



Alabama Medical Cannabis Commission

Montgomery, Alabama

May 17, 2021 through September 30, 2025

Filed: March 20, 2026

ALABAMA DEPARTMENT OF
EXAMINERS of Public Accounts

Rachel Laurie Riddle, *Chief Examiner* | 334-777-0500 | www.alexaminers.gov



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Honorable Rachel Laurie Riddle
Chief Examiner of Public Accounts
Montgomery, Alabama 36130

Dear Madam:

An examination was conducted on the Alabama Medical Cannabis Commission, Montgomery, Alabama, for the period May 17, 2021 through September 30, 2025. Under the authority of the *Code of Alabama 1975*, Section 41-5A-19, I hereby swear to and submit this report to you on the results of the examination.

Respectfully submitted,

A handwritten signature in blue ink that reads 'Rodney Wagstaff'. The signature is written in a cursive, flowing style.

Rodney Wagstaff
Examiner of Public Accounts

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Department of
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EXAMINER'S SUMMARY

**Alabama Medical Cannabis Commission
May 17, 2021 through September 30, 2025**

PURPOSE AND SCOPE OF EXAMINATION

This report presents the results of an examination of the Alabama Medical Cannabis Commission (the "Commission") and a review of the Commission's compliance with applicable laws and regulations of the State of Alabama. This examination was conducted in accordance with the requirements of the Department of Examiners of Public Accounts under the authority of the *Code of Alabama 1975*, Section 41-5A-12. The examination was performed to determine whether the public officers, agents, and employees of the Commission properly and lawfully accounted for all money and other public assets, or resources received, disbursed, or in the custody of the Commission.

This examination included procedures to determine whether the Commission complied with the state laws and regulations that pertain to its financial transactions; personnel; safeguarding of state-owned assets, property, and resources; information dissemination, processing, and retention; and official actions, rulemaking procedures, and meetings. The Commission's internal control policies and procedures relating to the areas listed above were also reviewed; however, this examination did not encompass managerial and operational matters, such as whether the Commission accomplished its mission or its regulatory, enforcement, investigative, or other oversight activities in an efficient, fair, timely, or legal manner.

The mission and purpose of the Commission is described in the accompanying Agency Overview. The Commission's financial information for the examination period is shown on Exhibits 1 through 3.

RESULTS OF THE EXAMINATION

Nonconsumable personal property in the custody of the Commission was compared with the property records maintained by the Property Inventory Control Division of the State Auditor's Office as required by the *Code of Alabama 1975*, Section 36-16-9. Testing revealed no discrepancies.

Findings

The following instances of noncompliance with State laws and regulations and other matters were found during the examination, as shown on the Schedule of State Legal Compliance and Other Findings and they are summarized below.

- ◆ 2025-001: The Commission does not have a Records Disposition Authority (RDA) approved by the State Records Commission and did not submit annual RDA Implementation Reports to the State Records Commission as required.
- ◆ 2025-002: The Commission did not comply with all requirements of the Alabama Open Meetings Act.
- ◆ 2025-003: The Commission made payments to a vendor for legal services that exceeded the total amount of the contract.
- ◆ 2025-004: The Commission did not adopt rules in accordance with the Alabama Administrative Procedures Act to establish a fee schedule.
- ◆ 2025-005: The Commission adopted an administrative rule relating to reporting lost or stolen medical cannabis cards that conflicts with statutes.

EXIT CONFERENCE

An exit conference was held on February 26, 2026. Individuals in attendance were Loree J. Skelton, Commission Member; John McMillan, Executive Director; Daniel Autrey, Assistant Director; Justin Aday, General Counsel; and Brandy Hathcock, Accountant; along with Daniel Dupree and Rodney Wagstaff from the Department of Examiners of Public Accounts.



Department of
Examiners of Public Accounts

AGENCY OVERVIEW

**Alabama Medical Cannabis Commission
May 17, 2021 through September 30, 2025**

The Alabama Medical Cannabis Commission (the “Commission”) was created on May 17, 2021 upon the passage of Act Number 2021-450, Acts of Alabama, and operates under the authority of the *Code of Alabama 1975*, Sections 20-2A-1 through 20-2A-100. The Commission exercises license and regulatory authority over businesses engaged in the cultivation, manufacturing, processing, research and development, transportation, testing, or sale of medical cannabis. The Commission licenses integrated facilities, cultivators, processors, dispensaries, secure transporters, and state testing laboratories.

The Commission operates from a special revenue fund held in the State’s Treasury. The Commission’s operating funds are derived from fees collected by the Commission in carrying out its statutory mission. The Commission is subject to the State’s normal budget procedures but is not limited by the fiscal year appropriation cap.

Beginning October 1, 2025, any unexpended funds in excess of actual expenses from the previous fiscal year shall be distributed in accordance with the *Code of Alabama 1975*, Section 20-2A-10. This section provides that the Commission can retain ten percent of the balance and shall transfer sixty percent of the balance to the General Fund and thirty percent of the balance to the to the Medical Cannabis Research Fund established pursuant to the *Code of Alabama 1975*, Section 20-2A-100(f).

The Commission Members and Official in charge of governance of the Commission are shown in Exhibit 4. Additional information on the Alabama Medical Cannabis Commission can be found on their website at <https://amcc.alabama.gov>.

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*Schedule of State Legal
Compliance and Other Findings*

Schedule of State Legal Compliance and Other Findings
May 17, 2021 through September 30, 2025

Ref. No.	Finding/Noncompliance
2025-001	<p><u>Finding:</u> The Alabama Medical Cannabis Commission (the “Commission”) does not have a Records Disposition Authority (RDA) approved by the State Records Commission. Additionally, the Commission did not submit an annual RDA Implementation Report to the State Records Commission in January 2022, 2023, 2024 and 2025 for the prior fiscal years.</p> <p>The <i>Code of Alabama 1975</i>, Section 41-13-21, states, in part, “No state officer or agency head shall cause any state record to be destroyed or otherwise disposed of without first obtaining approval of the State Records Commission”. This approval takes the form of a Records Disposition Authority (RDA), which is a formal document that specifies the retention period for each type of record produced by a state agency. Additionally, to ensure that public records are properly preserved, the Department of Archives and History requires all state agencies to submit an annual Record Disposition Authority Implementation Report to the State Records Commission on January 15 for the previous fiscal year.</p> <p>Failure by the Commission to comply with public records retention requirements could have allowed for the improper destruction of records.</p> <p><u>Recommendation:</u> The Commission should obtain approval from the State Records Commission to develop a Records Disposition Authority and file annual reports with the State Records Commission.</p>
2025-002	<p><u>Finding:</u> The Commission did not comply with all requirements of the Alabama Open Meetings Act.</p> <p>The minutes of sixty-two Commission meetings were reviewed. The minutes of the meetings did not always reflect:</p> <ul style="list-style-type: none">◆ The recording of the Commission’s vote to start the Administrative Procedures Act process for adopting ten sections of proposed initial administrative rules.◆ The recording of the approximate time of an executive session or if the regular meeting would be reconvened.◆ The members in attendance.◆ Whether the Commission members attended meetings virtually or in person.◆ The recording of the physical location of the meeting.

Schedule of State Legal Compliance and Other Findings
May 17, 2021 through September 30, 2025

Ref. No.	Finding/Noncompliance
	<p><u>Finding Continued:</u> Additionally, one notice for an open meeting did not state the physical location of the meeting.</p> <p>Noncompliance with the Alabama Open Meetings Act weakens the guarantee that Alabama citizens have open access to governmental bodies which conduct the people’s business. Additionally, noncompliance could result in the invalidation of actions taken by the Commission.</p> <p>The <i>Code of Alabama 1975</i>, Title 36, Chapter 25A, commonly known as the Alabama Open Meetings Act, guarantees that Alabama’s citizens have open access to agencies, boards, commissions, and other governmental bodies which conduct the people’s business.</p> <p>The <i>Code of Alabama 1975</i>, Section 36-25A-3(c) states, “Posted notice pursuant to this section shall include the time, date, and place of meeting.”</p> <p>Additionally, the <i>Code of Alabama 1975</i>, Section 36-25A-4 states, “A governmental body shall maintain accurate records of its meetings, excluding executive sessions, setting forth the date, time, place, members present or absent, and action taken at each meeting. Except as otherwise provided by law, the records of each meeting shall become a public record and be made available to the public as soon as practicable after approval.”</p> <p>Further, the <i>Code of Alabama 1975</i>, Section 36-25A-7(b) states in part, “A governmental body desiring to convene an executive session, other than to conduct a quasi-judicial or contested case hearing, shall utilize the following procedure: (4) Prior to calling the executive session to order, the presiding officer shall state whether the governmental body will reconvene after the executive session and, if so, the approximate time the body expects to reconvene.”</p> <p><u>Recommendation:</u> The Commission should comply with all requirements of the Alabama Open Meetings Act.</p>

Schedule of State Legal Compliance and Other Findings
May 17, 2021 through September 30, 2025

Ref. No.	Finding/Noncompliance
2025-003	<p><u>Finding:</u> The Commission made payments to a vendor for legal services that exceeded the total amount of the contract.</p> <p>The Commission is responsible for ensuring invoices are accurate and payments are made in accordance with the state pay rate and will not exceed the total contract amount.</p> <p>A review of the Commission’s payments to vendors for contracted services disclosed that a vendor providing legal services received payments for an amount in excess of the total contract amount. The total contract amount was \$400,000.00 and the vendor received \$604,197.55, resulting in an overpayment of \$204,197.55. The overpayment occurred due to the Commission’s failure to properly monitor payments on the contract to ensure payments were made within the contract terms.</p> <p>The Commission’s failure to properly monitor the contract payments resulted in the vendor filing a claim with the Alabama Board of Adjustments that was subsequently ordered to be paid.</p> <p><u>Recommendation:</u> The Commission should ensure vendors are paid in accordance with the contract terms and payments do not exceed the total contract amount.</p>
2025-004	<p><u>Finding:</u> The Commission did not adopt rules in accordance with the Alabama Administrative Procedures Act to establish a fee schedule.</p> <p>The Commission’s administrative rules did not reflect specific fee amounts for any licenses and registrations. Since the fee amounts were not set in the law, the amounts charged must be set by an administrative rule.</p> <p>The Commission has not established administrative rules setting the specific amount to be charged for the following fees:</p> <ul style="list-style-type: none"> ◆ Patient and Caregiver Initial and Renewal Registration Fees ◆ Patient and Caregiver Medical Cannabis Card Replacement Fee ◆ Business Application Corrections Processing Fee for Response to Notice of Deficiency ◆ Business Application Corrections Processing Fee for Extraordinary Circumstances ◆ Business Annual License Fees ◆ Business Untimely License Renewal Fees ◆ Business License Transfer Fees ◆ Business Investigative Hearing Fees

Schedule of State Legal Compliance and Other Findings
May 17, 2021 through September 30, 2025

Ref. No.	Finding/Noncompliance
	<p><u>Finding Continued:</u> As a result, the Commission charged fees for which a specified amount was not set by administrative rule as required by law.</p> <p>Additionally, the Commission temporarily reduced the Business Annual License Fees for licenses expiring at the end of December 2024 without amending its administrative rules in accordance with the Alabama Administrative Procedures Act .</p> <p>The <i>Code of Alabama 1975</i>, Section 41-22-3(9) defines a rule, in part, as “Each agency rule, regulation, standard, or statement of general applicability that implements, interprets, or prescribes law or policy, or that describes the organization, procedure, or practice requirements of any agency and includes any form which imposes any requirement or solicits any information not specifically required by statute or by an existing rule or by federal statute or by federal rule or regulation; provided, however, all forms shall be filed with the secretary of the agency and with the Legislative Services Agency, Legal Division, and all forms, except intergovernmental, interagency, and intra-agency forms which do not affect the rights of the public and emergency forms adopted pursuant to Section 41-22-5, shall be published in the Agency Administrative Code.”</p> <p><u>Recommendation:</u> The Commission should adopt and amend fees in accordance with the Alabama Administrative Procedures Act.</p>

Financial Information

Summary Schedule of Cash Receipts, Disbursements and Balances
All Funds
For the Period May 17, 2021 through September 30, 2025

	General Fund	Medical Cannabis Commission Fund	Total
<u>Receipts</u>			
General Fund Appropriation	\$ 21,695,648.00	\$	\$ 21,695,648.00
Cannabis License and Fees		2,774,625.50	2,774,625.50
Transfer In from Departmental Emergency Fund		500,000.00	500,000.00
Total Receipts	<u>21,695,648.00</u>	<u>3,274,625.50</u>	<u>24,970,273.50</u>
<u>Disbursements</u>			
Personnel Costs	3,104,538.33	294,293.60	3,398,831.93
Employee Benefits	910,131.61	82,230.79	992,362.40
Travel, In-State	26,260.54	1,733.56	27,994.10
Travel, Out-of-State	8,021.69	1,080.74	9,102.43
Repairs and Maintenance	32,253.11	2,499.19	34,752.30
Rentals and Leases	479,529.28	58,522.01	538,051.29
Utilities and Communication	34,622.26	5,084.47	39,706.73
Professional Services	4,210,683.31	380,819.33	4,591,502.64
Supplies, Materials and Operating Expenses	55,435.76	9,861.29	65,297.05
Transportation Equipment Operations	10,440.45	3,451.51	13,891.96
Transportation Equipment Purchases	75,384.00		75,384.00
Other Equipment Purchases	3,545.80	30,684.12	34,229.92
Prior Year Reversions to General Fund	369,480.22		369,480.22
Current Year Reversions to General Fund	11,932,496.30		11,932,496.30
Total Disbursements	<u>21,252,822.66</u>	<u>870,260.61</u>	<u>22,123,083.27</u>
Excess (Deficiency) of Receipts Over Disbursements	442,825.34	2,404,364.89	2,847,190.23
Cash Balances at Beginning of Year			
Cash Balances at End of Year	442,825.34	2,404,364.89	2,847,190.23
Reserved for Year-End Obligations	<u>(442,825.34)</u>		<u>(442,825.34)</u>
Unobligated Cash Balances at End of Year	<u>\$</u>	<u>\$ 2,404,364.89</u>	<u>\$ 2,404,364.89</u>

Schedule of Cash Receipts, Disbursements and Balances

General Fund

For the Period May 17, 2021 through September 30, 2025

	2025-2024	2024-2023	2023-2022	2022-2021	Total
Receipts					
General Fund Appropriation	\$ 5,442,307.00	\$ 6,396,301.00	\$ 6,357,040.00	\$ 3,500,000.00	\$ 21,695,648.00
Disbursements					
Personnel Costs	983,370.93	1,002,236.40	865,527.60	253,403.40	3,104,538.33
Employee Benefits	295,574.16	295,879.37	247,155.73	71,522.35	910,131.61
Travel, In-State	4,225.59	16,437.44	3,918.79	1,678.72	26,260.54
Travel, Out-of-State	1,848.89	103.50	6,069.30		8,021.69
Repairs and Maintenance	14,288.30	9,351.84	6,719.56	1,893.41	32,253.11
Rentals and Leases	202,011.49	174,754.16	83,596.89	19,166.74	479,529.28
Utilities and Communications	10,890.90	11,809.13	10,066.44	1,855.79	34,622.26
Professional Services	1,163,568.33	1,973,885.59	854,117.13	219,112.26	4,210,683.31
Supplies, Materials and Operating Expenses	15,170.39	18,540.98	19,051.08	2,673.31	55,435.76
Transportation Equipment Operations	2,430.58	2,431.22	5,114.70	463.95	10,440.45
Transportation Equipment Purchases	75,384.00				75,384.00
Other Equipment Purchases		1,222.04	2,323.76		3,545.80
Prior Year Reversions to General Fund	66,186.45	286,120.09	17,173.68		369,480.22
Current Year Reversions to General Fund	2,527,955.55	2,767,593.47	3,809,303.33	2,827,643.95	11,932,496.30
Total Disbursements	5,362,905.56	6,560,365.23	5,930,137.99	3,399,413.88	21,252,822.66
Excess (Deficiency) of Receipts Over Disbursements	79,401.44	(164,064.23)	426,902.01	100,586.12	442,825.34
Cash Balances at Beginning of Year	363,423.90	527,488.13	100,586.12		
Cash Balances at End of Year	442,825.34	363,423.90	527,488.13	100,586.12	442,825.34
Reserved for Year-End Obligations	(442,825.34)	(363,423.90)	(527,488.13)	(100,586.12)	(442,825.34)
Unobligated Cash Balances at End of Year	\$	\$	\$	\$	\$

Schedule of Cash Receipts, Disbursements and Balances
Medical Cannabis Commission Fund
For the Period May 17, 2021 through September 30, 2025

	2025-2024	2024-2023	2023-2022	2022-2021	2021-2020	Total
Receipts						
Cannabis License and Fees	\$ 526,472.50	\$ 873,379.00	\$ 1,374,774.00	\$	\$	\$ 2,774,625.50
Transfer In from Departmental Emergency Fund					500,000.00	500,000.00
Total Receipts	526,472.50	873,379.00	1,374,774.00		500,000.00	3,274,625.50
Disbursements						
Personnel Costs				294,293.60		294,293.60
Employee Benefits				82,230.79		82,230.79
Travel, In-State				1,733.56		1,733.56
Travel, Out-of-State				1,080.74		1,080.74
Repairs and Maintenance				2,499.19		2,499.19
Rentals and Leases			255.74	58,266.27		58,522.01
Utilities and Communications			273.46	4,811.01		5,084.47
Professional Services		372,134.00		8,685.33		380,819.33
Supplies, Materials and Operating Expenses				9,861.29		9,861.29
Transportation Equipment Operations				3,451.51		3,451.51
Other Equipment Purchases			30,684.12			30,684.12
Total Disbursements		372,134.00	31,213.32	466,913.29		870,260.61
Excess (Deficiency) of Receipts Over Disbursements	526,472.50	501,245.00	1,343,560.68	(466,913.29)	500,000.00	2,404,364.89
Cash Balances at Beginning of Year	1,877,892.39	1,376,647.39	33,086.71	500,000.00		
Cash Balances at End of Year	2,404,364.89	1,877,892.39	1,376,647.39	33,086.71	500,000.00	2,404,364.89
Reserved for Year-End Obligations				(132,694.66)		
Unobligated Cash Balances at End of Year	\$ 2,404,364.89	\$ 1,877,892.39	\$ 1,376,647.39	\$ (99,607.95)	\$ 500,000.00	\$ 2,404,364.89

Other Information

Commission Members and Official
May 17, 2021 through September 30, 2025

Commission Members		Term Expires
Hon. Rex Vaughn	Chairman	2028
Hon. Harry Mac Barnes, III, PhD	Member	2029
Hon. Sam Blakemore, RPh	Member	2028
Hon. Dwight Gamble	Member	2027
Hon. James Harwell	Member	2027
Hon. Jimmie Huling Harvey, MD	Member	2027
Hon. Taylor Hatchett	Member	2026
Hon. Eric Jensen, PhD	Member	2028
Hon. Angela Martin, MD	Member	2026
Hon. Charles Price	Member	2029
Hon. Katherine Robertson	Member	2024 (1)
Hon. Dion Robinson	Member	2026
Hon. William Saliski, MD	Member	2029
Hon. Loree Skelton	Member	2029
Hon. Steven Stokes, MD	Member	2027 (2)

Commission Members and Official
May 17, 2021 through September 30, 2025

Commission Members		Term Expires
Hon. Jerzy Szaflarski, MD	Member	2025 (3)
Hon. Bryan Taylor	Member	2024 (4)

Official

Mr. John McMillan

Executive Director
445 Dexter Avenue, Suite 8040
Montgomery, AL 36104
Phone: 334-242-4204
Website: <https://amcc.alabama.gov>

- (1) Resigned January 11, 2022
- (2) Resigned August 3, 2023
- (3) Resigned April 15, 2024
- (4) Not confirmed by Senate