for the display and sale
514 of hemp beverages.

515 (b) The designated sales space for hemp beverages must
516 be:

517 (1) Separate from areas used for the display or sale of
518 non-alcoholic beverages and of alcoholic beverages; and

519 (2) Clearly marked and identified as a space for hemp
520 beverages to prevent consumer confusion.

521 (c) The designated space must include signage that:

522 (1) Clearly identifies the products as hemp beverages
523 containing psychoactive cannabinoids; and

524 (2) States that the products are not intended for sale
525 to persons under 21 years of age.

526 Article 4 Taxation

527 §28-12-60

528 (a) An excise tax at the rate of ten percent is levied
529 on the retail sales price of a hemp beverage product. The tax
530 is in addition to any other tax imposed by federal, state, or
531 local law.

532 (b) The tax levied by this section is intended to be



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533 passed on to and borne by the purchaser of the hemp beverage
534 product. The tax is a debt from the purchaser to the retailer
535 until paid. The retailer is considered to act as a trustee on
536 behalf of the board when the retailer collects the tax from
537 the purchaser on a taxable transaction. The tax must be stated
538 and charged separately on any documentation provided to the
539 purchaser by the retailer at the time of the transaction.

540 (c) The tax levied during the preceding month is due
541 and payable monthly to the board on the first day of each
542 month, and for the purpose of ascertaining the amount of tax
543 payable under this section, all retailers making taxable sales
544 on or before the twentieth day of each month shall transmit to
545 the board, upon forms prescribed by the board, returns showing
546 gross sales during the preceding month.

547 (d) The revenue generated from the tax shall be
548 distributed as follows:

549 (1) Forty percent to the State General Fund.

550 (2) Thirty-five percent shall be retained by the board
551 for regulatory and administrative purposes.

552 (3) Fifteen percent divided equally between the board
553 and the Alabama State Law Enforcement Agency to be retained by
554 each for purposes of enforcement.

555 (4) Ten percent to the treasury of the municipality in
556 which the hemp beverages were sold within its corporate
557 limits, or, where sold outside the corporate limits of any
558 municipality, to the treasury of the county in which the hemp
559 beverages were sold for the purposes of enforcement.

560 (e) The taxes levied pursuant to this section are



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561 exclusive and shall be in lieu of all other and additional
562 taxes and licenses of the state, county, or municipality,
563 imposed on the sale of hemp beverages; provided, that nothing
564 herein contained shall be construed to exempt the retail sale
565 of hemp beverages from the levy of tax on general retail sales
566 by the state, county, or municipality in the nature of, or in
567 lieu of, a general sales tax.

568 Section 2. Sections 28-11-1, 28-11-2, 28-11-3, 28-11-4,
569 28-11-5, 28-11-6.2, 28-11-8, and 28-11-9, Section 28-11-13, as
570 last amended by Act 2024-79 of the 2024 Regular Session, and
571 Sections 28-11-15, 28-11-16, and 28-11-19, Code of Alabama
572 1975, are amended to read as follows:

573 "§28-11-1

574 It is the intent of the Legislature to prohibit access
575 to tobacco, tobacco products, psychoactive hemp products,
576 alternative nicotine products, and electronic nicotine
577 delivery systems to individuals under ~~the age of~~ 21 years of
578 age and prevent all of the following:

579 (1) The possibility of addiction to tobacco, tobacco
580 products, psychoactive hemp products, alternative nicotine
581 products, and electronic nicotine delivery systems by
582 individuals under ~~the age of~~ 21 years of age.

583 (2) Potential health problems associated with the use
584 of tobacco, tobacco products, psychoactive hemp products,
585 alternative nicotine products, and electronic nicotine
586 delivery systems.

587 (3) The failure by this state to comply with federal
588 guidelines or grant funding requirements, when applicable,



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589 which relate to the establishment by the state of programs and
590 policies dealing with the sale of tobacco, tobacco products,
591 psychoactive hemp products, alternative nicotine products, and
592 electronic nicotine delivery systems."

593 "§28-11-2

594 For purposes of this chapter, the following terms have
595 the following meanings unless the context clearly indicates
596 otherwise:

597 (1) ALTERNATIVE NICOTINE PRODUCT. The term alternative
598 nicotine product includes any product that consists of or
599 contains nicotine that can be ingested into the body by
600 chewing, smoking, absorbing, dissolving, inhaling, snorting,
601 sniffing, or by any other means. The term does not include a
602 tobacco product, electronic nicotine delivery system, or any
603 product that has been approved by the United States Food and
604 Drug Administration for sale as a tobacco cessation product or
605 for other medical purposes and that is being marketed and sold
606 solely for that purpose.

607 (2) BOARD. The Alabama Alcoholic Beverage Control
608 Board.

609 (3) CHILD-RESISTANT PACKAGING. Liquid nicotine
610 container packaging meeting the requirements of 15 U.S.C. §
611 1472a.

612 (4) COMMISSIONER. The Commissioner of the Department of
613 Revenue.

614 (5) DISTRIBUTION. To sell, barter, exchange, or give
615 tobacco or tobacco products for promotional purposes or for
616 gratis.



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617 (6) ELECTRONIC NICOTINE DELIVERY SYSTEM. Any electronic
618 device that uses a battery and heating element in combination
619 with an e-liquid or tobacco to produce a vapor that delivers
620 nicotine to the individual inhaling from the device to
621 simulate smoking, and includes, but is not limited to,
622 products that may be offered to, purchased by, or marketed to
623 consumers as an electronic cigarette, electronic cigar,
624 electronic cigarillo, electronic pipe, electronic hookah, vape
625 pen, vape tool, vaping device, or any variation of these
626 terms. The term also includes any e-liquid intended to be
627 vaporized in any device included in this subdivision.

628 (7) ELECTRONIC NICOTINE DELIVERY SYSTEM RETAILER. Any
629 retail business which offers for sale electronic nicotine
630 delivery systems.

631 (8) E-LIQUID. A liquid that contains nicotine and may
632 include flavorings or other ingredients that are intended for
633 use in an electronic nicotine delivery system.

634 (9) E-LIQUID MANUFACTURER. Any person who manufactures,
635 fabricates, assembles, processes, mixes, prepares, labels,
636 repacks, or relabels an e-liquid to be sealed in final
637 packaging intended for consumer use. This term includes an
638 owner of a brand or formula for an e-liquid who contracts with
639 another person to complete the fabrication and assembly of the
640 product to the brand or formula owner's standards.

641 (10) FDA. The United States Food and Drug
642 Administration.

643 (11) LIQUID NICOTINE CONTAINER. A bottle or other
644 container of a liquid product that is intended to be vaporized



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645 and inhaled using an electronic nicotine delivery system. The
646 term does not include a container holding liquid that is
647 intended for use in a vapor product if the container is
648 pre-filled and sealed by the manufacturer and is not intended
649 to be opened by the consumer.

650 (12) MINOR. Any individual under ~~the age of~~ 19 years of
651 age.

652 (13) PERSON. Any natural person, firm, partnership,
653 association, company, corporation, or other entity. Person
654 does not include a manufacturer or wholesaler of tobacco or
655 tobacco products nor does it include employees of the permit
656 holder.

657 (14) PROOF OF IDENTIFICATION. Any one or more of the
658 following documents used for purposes of determining the age
659 of an individual purchasing, attempting to purchase, or
660 receiving tobacco, tobacco products, electronic nicotine
661 delivery systems, or alternative nicotine products:

662 a. A valid ~~driver's~~ driver license issued by any state
663 and bearing the photograph of the presenting individual.

664 b. United States Uniform Service Identification.

665 c. A valid passport.

666 d. A valid identification card issued by any state
667 agency for the purpose of identification and bearing the
668 photograph and date of birth of the presenting individual.

669 e. For legal mail order purposes only, a valid signed
670 certification that will verify the individual is 21 years of
671 age or older.

672 (15) PSYCHOACTIVE CANNABINOIDS. Any cannabinoid derived



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673 from or found in hemp as defined in Section 2-8-381,
674 including, but not limited to, cannabidiol (CBD),
675 delta-8-tetrahydrocannabinol (delta-8 THC),
676 delta-9-tetrahydrocannabinol (delta-9 THC), and
677 delta-10-tetrahydrocannabinol (delta-10 THC).

678 (16) PSYCHOACTIVE HEMP PRODUCT. a. Any of the
679 following:

680 1. A liquid that contains psychoactive cannabinoids and
681 may include flavorings or other ingredients that are intended
682 for use in an electronic nicotine delivery system or any other
683 product marketed to consumers as an electronic cigarette,
684 electronic cigarillo, electronic pipe, electronic hookah, vape
685 pen, vape tool, vaping device, or any variation of these
686 terms.

687 2. A candy, gummy, capsule, or other product that
688 contains psychoactive cannabinoids and is intended to be
689 ingested into the body.

690 3. An oil or tincture that contains psychoactive
691 cannabinoids and is marketed to deliver to the body
692 sublingually psychoactive cannabinoids.

693 b. The term excludes all of the following:

694 1. Hemp beverages regulated pursuant to Chapter 12.

695 2. Medical cannabis regulated pursuant to Chapter 2A of
696 Title 20.

697 3. Smokable hemp products prohibited pursuant to
698 Section 13A-12-214.4. and 13A-12-214.5.

699 (17) PSYCHOACTIVE HEMP PRODUCT PERMIT or PHP PERMIT. A
700 permit issued by the board to allow the permit holder to



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701 engage in distribution and retail sale of psychoactive hemp
702 products at the location identified in the permit.

703 ~~(15)~~ (18) RESPONSIBLE VENDOR PROGRAM. A program
704 administered by the board to encourage and support vendors in
705 training employees in legal and responsible sales practices.

706 ~~(16)~~ (19) SAMPLER. Any business or person who
707 distributes tobacco or tobacco products for promotional
708 purposes.

709 ~~(17)~~ (20) SELF-SERVICE DISPLAY. A display that contains
710 tobacco or tobacco products and is located in an area openly
711 accessible to purchasers at retail and from which the
712 purchasers can readily access tobacco or tobacco products
713 without the assistance of the tobacco permit holder or an
714 employee of the permit holder. A display case that holds
715 tobacco or tobacco products behind locked doors does not
716 constitute a self-service display.

717 ~~(18)~~ (21) SPECIALTY RETAILER OF ELECTRONIC NICOTINE
718 DELIVERY SYSTEMS. A business establishment at which any of the
719 following are true:

720 a. The sale of electronic nicotine delivery systems
721 accounts for more than 35 percent of the total quarterly gross
722 receipts for the establishment.

723 b. Twenty percent or more of the public retail floor
724 space is allocated for the offering, displaying, or storage of
725 electronic nicotine delivery systems.

726 c. Twenty percent or more of the total shelf space,
727 including retail floor shelf space and shelf space in areas
728 accessible only to employees, is allocated for the offering,



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729 displaying, or storage of electronic nicotine delivery
730 systems.

731 d. The retail space features a self-service display for
732 electronic nicotine delivery systems.

733 e. Samples of electronic nicotine delivery systems are
734 offered to customers.

735 f. Liquids intended to be vaporized through the use of
736 an electronic nicotine delivery system are produced at the
737 facility or are produced by the owner of the establishment or
738 any of its agents or employees for sale at the establishment.

739 ~~(19)~~ (22) TOBACCO or TOBACCO PRODUCT. Any product made
740 or derived from tobacco that is intended for human
741 consumption, including any component, part, or accessory of a
742 tobacco product, except for raw materials other than tobacco
743 used in manufacturing a component, part, or accessory of a
744 tobacco product, but does not include an article that is a
745 drug under Section 201(g)(1) of the Federal Food, Drug, and
746 Cosmetic Act, a device under Section 201(h) of the Federal
747 Food, Drug, and Cosmetic Act, or a combination product
748 described in Section 503(g) of the Federal Food, Drug, and
749 Cosmetic Act.

750 ~~(20)~~ (23) TOBACCO PERMIT. A permit issued by the board
751 to allow the permit holder to engage in the distribution of
752 tobacco, tobacco products, electronic nicotine delivery
753 systems, or alternative nicotine products at the location
754 identified in the permit.

755 ~~(21)~~ (24) TOBACCO SPECIALTY STORE. A business that
756 derives at least 75 percent of its revenue from tobacco or



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757 tobacco products."

758 "§28-11-3

759 The board, in conjunction with federal, state, and
760 local law enforcement agencies, shall enforce state and
761 federal laws ~~that prohibit~~ relating to the distribution and
762 retail sales of tobacco, tobacco products, psychoactive hemp
763 products, alternative nicotine products, and electronic
764 nicotine delivery systems ~~to individuals under the age of 21~~
765 ~~years~~. Notwithstanding the foregoing, for purposes of
766 inspections and enforcement actions undertaken pursuant to
767 this section, individuals under ~~the age of 21~~ years of age may
768 be enlisted to attempt to purchase or purchase tobacco,
769 tobacco products, psychoactive hemp products, alternative
770 nicotine products, and electronic nicotine delivery systems,
771 provided that individuals under ~~the age of 18~~ years of age
772 shall have the prior written consent of a parent or legal
773 guardian, and provided further that the individuals shall be
774 directly supervised during the conduct of each inspection or
775 enforcement action by an enforcement agent of the board or a
776 law enforcement officer, ~~or by a sheriff or head of police of~~
777 ~~any county, city, town, or other political subdivision, or by~~
778 ~~a deputy or officer thereof. No individual under the age of 21~~
779 ~~years may misrepresent his or her age for the purpose of~~
780 ~~purchasing or attempting to purchase tobacco, tobacco~~
781 ~~products, alternative nicotine products, or electronic~~
782 ~~nicotine delivery systems. If questioned about his or her age~~
783 ~~during an attempt to purchase or receive tobacco, tobacco~~
784 ~~products, alternative nicotine products, or electronic~~



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785 ~~nicotine delivery systems, an individual under the age of 21~~
786 ~~years shall state his or her true age. A photograph or video~~
787 ~~recording of any individual under the age of 21 years~~
788 ~~assisting in an inspection or enforcement action shall be~~
789 ~~taken prior to the investigation. The appearance of an~~
790 ~~individual under the age of 21 years participating in an~~
791 ~~inspection or enforcement action shall not be altered at the~~
792 ~~time of the inspection.~~ "

793 "§28-11-4

794 Pursuant to its rulemaking authority, the board shall
795 adopt rules that have the full force and effect of law, for
796 purposes of the following:

797 (1) Establishing permits for the distribution of
798 tobacco, tobacco products, electronic nicotine delivery
799 systems, and alternative nicotine products.

800 (2) Establishing permits for the distribution of
801 psychoactive hemp products as provided in Section 28-11-7.1.

802 ~~(2)~~ (3) Preventing the distribution of tobacco, tobacco
803 products, psychoactive hemp products, electronic nicotine
804 delivery systems, and alternative nicotine products to
805 individuals under ~~the age of~~ 21 years of age.

806 ~~(3)~~ (4) Conducting annual random compliance tests to
807 assure compliance with applicable state and federal laws and
808 guidelines regarding the distribution of tobacco, tobacco
809 products, psychoactive hemp products, electronic nicotine
810 delivery systems, and alternative nicotine products. The tests
811 involving any person or location engaged in the distribution
812 of tobacco may ~~utilize~~ use individuals under ~~the age of~~ 21



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813 years of age."

814 "§28-11-5

815 The board may use funding, if available, from the
816 Department of Mental Health, other state or federal agencies,
817 grants, and private or public organizations to enforce this
818 chapter and to provide and distribute tobacco, psychoactive
819 hemp products, and nicotine prevention materials to retail
820 tobacco merchants and specialty retailers of electronic
821 nicotine delivery systems. The materials shall provide
822 information regarding state and federal laws that prohibit
823 access to tobacco, tobacco products, psychoactive hemp
824 products, alternative nicotine products, and electronic
825 nicotine delivery systems by individuals under ~~the age of~~ 21
826 years of age and other appropriate information. The board may
827 also provide consultation services for establishing programs
828 to minimize or eliminate sales of tobacco, tobacco products,
829 psychoactive hemp products, alternative nicotine products, and
830 electronic nicotine delivery systems to individuals under ~~the~~
831 ~~age of~~ 21 years of age pursuant to the responsible vendor
832 program."

833 "§28-11-6.2

834 (a) No tobacco, tobacco product, alternative nicotine
835 product, or electronic nicotine delivery system shall be
836 distributed at retail through a self-service display unless
837 the display ~~is a vending machine as permitted under Section~~
838 ~~28-11-6.1 or~~ is located in a tobacco specialty store or at a
839 specialty retailer of electronic nicotine delivery systems and
840 is located in an area in which individuals under 21 years of



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841 age are not permitted access.

842 (b) A psychoactive hemp product may only be distributed
843 at retail through a self-service display if the display is
844 located in a specialty retailer of electronic nicotine
845 delivery systems and the product is located in an area in
846 which individuals under 21 years of age are not permitted
847 access.

848 (c) A violation of this section shall be subject to the
849 penalties provided in Section 28-11-9."

850 "§28-11-8

851 (a) (1) It shall be unlawful for any person to sell or
852 offer for sale tobacco, ~~or~~ tobacco products, psychoactive hemp
853 products, alternative nicotine products, or electronic
854 nicotine delivery systems without first obtaining the
855 appropriate permit from the board.

856 (2) Selling or offering for sale tobacco, ~~or~~ tobacco
857 products, alternative nicotine products, or electronic
858 nicotine delivery systems without obtaining and displaying a
859 valid permit ~~by January 1, 1998,~~ shall result in issuance of a
860 warning citation.

861 (3) Selling or offering for sale any psychoactive hemp
862 product without obtaining a valid PHP permit from the board
863 shall be subject to the violations in Section 5 of this act.

864 (b) The board shall conduct an information and
865 education campaign by its Responsible Vendor Program to inform
866 distributors of tobacco products, psychoactive hemp products,
867 alternative nicotine products, or electronic nicotine delivery
868 systems at retail or in vending machines or self-service



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869 displays of the requirements of this law. Failure to obtain or
870 display a valid permit pursuant to this chapter ~~after January~~
871 ~~1, 1998,~~ shall constitute a misdemeanor offense.

872 ~~(b) It shall be unlawful for any person to sell or~~
873 ~~offer for sale electronic nicotine delivery systems or~~
874 ~~alternative nicotine products without first obtaining the~~
875 ~~appropriate permit from the board. Failure to obtain or~~
876 ~~display a valid permit by October 30, 2019, shall result in~~
877 ~~issuance of a warning citation. The board shall conduct an~~
878 ~~information and education campaign by its Responsible Vendor~~
879 ~~Program to inform distributors of alternative nicotine~~
880 ~~products at retail or in vending machines or self-service~~
881 ~~displays of the requirements of this law. Selling or offering~~
882 ~~for sale electronic nicotine delivery systems or alternative~~
883 ~~nicotine products without obtaining and displaying a valid~~
884 ~~permit issued pursuant to this chapter by October 30, 2019,~~
885 ~~shall be a Class C misdemeanor.~~

886 (c) Each violation for selling tobacco, tobacco
887 products, psychoactive hemp products, electronic nicotine
888 delivery systems, or alternative nicotine products without a
889 valid permit shall be treated as a separate offense and be
890 punishable as follows: For the first violation by a fine of
891 not less than one hundred dollars (\$100) nor more than five
892 hundred dollars (\$500) and for each subsequent violation by a
893 fine of not less than five hundred dollars (\$500) nor more
894 than one thousand five hundred dollars (\$1,500)."

895 "§28-11-9

896 (a) Subject to the Alabama Administrative Procedure



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897 Act, Chapter 22 of Title 41, the board shall have full and
898 final authority as to the suspension or revocation for cause
899 of any permit issued pursuant to this chapter.

900 (b) (1) The board may appoint a hearing commission of at
901 least three persons which may do all of the following:

902 a. Hear and decide all contested applications for
903 permits.

904 b. Hear and decide all charges against any permit
905 holder or employee of a permit holder for violations of this
906 chapter, the law, or the rules of the board.

907 c. Revoke or suspend permits as provided in this
908 chapter.

909 d. Levy administrative fines upon permit holders or
910 employees of permit holders.

911 (2) No member of the hearing commission shall
912 participate in the hearing or disposition of any application
913 for a permit or charge against a permit holder or an employee
914 of a permit holder if he or she has an interest therein or was
915 involved in the investigation.

916 ~~(b)~~ (c) The board, or a hearing commission appointed by
917 the board, upon finding that a permit holder or any partner,
918 member, employee, officer, or director of the permit holder
919 has violated any of the laws of this state or the United
920 States relating to the manufacture, sale, possession, or
921 transportation of tobacco, tobacco products, psychoactive hemp
922 products, electronic nicotine delivery systems, or alternative
923 nicotine products, or that the permit holder has acted in a
924 manner prejudicial to the welfare, health, peace, temperance,



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925 and safety of the people of the community or of the state, ~~may~~
926 upon due notice and hearing, shall levy administrative fines
927 or suspend or revoke the permit issued by the board, or a
928 combination of all three. In all cases where the board or
929 hearing commission ~~shall levy~~ levies an administrative fine or
930 ~~suspend or revoke~~ suspends or revokes a permit, it shall set
931 forth its findings of fact, the evidence from which the
932 findings of facts are made, and the reasons upon which its
933 actions are based.

934 ~~(e)~~ (d) The fines as specified in subsection ~~(e)~~ (f)
935 shall be applicable per each violation. The permit holder or
936 employee shall remit the administrative fine to the board
937 within seven calendar days from the day that the
938 administrative fine is levied. Failure by the permit holder to
939 pay the administrative fine within that time period shall
940 result in an automatic suspension of the permit until the
941 administrative fine is paid.

942 ~~(d)~~ (e) (1) The maximum length of suspension of a permit
943 pursuant to this chapter shall be one year. A permit holder
944 shall be ineligible to hold a permit pursuant to this chapter
945 for the location where the violation occurred until the
946 expiration or removal of the suspension.

947 (2) A permit holder whose permit is revoked ~~by the~~
948 ~~board or the hearing commission shall be, at the discretion of~~
949 ~~the board or hearing commission,~~ shall be ineligible to hold a
950 permit pursuant to this chapter until the expiration of one
951 year from the date the permit is revoked at the location where
952 the violation occurred.



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953 ~~(e)~~ (f) ~~The~~ Except as otherwise provided in this
954 chapter, the following administrative ~~fin~~es may penalties
955 shall be levied for violations of this chapter ~~against valid~~
956 ~~permit holders or employees, or both:~~

957 (1) Upon conviction for a first violation by the permit
958 holder or an employee of the permit holder, the board or
959 hearing commission may offer the permit holder an opportunity
960 to provide training sessions administered by the Responsible
961 Vendor Program in lieu of an administrative fine upon the
962 permit holder and the employee, if the violation is by an
963 employee, of not more than two hundred dollars (\$200).

964 (2) Upon conviction of a second violation at the same
965 location within a two-year period, the board or hearing
966 commission may levy an administrative fine upon the permit
967 holder and the employee, if the violation is by an employee,
968 of not more than four hundred dollars (\$400).

969 (3) Upon conviction of a third or subsequent violation
970 at the same location within a two-year period, the board or
971 hearing commission may levy an administrative fine upon the
972 permit holder and the employee, if the violation is by an
973 employee, of not more than seven hundred fifty dollars (\$750).

974 (4) Upon conviction of a fourth or subsequent violation
975 at the same location within a two-year period, the board or
976 hearing commission may levy an administrative fine upon the
977 permit holder and the employee, if the violation is by an
978 employee, of not more than one thousand dollars (\$1,000) and
979 may suspend or revoke the permit.

980 ~~(f)~~ (g) Before imposition of any administrative fine,



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981 the permit holder shall be afforded all procedural rights to
982 due process in addition to those rights guaranteed by the
983 Alabama Administrative Procedure Act, Chapter 22 of Title 41."

984 "§28-11-13

985 (a) (1) It is unlawful for any individual under 21 years
986 of age to purchase, use, possess, or transport tobacco, a
987 tobacco product, a psychoactive hemp product, an electronic
988 nicotine delivery system, or other electronic battery-powered
989 device capable of being used to deliver any e-liquid, e-liquid
990 substitute, tobacco, CBD oil, THC oil, herbal extract, or
991 nicotine salt, or any analog thereof, or any other substance
992 to the individual through the inhalation of vapor, or an
993 alternative nicotine product within this state.

994 (2) For purposes of this subsection, a violation is
995 committed upon mere possession of an electronic nicotine
996 delivery system or other electronic battery-powered device as
997 described in subdivision (1), irrespective of which particular
998 e-liquid or other substance, if any, was contained or
999 otherwise used in the device.

1000 (b) It shall not be unlawful for an individual under 21
1001 years of age who is an employee of a tobacco, tobacco product,
1002 psychoactive hemp product, electronic nicotine delivery
1003 system, or alternative nicotine product permit holder to
1004 handle, transport, or sell tobacco, a tobacco product, a
1005 psychoactive hemp product, an electronic nicotine delivery
1006 system, or an alternative tobacco product if the employee is
1007 acting within the line and scope of employment and the permit
1008 holder, or an employee of the permit holder who is 21 years of



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1009 age or older, is present.

1010 (c) It is unlawful for any individual under 21 years of
1011 age to present or offer to another person proof of
1012 identification that is false, fraudulent, or not actually his
1013 or her own proof of identification in order to buy, receive,
1014 or otherwise obtain, or attempt to buy, receive, or otherwise
1015 obtain, any tobacco, tobacco product, psychoactive hemp
1016 product, electronic nicotine delivery system, or alternative
1017 nicotine product.

1018 (d) If a minor is cited for any violation under this
1019 section, the citing agency shall make reasonable efforts to
1020 notify a parent, legal guardian, or legal custodian of the
1021 minor unless the minor has been emancipated by court order or
1022 operation of law.

1023 (e) Nothing in this section shall apply to devices used
1024 to deliver medication prescribed or ordered by a physician
1025 licensed to practice medicine in this state."

1026 "§28-11-15

1027 (a) Any person who ~~distributes~~ sells at retail tobacco,
1028 ~~or~~ tobacco products, psychoactive hemp products, electronic
1029 nicotine delivery systems, or alternative nicotine products
1030 within this state shall post conspicuously and keep so posted
1031 at each location of ~~distribution~~ sale and vending machines a
1032 sign that is placed in a way that it is likely to be read by
1033 those seeking to purchase or obtain ~~tobacco or tobacco~~ any of
1034 these products. Each sign shall state that:

1035 (1) Alabama law strictly prohibits the purchase of
1036 tobacco products and psychoactive hemp products by persons



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1037 under ~~the age of~~ 21 years of age.

1038 (2) Proof of age is required for the purchase of
1039 tobacco products and psychoactive hemp products.

1040 (b) In addition to subsection (a), any retailer of
1041 psychoactive hemp products shall display in a prominent area
1042 of the retail store near the point of sale a sign that
1043 contains the following statement:

1044 "(1) Psychoactive hemp products do not claim to
1045 diagnose, treat, cure, or prevent any disease and have not
1046 been evaluated or approved by the U.S. Food and Drug
1047 Administration.

1048 (2) Consumption of this product impairs a person's
1049 ability to drive and operate machinery.

1050 (3) For persons who are pregnant, nursing, or taking
1051 medication, consult your licensed healthcare professional
1052 about safety before consuming this product."

1053 "§28-11-16

1054 (a) (1) A retailer or manufacturer of psychoactive hemp
1055 products, electronic nicotine delivery systems, or alternative
1056 nicotine products may not advertise ~~an electronic nicotine~~
1057 ~~delivery system or an alternative nicotine~~ the product in any
1058 of the following ways:

1059 a. As a tobacco cessation product.

1060 b. As a healthier alternative to smoking.

1061 c. As available for purchase in any variety of flavors
1062 other than tobacco, mint, or menthol on any outdoor billboard.

1063 d. On any outdoor billboard located within 1,000 feet
1064 of any public or private K-12 school or public playground.



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1065 e. As a drug to treat, diagnose, or cure any medical
1066 condition.

1067 f. Using any medical-related imagery, including images
1068 of doctors, nurses, syringes, or pills.

1069 g. To individuals under 21 years of age.

1070 h. On social media websites accessible to individuals
1071 under 21 years of age.

1072 i. Using unsubstantiated claims, exaggerated or false
1073 promises about the product, or misrepresenting the effect of
1074 the product on the consumer.

1075 (2) Paragraphs (1)a. and (1)b. ~~of subdivision (1)~~ are
1076 not applicable to products that have received an order from
1077 the FDA permitting the product to be marketed as a modified
1078 risk tobacco product, and are marketed in accordance with that
1079 order.

1080 (b) (1) A specialty retailer of electronic nicotine
1081 delivery systems, ~~or a~~ manufacturer of tobacco, tobacco
1082 products, electronic nicotine delivery systems, or alternative
1083 nicotine products, or a retailer of psychoactive hemp products
1084 may not in any way sponsor, finance, or advertise a
1085 scholarship of any kind using the brand name of any tobacco
1086 product, psychoactive hemp product, alternative nicotine
1087 product, or electronic nicotine delivery system.

1088 (2) A specialty retailer of electronic nicotine
1089 delivery systems, ~~or a~~ manufacturer of tobacco, tobacco
1090 products, electronic nicotine delivery systems, or alternative
1091 nicotine products, or a retailer of psychoactive hemp products
1092 may not use the brand name of any tobacco product,



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1093 psychoactive hemp product, alternative nicotine product, or
1094 electronic nicotine delivery system to advertise at or sponsor
1095 any stadium, concert, sporting event, or other public
1096 performance event for which individuals ~~aged~~ 21 years of age
1097 or older make up less than 85 percent of the total age
1098 demographic of performing participants.

1099 (3) A specialty retailer of electronic nicotine
1100 delivery systems, ~~or a~~ manufacturer of tobacco, tobacco
1101 products, electronic nicotine delivery systems, or alternative
1102 nicotine products, or a retailer of psychoactive hemp products
1103 may not advertise a tobacco product, psychoactive hemp
1104 product, electronic nicotine delivery system, or alternative
1105 nicotine product in a newspaper, magazine, periodical, or
1106 other print or digital publication distributed in this state
1107 for which less than 85 percent of the viewership or readership
1108 of the publication is made up of individuals 21 years of age
1109 or older as measured by competent and reliable survey
1110 evidence.

1111 (c) (1) A violation of subsection (a) or subsection (b)
1112 shall result in a one hundred dollar (\$100) fine for the first
1113 occurrence.

1114 (2) A second or subsequent violation of subsection (a)
1115 or subsection (b) shall result in a five hundred dollar (\$500)
1116 fine per occurrence.

1117 (3) Each day a violation of subsection (a) or
1118 subsection (b) persists shall constitute a separate and
1119 subsequent violation.

1120 (d) A retailer or manufacturer of tobacco, tobacco



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1121 products, psychoactive hemp products, electronic nicotine
1122 delivery systems, or alternative nicotine products may not
1123 advertise, market, or offer for sale tobacco, a tobacco
1124 product, a psychoactive hemp product, an electronic nicotine
1125 delivery system, or an alternative nicotine product in any of
1126 the following ways:

1127 (1) By using, in the labeling or design of the product,
1128 its packaging, or in its advertising or marketing materials,
1129 the terms "candy" or "candies," any variant of these words, or
1130 any other term referencing a type or brand of candy, including
1131 types or brands of candy that do not include the words "candy"
1132 or "candies" in their names or slogans.

1133 (2) By using, in the labeling or design of the product,
1134 its packaging, or in its advertising or marketing materials,
1135 the terms "cake" or "cakes" or "cupcake" or "cupcakes" or
1136 "pie" or "pies," any variant of these words, or any other term
1137 referencing a type or brand of cake, pastry, or pie, including
1138 types or brands of cakes, pastries, or pies that do not
1139 include the words "cake" or "cakes" or "cupcake" or "cupcakes"
1140 or "pie" or "pies" in their names or slogans.

1141 (3) By using, in the labeling or design of the product,
1142 its packaging, or in its advertising or marketing materials,
1143 trade dress, trademarks, branding, or other related imagery
1144 that imitates or replicates those of food brands or other
1145 related products that are marketed to minors, including, but
1146 not limited to, breakfast cereal, cookies, juice drinks, soft
1147 drinks, frozen drinks, ice creams, sorbets, sherbets, and
1148 frozen pops.



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1149 (4) By using, in the labeling or design of the product,
1150 its packaging, or in its advertising or marketing materials,
1151 trade dress, trademarks, branding, or other related imagery
1152 that depicts or signifies characters or symbols that are known
1153 to appeal primarily to minors, including, but not limited to,
1154 superheroes, comic book characters, video game characters,
1155 television show characters, movie characters, mythical
1156 creatures, unicorns, or that otherwise incorporates related
1157 imagery or scenery."

1158 "§28-11-19

1159 (a) ~~Beginning January 1, 2020, a~~ A county or
1160 municipality may not issue a license to conduct business as a
1161 specialty retailer of psychoactive hemp products or electronic
1162 nicotine delivery systems if the retail business is located
1163 within 1,000 feet of any of the following:

1164 (1) A public or private K-12 school.

1165 (2) A licensed ~~child-care~~ child care facility or
1166 preschool.

1167 (3) A church.

1168 (4) A public library.

1169 (5) A public playground.

1170 (6) A public park.

1171 (7) A youth center or other space used primarily for
1172 youth-oriented activities.

1173 (b) This section does not apply to a specialty retailer
1174 of electronic nicotine delivery systems that obtained a
1175 business license at a location prohibited in subsection (a)
1176 prior to January 1, 2020, that has conducted business as a



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1177 specialty retailer of electronic nicotine delivery systems at
1178 that location for at least 18 consecutive months, and that
1179 remains in the same location."

1180 Section 3. Sections 28-11-1.1, 28-11-1.2, 28-11-7.1,
1181 28-11-15.1, 28-11-16.1, 28-11-17.2, and 28-11-22 are added to
1182 the Code of Alabama 1975, to read as follows:

1183 §28-11-1.1

1184 Nothing in this chapter shall prevent the governing
1185 body of any county or municipality to ban or further regulate
1186 where or when psychoactive hemp products may be sold within
1187 the respective jurisdiction of the county or municipality.

1188 §28-11-1.2

1189 (a) The possession, sale, consumption, use, and
1190 delivery of psychoactive hemp products within this state shall
1191 be regulated and enforced by the board through the permitting
1192 of distributors and retailers of psychoactive hemp products,
1193 as provided in this chapter.

1194 (b) The board may enter upon the premises of any holder
1195 of a PHP permit to examine, or cause to be examined by any
1196 agent or representative designated by the board for that
1197 purpose, any books, papers, or other records and to secure
1198 other information directly or indirectly relating to the
1199 enforcement of this chapter.

1200 (c) Any psychoactive hemp product found not complying
1201 with this chapter shall be considered contraband and may be
1202 seized by the board or its agents or by any law enforcement
1203 officer of the State of Alabama without a warrant, and the
1204 goods shall be delivered to, and disposed of by, the board.



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1205 (d) The board may revoke a PHP permit of any person
1206 that purposefully falsifies any document or record required of
1207 a PHP permit holder under this chapter.

1208 (d) The board may adopt rules to administer this
1209 chapter as it relates to psychoactive hemp products.

1210 §28-11-7.1

1211 (a) Any person who distributes or sells at retail
1212 psychoactive hemp products within this state shall first
1213 obtain a PHP permit from the board for each location of
1214 distribution.

1215 (b) Upon application, there shall be a one-time,
1216 nonrefundable filing fee of one hundred dollars (\$100), in
1217 addition to a permit fee of five hundred dollars (\$500), which
1218 shall be renewed annually. A permit shall be valid only for
1219 the location specified in the permit application.

1220 (c) Fees collected under this section shall be
1221 deposited in the State Treasury to the credit of the Alcoholic
1222 Beverage Control Board to be used for operational costs of
1223 enforcing this chapter and tobacco, nicotine, and psychoactive
1224 hemp product prevention education.

1225 (d) Any person who distributes or sells a psychoactive
1226 hemp product without a permit shall be subject to Section 5.

1227 §28-11-15.1

1228 (a) Prior to initiating a sale of tobacco, tobacco
1229 products, psychoactive hemp products, electronic nicotine
1230 delivery systems, or alternative nicotine products to an
1231 individual, an employee of the retailer must verify that the
1232 individual is at least 21 years of age.



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1233 (b) Proof of age may be established only by one of the
1234 following:

1235 (1) A valid driver license of any state.

1236 (2) A valid United States Uniformed Service
1237 Identification.

1238 (3) A valid passport.

1239 (4) A valid identification issued by any agency of a
1240 state for the purpose of identification, bearing a photograph
1241 and date of birth of the individual in question.

1242 (c) The board shall levy a civil penalty against any
1243 retailer who sells tobacco, tobacco products, psychoactive
1244 hemp products, electronic nicotine delivery systems, or
1245 alternative nicotine products to an individual under 21 years
1246 of age as follows:

1247 (1) One thousand five hundred dollars (\$1,500) for a
1248 first offense.

1249 (2) Two thousand five hundred dollars (\$2,500) for a
1250 second offense.

1251 (3) Five thousand dollars (\$5,000) for a third offense.

1252 (4) Revocation of all licenses and permits issued by
1253 the board to the retailer for a fourth offense. In addition,
1254 the board shall not issue any license or permit under this
1255 title until the expiration of one year from the date the
1256 license or licenses are revoked at the location where the
1257 violation occurred.

1258 (d) In addition to the penalties described in
1259 subsection (c), a retailer who violates this section shall
1260 notify the person from whom the retailer purchased the product



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1261 of the violation. For a third or fourth offense, the person
1262 shall be vicariously liable and subject to the same penalties
1263 as the retailer.

1264 §28-11-16.1

1265 (a) Every container of psychoactive hemp products must
1266 bear a label that contains, at a minimum:

1267 (1) The name, location, contact phone number, and
1268 website of the manufacturer of the product;

1269 (2) The name and address of the independent, accredited
1270 laboratory used by the manufacturer to test the product;

1271 (3) The batch number;

1272 (4) The total number of milligrams of psychoactive
1273 cannabinoids found in the container;

1274 (5) The serving size, provided one gummy may not
1275 contain more than one serving;

1276 (6) The total number of milligrams of psychoactive
1277 cannabinoids per serving, provided one serving may not contain
1278 more than 10 milligrams of total psychoactive cannabinoids;

1279 (7) The International Intoxicating Cannabinoid Product
1280 Symbol (IICPS);

1281 (8) A list of ingredients, including identification of
1282 any major food allergens declared by name;

1283 (9) A statement that the psychoactive hemp product does
1284 not claim to diagnose, treat, cure, or prevent any disease and
1285 has not been evaluated or approved by the U.S. Food and Drug
1286 Administration (FDA), unless the product has been so approved;
1287 and

1288 (10) The following warnings:



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- 1289 a. To keep the product out of reach of children;
- 1290 b. That consumption of the product impairs person's
1291 ability to drive and operate machinery;
- 1292 c. For persons who are pregnant, nursing, or taking
1293 medications, to consult their licensed healthcare professional
1294 about safety before consuming the product;
- 1295 d. That the product is not intended for sale to or use
1296 by persons under 21 years of age;
- 1297 e. That the psychoactive cannabinoids in the product
1298 are derived from hemp.
- 1299 (b) Containers of psychoactive hemp products may not:
- 1300 (1) Bear the likeness or contain cartoon-like
1301 characteristics of a real or fictional person, animal, or
1302 fruit that appeals to children;
- 1303 (2) Be modeled after a brand of products primarily
1304 consumed by or marketed to children;
- 1305 (3) Contain an ingredient, other than a psychoactive
1306 cannabinoid, that is not approved by the United States Food
1307 and Drug Administration for use in the product;
- 1308 (4) Include a statement, artwork, or design that could
1309 reasonably mislead an individual to believe that the package
1310 contains anything other than a psychoactive hemp product; or
- 1311 (5) Contain caffeine; provided, however, psychoactive
1312 hemp products may contain naturally occurring caffeine derived
1313 from ingredients such as coffee, tea, or other natural
1314 sources, so long as the caffeine does not exceed levels deemed
1315 safe by generally accepted dietary guidelines.
- 1316 (c) Any psychoactive hemp products found not complying



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1317 with this section shall be considered contraband and may be
1318 seized by the board or its agents or by any law enforcement
1319 officer of the State of Alabama without a warrant, and the
1320 goods shall be delivered to, and disposed of by, the board.

1321 §28-11-17.2

1322 (a) Prior to making any sales within this state, the
1323 PHP permit holder or the manufacturer of the psychoactive hemp
1324 product shall submit representative samples of each batch of
1325 the product to be sold within this state to an independent,
1326 accredited laboratory for a certificate of analysis
1327 certifying, at a minimum, that the product:

1328 (1) Contains an amount of delta-8 tetrahydrocannabinol,
1329 delta-9 tetrahydrocannabinol, delta-10 tetrahydrocannabinol,
1330 or any other psychoactive cannabinoid not exceeding that which
1331 is stated on the label of the product; and

1332 (2) Does not contain more than trace amounts of any
1333 mold, residual solvents or other catalysts, pesticides,
1334 fertilizers, or heavy metals.

1335 (b) A manufacturer must disclose all known information
1336 regarding pesticides, fertilizers, solvents, or other foreign
1337 materials applied to hemp or added to hemp during any
1338 production or processing stages of any batch from which a
1339 representative sample has been sent for testing, including any
1340 catalysts used to create psychoactive cannabinoids. The
1341 disclosure must be made to the laboratory performing testing
1342 or sampling and, upon request, to the board. The disclosure
1343 must include all information known to the manufacturer
1344 regardless of whether the application or addition was made



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1345 intentionally or accidentally, or by the manufacturer or any
1346 other person.

1347 §28-11-22

1348 (a) An excise tax at the rate of 10 percent is levied
1349 on the retail sales price of a psychoactive hemp product. The
1350 tax is in addition to any other tax imposed by federal, state,
1351 or local law.

1352 (b) The tax levied by this section is intended to be
1353 passed on to and borne by the purchaser of the psychoactive
1354 hemp product. The tax is a debt from the purchaser to the
1355 retailer until paid. The retailer is considered to act as a
1356 trustee on behalf of the board when the retailer collects the
1357 tax from the purchaser on a taxable transaction. The tax must
1358 be stated and charged separately on any documentation provided
1359 to the purchaser by the retailer at the time of the
1360 transaction.

1361 (c) The tax levied during the preceding month is due
1362 and payable monthly to the board on the first day of each
1363 month, and for the purpose of ascertaining the amount of tax
1364 payable under this section, all retailers making taxable sales
1365 on or before the twentieth day of each month shall transmit to
1366 the board, upon forms prescribed by the board, returns showing
1367 gross sales during the preceding month.

1368 (d) The revenue generated from the tax shall be
1369 distributed as follows:

1370 (1) Forty percent to the State General Fund.

1371 (2) Thirty-five percent shall be retained by the board
1372 for regulatory and administrative purposes.



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1373 (3) Fifteen percent divided equally between the board
1374 and the Alabama State Law Enforcement Agency to be retained by
1375 each for purposes of enforcement.

1376 (4) Ten percent to the treasury of the municipality in
1377 which the psychoactive hemp products were sold within its
1378 corporate limits, or, where sold outside the corporate limits
1379 of any municipality, to the treasury of the county in which
1380 the psychoactive hemp products were sold for the purposes of
1381 enforcement.

1382 (e) The taxes levied pursuant to this section are
1383 exclusive and shall be in lieu of all other and additional
1384 taxes and licenses of the state, county, or municipality,
1385 imposed on the sale of psychoactive hemp products; provided,
1386 that nothing herein contained shall be construed to exempt the
1387 retail sale of psychoactive hemp products from the levy of tax
1388 on general retail sales by the state, county, or municipality
1389 in the nature of, or in lieu of, a general sales tax.

1390 Section 4. (a) It shall be unlawful for any person to
1391 sell or offer for sale a psychoactive hemp product, as defined
1392 in Section 28-11-2, Code of Alabama 1975, or a hemp beverage,
1393 as defined in Section 28-12-3, Code of Alabama 1975, without
1394 first obtaining the appropriate permit or license from the
1395 Alcoholic Beverage Control Board.

1396 (b) Any person who sells or offers for sale a
1397 psychoactive hemp product or hemp beverage in violation of
1398 this section shall be subject to the following violations:

1399 (1) For a first offense, the board shall levy a civil
1400 penalty of five thousand dollars (\$5,000).



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1401 (2) For a second offense, the board shall levy a civil
1402 penalty of seven thousand five hundred dollars (\$7,500).

1403 (3) For a third offense, the board shall levy a civil
1404 penalty of ten thousand dollars (\$10,000), the person shall be
1405 guilty of a Class C felony, and the court shall order any
1406 business licenses of the person to be revoked.

1407 Section 5. Section 13A-12-214.4, Code of Alabama 1975,
1408 is amended to read as follows:

1409 "§13A-12-214.4

1410 (a) As used in this section, "~~psychoactive cannabinoids~~
1411 smokable hemp product" means any plant product or raw hemp
1412 material that: (i) contains cannabinoids derived from or found
1413 in hemp as defined in Section 2-8-381, including, but not
1414 limited to, ~~delta-8-tetrahydrocannabinol and~~
1415 ~~delta-10-tetrahydrocannabinol~~cannabidiol (CBD),
1416 delta-8-tetrahydrocannabinol (delta-8 THC),
1417 delta-9-tetrahydrocannabinol (delta-9 THC), and
1418 delta-10-tetrahydrocannabinol (delta-10 THC), and (ii) is
1419 marketed to be smoked, including, but not limited to, as hemp
1420 cigarettes, hemp cigars, hemp joints, whole hemp buds, or
1421 ground hemp flowers.

1422 ~~(b) Except as provided in Chapter 2A of Title 20,~~
1423 ~~psychoactive cannabinoids shall not be sold, distributed, or~~
1424 ~~marketed to, or possessed by an individual who is under 21~~
1425 ~~years of age.~~

1426 ~~(c) Any psychoactive cannabinoids lawfully sold in this~~
1427 ~~state must be located in an area in which individuals under~~
1428 ~~the age of 21 years are not permitted access.~~



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1429 ~~(d) Any person who sells, distributes, or markets~~
1430 ~~psychoactive cannabinoids to individuals under 21 years of age~~
1431 ~~shall be guilty of a Class B misdemeanor.~~

1432 ~~(e) Any individual under 21 years of age who is in~~
1433 ~~possession of psychoactive cannabinoids shall be issued a~~
1434 ~~citation similar to a uniform nontraffic citation and shall be~~
1435 ~~fined not less than fifty dollars (\$50) nor more than two~~
1436 ~~hundred dollars (\$200) for each violation or community service~~
1437 ~~in equal value of the fine and shall be assessed no other~~
1438 ~~court costs or fees. In addition, on a third or subsequent~~
1439 ~~conviction, including convictions in district court or~~
1440 ~~municipal court, the individual shall be issued a citation~~
1441 ~~similar to a uniform nontraffic citation and shall be fined~~
1442 ~~four hundred dollars (\$400) for each violation or community~~
1443 ~~service in equal value of the fine.~~

1444 ~~(f) Any psychoactive cannabinoids sold in this state~~
1445 ~~shall be packaged in child-resistant containers~~

1446 (b) Except as otherwise authorized by law, a person
1447 commits the crime of unlawful possession of a smokable hemp
1448 product in the first degree if:

1449 (1) He or she possesses smokable hemp products for
1450 other than personal use; or

1451 (2) He or she possesses smokable hemp products for his
1452 or her personal use only after having been previously
1453 convicted of: (i) unlawful possession of smokable hemp
1454 products in the second degree; (ii) unlawful possession of
1455 marijuana in the second degree; or (iii) unlawful possession



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1456 of smokable hemp products for his or her personal use only.

1457 (c) Unlawful possession of smokable hemp products in
1458 the first degree pursuant to subdivision (b) (1) is a Class C
1459 felony.

1460 (d) Unlawful possession of smokable hemp products in
1461 the first degree pursuant to subdivision (b) (2) is a Class D
1462 felony."

1463 Section 6. Section 13A-12-214.5 is added to the Code of
1464 Alabama 1975, to read as follows:

1465 §13A-12-214.5

1466 (a) A person commits the crime of unlawful possession
1467 of smokable hemp products in the second degree if, except as
1468 otherwise authorized, he or she possesses smokable hemp
1469 products for his or her personal use only.

1470 (b) Unlawful possession of smokable hemp products in
1471 the second degree is a Class A misdemeanor.

1472 Section 7. If any provision of Section 1 or Section 2,
1473 or its application to any person or circumstance, is
1474 determined by a court to be invalid or unconstitutional, that
1475 provision shall be stricken and the remaining provisions shall
1476 be construed in accordance with the intent of the Legislature
1477 to further limit rather than expand commerce in hemp
1478 beverages.

1479 Section 8. This act shall become effective on July 1,
1480 2025, except Section 5 shall become effective on January 1,
1481 2026.