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

12 This bill would create the Compassion Act.

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

19 This bill would establish the Alabama
20 Medical Cannabis Commission and provide for
21 commission membership.

22 This bill would require the Alabama Medical
23 Cannabis Commission to establish and administer a
24 patient registry system that registers patients
25 with qualifying medical conditions and their
26 designated caregivers, to issue medical cannabis
27 cards, to issue licenses for the cultivation,

1 processing, dispensing, transporting, and testing
2 of medical cannabis, to adopt rules, and to
3 generally regulate, administer, and enforce a
4 medical cannabis program in the state.

5 This bill would require physicians to meet
6 certain qualifications in order to recommend
7 medical cannabis to patients.

8 This bill would authorize the Department of
9 Agriculture and Industries to regulate the
10 cultivation of cannabis for medical use.

11 This bill would provide for sales taxes.

12 This bill would establish the Alabama
13 Medical Cannabis Commission Fund and provide that
14 all monies received by the commission be deposited
15 in the fund and be used to administer the medical
16 cannabis program.

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

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

23 This bill would provide certain legal
24 protections to employers.

25 This bill would prohibit the use of medical
26 cannabis in certain circumstances.

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

4 This bill would provide public health and
5 safety safeguards, including security measures at
6 licensed facilities, a statewide seed-to-sale
7 tracking system, packaging and labeling
8 requirements, and criminal background checks for
9 licensed facility employees.

10 This bill would revise the crime of trespass
11 in the first degree.

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

25 The purpose or effect of this bill would be
26 to require a new or increased expenditure of local
27 funds within the meaning of the amendment. However,

1 the bill does not require approval of a local
2 governmental entity or enactment by a 2/3 vote to
3 become effective because it comes within one of the
4 specified exceptions contained in the amendment.

5
6 A BILL
7 TO BE ENTITLED
8 AN ACT

9
10 Relating to the medical use of cannabis; to add a
11 new Chapter 2A to Title 20, Code of Alabama 1975; to amend
12 Section 13A-7-2, Code of Alabama 1975; to create the
13 Compassion Act; to provide civil and criminal protections to
14 certain residents diagnosed with a qualifying medical
15 condition who have a valid medical cannabis card for the
16 medical use of cannabis; to establish the Alabama Medical
17 Cannabis Commission and provide for its membership and duties;
18 to provide for a patient registry system of qualified patients
19 and designated caregivers and provide for issuance of medical
20 cannabis cards to registrants; to license and regulate the
21 cultivation, processing, transporting, testing, and dispensing
22 of medical cannabis; to prohibit certain types of medical
23 cannabis products; to impose taxes; to provide certain legal
24 protections for users of medical cannabis; to provide certain
25 legal protections for employers; to prohibit workers'
26 compensation benefits in certain circumstances where an
27 employee uses medical cannabis; to amend the crime of trespass

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

7 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

8 Section 1. Chapter 2A, commencing with Section
9 20-2A-1, is added to Title 20, Code of Alabama 1975, to read
10 as follows:

11 Article 1. General Provisions.

12 §20-2A-1.

13 This chapter shall be known and may be cited as the
14 Compassion Act.

15 §20-2A-2.

16 The Legislature finds all of the following:

17 (1) It is not the intent of this chapter to provide
18 for or enable recreational use of marijuana in the State of
19 Alabama.

20 (2) Medical research indicates that the
21 administration of medical cannabis can successfully treat
22 various medical conditions and alleviate the symptoms of
23 various medical conditions.

24 (3) There are residents in Alabama suffering from a
25 number of medical conditions whose symptoms could be
26 alleviated by the administration of medical cannabis products

1 if used in a controlled setting under the supervision of a
2 physician licensed in this state.

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

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

14 (6) It is important to balance the needs of
15 employers to have a strong functioning workforce with the
16 needs of employees who will genuinely benefit from using
17 cannabis for a medical use in a manner that makes the employee
18 a productive employee.

19 §20-2A-3.

20 As used in this chapter, the following terms have
21 the following meanings:

22 (1) CANNABIS. a. Except as provided in paragraph b.,
23 all parts of any plant of the genus cannabis, whether growing
24 or not, including the seeds, extractions of any kind from any
25 part of the plant, and every compound, derivative, mixture,
26 product, or preparation of the plant.

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

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

5 (3) CULTIVATOR. A grower of cannabis licensed under
6 Section 20-2A-62 by the Department of Agriculture and
7 Industries which sells and transfers cannabis to a processor.

8 (4) DAILY DOSAGE. The total amount of one or more
9 cannabis derivatives, including, but not limited to,
10 cannabidiol and tetrahydrocannabinol, which may be present in
11 a medical cannabis product that may be ingested by a
12 registered qualified patient during a 24-hour period, as
13 determined by a registered certifying physician.

14 (5) DEPARTMENT. The Department of Agriculture and
15 Industries.

16 (6) DISPENSARY. A licensed facility where medical
17 cannabis and related supplies are maintained, stored, and sold
18 to registered qualified patients and registered caregivers.

19 (7) FACILITY or MEDICAL CANNABIS FACILITY. An entity
20 that cultivates, processes, tests, dispenses, or transports
21 medical cannabis in the state or an entity that cultivates,
22 processes and dispenses medical cannabis in the state and is
23 licensed pursuant to Article 4. The term includes all land
24 associated with the facility.

25 (8) INTEGRATED FACILITY. An entity licensed under
26 Section 20-2A-67 that cultivates, processes, transports, and
27 dispenses medical cannabis.

1 (9) LICENSEE. A cultivator, processor, secure
2 transporter, state testing laboratory, dispensary, or
3 integrated facility licensed by the commission under Article
4 4.

5 (10) MEDICAL CANNABIS. a. A medical grade product in
6 the form of any of the following, as determined by rule by the
7 commission, that contains a derivative of cannabis for medical
8 use by a registered qualified patient pursuant to this
9 chapter:

- 10 1. Lozenge, oral tablet, capsule, or tincture.
- 11 2. Gel, oil, or cream.
- 12 3. Suppository.
- 13 4. Patch.
- 14 5. Liquid or oil for administration using an
15 inhaler.

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

- 17 1. Raw plant material.
- 18 2. Any product administered by smoking, combustion,
19 or vaping.
- 20 3. A food product that has medical cannabis baked,
21 mixed, or otherwise infused into the product, such as cookies
22 or candies.

23 (11) MEDICAL CANNABIS CARD. A valid card issued
24 pursuant to this chapter.

25 (12) MEDICAL USE. The acquisition, possession, use,
26 delivery, transfer, or administration of medical cannabis
27 authorized by this chapter. The term does not include

1 possession, use, or administration of cannabis that was not
2 purchased or acquired from a licensed dispensary.

3 (13) PACKAGE. Any container that a processor may use
4 for enclosing and containing medical cannabis. The term does
5 not include any carry-out bag or other similar container.

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

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

17 (16) PROCESSOR. A facility licensed under Section
18 20-2A-63 that purchases cannabis from a cultivator and
19 extracts derivatives from the cannabis to produce a medical
20 cannabis product or products for sale and transfer in packaged
21 and labeled form to a dispensary.

22 (17) QUALIFYING MEDICAL CONDITION. Any of the
23 following conditions or symptoms of conditions:

- 24 a. Autism Spectrum Disorder (ASD).
- 25 b. Cancer related cachexia, weight loss, or chronic
26 pain.
- 27 c. Crohn's Disease.

- 1 d. Epilepsy or a condition causing seizures.
- 2 e. Fibromyalgia.
- 3 f. HIV/AIDS-related nausea or weight loss.
- 4 g. Post Traumatic Stress Disorder (PTSD).
- 5 h. Spasticity associated with a motor neuron
- 6 disease, including Amyotrophic Lateral Sclerosis.
- 7 i. Spasticity associated with Multiple Sclerosis or
- 8 a spinal cord injury.
- 9 j. A terminal illness in which the life expectancy
- 10 is six months or less.
- 11 k. Any other medical condition added by the
- 12 commission, by rule, based on scientific evidence indicating
- 13 efficacy in treating the condition or treating symptoms of the
- 14 condition.

15 (18) REGISTERED CAREGIVER. An individual who meets

16 the requirements described in subsection (c) of Section

17 20-2A-30 and is authorized to acquire and possess medical

18 cannabis and to assist one or more registered qualified

19 patients with the use of medical cannabis pursuant to this

20 chapter.

21 (19) REGISTERED CERTIFYING PHYSICIAN. A physician

22 who meets the qualifications described in Section 20-2A-31 and

23 is authorized to certify patients for the use of medical

24 cannabis pursuant to this chapter.

25 (20) REGISTERED QUALIFIED PATIENT. Either of the

26 following:

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

5 b. A minor who meets the requirements described in
6 subsection (b) of Section 20-2A-30 and is authorized to use
7 medical cannabis pursuant to this chapter.

8 (21) SECURE TRANSPORTER. A transporter licensed
9 under Section 20-2A-65 to transport cannabis or medical
10 cannabis from one licensed facility to another licensed
11 facility.

12 (22) STATE TESTING LABORATORY. The statewide
13 facility licensed under Section 20-2A-66 that tests cannabis
14 and medical cannabis from all licensed facilities to ensure
15 the product meets safety qualifications required under this
16 chapter.

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

20 (24) UNIVERSAL STATE SYMBOL. The image established
21 by the commission pursuant to Section 20-2A-53 made available
22 to processors which indicates the package contains medical
23 cannabis.

24 §20-2A-4.

25 This chapter supersedes state criminal and civil
26 laws pertaining to the acquisition, possession, use,
27 cultivation, manufacturing, processing, research and

1 development, and sale of medical cannabis. The acquisition,
2 possession, use, cultivation, manufacturing, processing,
3 research and development, transportation, testing, or sale of
4 cannabis or medical cannabis in compliance with this chapter
5 and rules of the commission does not constitute a violation of
6 Article 5 of Chapter 12 of Title 13A, or any other law to the
7 contrary.

8 §20-2A-5.

9 All data related to the implementation of this
10 chapter, including, but not limited to, application forms,
11 licensing information, physician certifications, registration
12 of qualified patients and designated caregivers, compliance,
13 and the status of cannabis research programs must be
14 maintained in a secure system developed or procured by the
15 commission. Data may not be sold, and patient information
16 shall remain confidential, except as otherwise permitted
17 pursuant to this chapter, and may not be transferred or sold.

18 §20-2A-6.

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

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

24 (2) Require any employer to permit or accommodate an
25 employee's possession or use of a medical cannabis product, to
26 allow the use of medical cannabis in the workplace, or to
27 modify the job or working conditions of an employee who

1 engages in the use of medical cannabis that are based upon the
2 reasonable business purposes of the employer.

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

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

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

17 (6) Permit an individual to commence a cause of
18 action against an employer for refusing to hire, discharging,
19 disciplining, or otherwise taking an adverse employment action
20 against an individual with respect to hire, tenure, terms,
21 conditions, or privileges of employment related to use of
22 medical cannabis.

23 (7) Require a government medical assistance program,
24 employer, property and casualty insurer, or private health
25 insurer to reimburse a person for costs associated with the
26 use of medical cannabis.

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

9 §20-2A-7.

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

15 (b) A registered certifying physician is not subject
16 to arrest, prosecution, or penalty in any manner, or denied
17 any right or privilege, including, but not limited to, civil
18 penalty or disciplinary action by the Board of Medical
19 Examiners, solely for certifying patients under Section
20 20-2A-33 or for otherwise stating that, in the physician's
21 professional opinion, a patient is likely to receive
22 therapeutic or palliative benefit from the medical use of
23 cannabis to treat or alleviate the patient's qualifying
24 medical condition or symptoms associated with the qualifying
25 medical condition, provided that nothing shall prevent the
26 Board of Medical Examiners from disciplining a physician for
27 either of the following:

1 (1) Certifying a patient who is not under the
2 physician's care for a qualifying medical condition.

3 (2) Failing to properly evaluate a patient's
4 qualifying medical condition or otherwise violating the
5 standard of care for evaluating medical conditions.

6 (c) A licensee or any employee of that licensee is
7 not subject to arrest or prosecution if the person is acting
8 pursuant to this chapter and within the scope of his or her
9 employment.

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

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

23 (f) Nothing in this chapter shall preclude the
24 Alabama State Law Enforcement Agency or a local law
25 enforcement agency from searching a licensee where there is
26 probable cause to believe that a criminal law has been

1 violated and the search is conducted in conformity with
2 constitutional and state law.

3 §20-2A-8.

4 (a) (1) An individual may not distribute, possess,
5 manufacture, or use medical cannabis or a medical cannabis
6 product that has been diverted from a registered qualified
7 patient, a registered caregiver, or a licensed cultivator,
8 processor, secure transporter, dispensary, or the state
9 testing laboratory.

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

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

15 (b) This chapter does not permit any individual to
16 engage in, and does not prevent the imposition of any civil,
17 criminal, or other penalty for engaging in any of the
18 following conduct:

19 (1) Undertaking any task under the influence of
20 cannabis, when doing so would constitute negligence,
21 professional malpractice, or professional misconduct, or
22 violation of law.

23 (2) Possessing or using medical cannabis on any K-12
24 school property, in any correctional facility, or in a vehicle
25 unless the medical cannabis is in its original package and is
26 sealed and reasonably inaccessible while the vehicle is
27 moving.

1 §20-2A-9.

2 The commission shall provide annual written reports
3 to the Legislature, with the first due no later than January
4 1, 2022, tracking implementation of this chapter. The report
5 shall be made publicly available and posted on the
6 commission's website. The report shall include all of the
7 following:

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

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

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

14 (4) Revenues and expenses of card issuance and
15 licensing of medical cannabis facilities.

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

18 (6) Relevant scientific research.

19 (7) Applicable tax revenue.

20 (8) The commission's operating budget.

21 (9) The number of total applicants for each type of
22 license under Article 4 and the number of veterans,
23 minorities, and women who applied and the number of these
24 applicants who were denied a license.

25 (10) Any other information available to the
26 commission that would inform public officials of how this
27 chapter affects the public.

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

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

6 b. Changes to reflect changes in federal law or
7 regulation.

8 c. Changes based on additional medical or scientific
9 research.

10 §20-2A-10.

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

13 Expenditures from the Medical Cannabis Fund may be made only
14 by the commission to implement, administer, and enforce this
15 chapter. Specifically, the Medical Cannabis Fund includes all
16 of the following:

17 (1) Tax proceeds collected pursuant to subsections
18 (b) and (c) of Section 2 of the act adding this language.

19 (2) License fees, civil penalties, and other fees or
20 charges collected pursuant to Article 4.

21 (3) Any monies appropriated by the Legislature for
22 the initial operation of the commission.

23 (b) Upon a determination by the Legislature that the
24 commission has established sufficient revenues for the
25 administration of this chapter, the Legislature shall direct
26 the Comptroller to transfer any excess balance that is in the
27 Medical Cannabis Fund to the General Fund, except that five

1 percent annually shall be set aside for research grants
2 awarded to state institutions of higher education for
3 empirical analysis relating to the diagnosis, treatment and
4 potential prescribing of medical cannabis, to analyze results
5 of the medical cannabis program established under this
6 chapter, or any other area of inquiry on the subject of
7 medical cannabis as determined by the commission. The
8 commission shall adopt rules to implement the research grant
9 program.

10 Article 2. Alabama Medical Cannabis Commission

11 §20-2A-20.

12 (a) The Alabama Medical Cannabis Commission is
13 established. The commission shall consist of the following
14 members, with initial members appointed not later than
15 September 1, 2020:

16 (1) Three members appointed by the Governor, one of
17 whom is a physician licensed to practice medicine in this
18 state; one of whom is a licensed pharmacist; and one of whom
19 has experience in agricultural lending or banking. The initial
20 terms shall be four, three, and two years, respectively.

21 (2) Three members appointed by the Lieutenant
22 Governor, one of whom is a physician licensed to practice
23 medicine in this state, certified in the specialty of
24 pediatrics; and one of whom is licensed to practice law in
25 this state who specializes in health law. The initial terms
26 shall be one, four, and three years, respectively.

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

7 (4) Two members appointed by the Speaker of the
8 House of Representatives, one of whom has a background and
9 experience in mental health or substance abuse counselling and
10 treatment; and one of whom has professional experience in
11 agricultural systems management. Initial terms shall be four
12 and three years, respectively.

13 (5) One member appointed by the Attorney General who
14 is licensed to practice law in this state with a specialty in
15 employment law. The Initial term shall be two years.

16 (b) A member may not have any interest, financial or
17 otherwise, direct or indirect, in any facility licensed under
18 Article 4 in this state. Any current public official,
19 candidate for public office, current public employee, or
20 registered lobbyist may not serve as a member.

21 (c) Members must be at least 30 years of age and
22 residents of this state for at least five continuous years
23 immediately preceding their appointment. The appointing
24 officers shall coordinate their appointments so that diversity
25 of gender, race, and geographical areas is reflective of the
26 makeup of this state.

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

7 (e) The commission shall elect from the membership
8 one member to serve as chair and one member to serve as
9 vice-chair.

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

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

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

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

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

1 the record of the minutes and business transacted and
2 decisions rendered shall be kept on file at the commission's
3 main office and shall be available for public inspection.

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

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

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

22 (k) The commission may appoint additional officers,
23 including an inspection officer. The director, assistant
24 director, and any other officer or employee shall be
25 reimbursed for actual travel expenses as other state employees
26 are paid, when approved by the chair.

1 (1) The commission shall retain legal counsel
2 familiar with the requirements of this chapter and medical
3 cannabis licensing and best practices in other states in order
4 to assist the commission and staff with establishing a
5 functional program and achieving compliance with applicable
6 laws.

7 §20-2A-21.

8 (a) A member of the commission and any individual
9 employed by the commission may not have any interest,
10 financial or otherwise, either direct or indirect, in any
11 licensee. In addition, a member or employee of the commission
12 may not have any family member who is employed by any
13 dispensary, cultivator, or manufacturer or who holds any
14 cannabis license in this state. A member or employee of the
15 commission or his or her family member may not have an
16 interest of any kind in any building, fixture, or premises
17 occupied by any person licensed under this chapter; and may
18 not own any stock or have any interest of any kind, direct or
19 indirect, pecuniary or otherwise, by a loan, mortgage, gift,
20 or guarantee of payment of a loan, in any dispensary,
21 cultivator, or manufacturer licensed under this chapter.

22 (b) A member or employee of the commission may not
23 accept any gift, favor, merchandise, donation, contribution,
24 or any article or thing of value, from any person licensed
25 under this chapter.

26 (c) Any individual violating this section shall be
27 terminated from employment or position, and as a consequence,

1 the individual shall forfeit any pay or compensation which
2 might be due.

3 (d) For purposes of this section, family member
4 includes a spouse, child, parent, or sibling, by blood or
5 marriage.

6 (e) A violation of this section is a Class C
7 misdemeanor.

8 §20-2A-22.

9 (a) The Alabama Medical Cannabis Commission shall
10 implement this chapter by making medical cannabis derived from
11 cannabis grown in Alabama available to registered qualified
12 patients and licensing facilities that process, transport,
13 test, or dispense medical cannabis.

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

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

18 §20-2A-30.

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

22 a. Has been certified by a registered certifying
23 physician as having a qualifying medical condition.

24 b. Is registered with the commission.

25 c. Has been issued a valid medical cannabis card by
26 the commission.

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

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

7 a. Has been certified by a registered certifying
8 physician as having a qualifying medical condition.

9 b. Is registered with the commission.

10 c. Has a qualified designated caregiver.

11 (2) A registered qualified patient described in
12 subdivision (1) may use medical cannabis but may not purchase
13 or possess medical cannabis.

14 (c) (1) A resident of this state who is 19 years of
15 age or older is a registered caregiver if he or she meets both
16 of the following conditions:

17 a. Is registered with the commission.

18 b. Has been issued a valid medical cannabis card by
19 the commission.

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

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

1 (4) A registered caregiver may receive compensation
2 for services provided to a registered qualified patient
3 pursuant to this chapter.

4 (d) Notwithstanding subdivision (2) of subsections
5 (a) and (c), a registered qualified patient or registered
6 caregiver may not purchase more than 60 daily dosages of
7 medical cannabis and may not renew the supply more than 10
8 days before the 60-day period expires. At no time may a
9 registered qualified patient or registered caregiver possess
10 more than 70 daily dosages of medical cannabis.

11 §20-2A-31.

12 (a) A physician who holds an active license to
13 practice medicine under Chapter 24 of Title 34 is a registered
14 certifying physician if he or she does both of the following:

15 (1)a. Successfully completes a course of continuing
16 medical education of at least eight credit hours that covers,
17 at a minimum, all of the following:

18 1. The requirements and restriction under this
19 chapter and other relevant state laws and rules governing
20 medical cannabis in the state and the legality of medical
21 marijuana use under federal law.

22 2. Cannabis use to treat medical conditions,
23 including interaction with the endocannabinoid system and side
24 effects associated with cannabis use.

25 3. Current medical cannabis studies.

26 4. Delivery mechanisms for medical cannabis use in
27 the state.

1 b. For purposes of this subdivision, a physician may
2 complete the course developed by the Board of Medical
3 Examiners under subsection (b) or may complete a course
4 offered by an accredited source approved by the commission.

5 (2) Registers with the Alabama Medical Cannabis
6 Commission in a manner established by rule by the commission.

7 (b) The Board of Medical Examiners shall develop a
8 continuing medical education course no later than December 1,
9 2020, that covers the subjects listed in subsection (a) and
10 the commission shall approve the course no later than January
11 1, 2021. The board shall administer the approved course no
12 later than February 1, 2021, and at least annually thereafter.

13 (c) Upon meeting the requirements of subsection (a),
14 the commission shall issue a registration certificate and
15 registration number to each registered certifying physician.
16 The commission shall maintain on its website an updated list
17 of registered certifying physicians.

18 (d) A registered certifying physician shall renew
19 his or her registration every three years and successfully
20 complete an additional four credit hours of continuing medical
21 education approved by the commission that addresses cannabis
22 treatment for medical conditions. Continuing medical education
23 required under this subsection may be completed in a distance
24 learning format, including an electronic, online format.

25 (e) The fee for the course and examination may not
26 exceed the actual cost to administer the course, but in no
27 event may exceed five hundred dollars (\$500).

1 §20-2A-32.

2 A registered certifying physician may not do any of
3 the following:

4 (1) Accept, solicit, or offer any form of
5 remuneration from or to a qualified patient, designated
6 caregiver, or any licensee, including a principal officer,
7 board member, agent, or employee of the licensee, to certify a
8 patient, other than accepting payment from a patient for the
9 fee associated with the required examination, except for the
10 limited purpose of performing a medical cannabis-related
11 study.

12 (2) Accept, solicit, or offer any form of
13 remuneration from or to a dispensary for the purpose of
14 referring a patient to a specific dispensary.

15 (3) Offer a discount of any other item of value to a
16 qualified patient who uses or agrees to designate a specific
17 caregiver or use a specific dispensary to obtain medical
18 cannabis.

19 (4) Hold a direct or indirect economic interest in a
20 licensee.

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

23 (6) Refer qualified patients to a specific caregiver
24 or a specific dispensary.

25 (7) Advertise in a dispensary.

26 (8) Advertise on the physician's website, brochures,
27 or any other media that generally describe the scope of

1 practice of the physician, any statement that refers to the
2 physician as a "medical cannabis" or "medical marijuana"
3 physician or doctor, or otherwise advertises his or her status
4 as a registered certifying physician, other than the
5 following: "Dr. _____ is qualified by the Alabama Medical
6 Cannabis Commission to certify patients for medical cannabis
7 use under the Alabama Compassion Act."

8 §20-2A-33.

9 (a) (1) A registered certifying physician may certify
10 a patient if the physician has a bona fide physician-patient
11 relationship with a patient. For purposes of this section,
12 bone fide physician-patient relationship means a relationship
13 established at the private office of a physician, a hospital,
14 or other health care facility in which the registered
15 certifying physician has an ongoing responsibility for the
16 assessment, care, and treatment of a patient's qualifying
17 medical condition or a symptom of the patient's qualifying
18 medical condition, and the relationship was established at
19 least three months prior to physician certification.

20 (2) Notwithstanding subdivision (1), a certifying
21 physician may certify a patient within the initial three month
22 period of establishing a physician-patient relationship if the
23 registered certifying physician documents that the patient is
24 in need of immediate relief and obtains written documentation
25 from another licensed physician who previously treated the
26 patient which verifies that the patient is in need of
27 immediate relief. This documentation must be provided through

1 the patient registry at the time of certification in a manner
2 determined by rule by the commission.

3 (b) At the time of certification, the registered
4 certifying physician shall do all of the following:

5 (1) Conduct a physical examination while physically
6 present in the same room as the patient and a full assessment
7 of the medical history of the patient.

8 (2) Diagnose the patient with at least one
9 qualifying medical condition or confirm that the patient has
10 been medically diagnosed with a qualifying medical condition.

11 (3) Determine that the patient is likely to receive
12 therapeutic or palliative benefit for the qualifying medical
13 condition or for treating a symptom of a qualifying medical
14 condition from the medical use of medical cannabis and
15 documents that determination in the patient's medical record.

16 (4) Review the patient's controlled drug
17 prescription history in the controlled substance prescription
18 database established under Article 10 of Chapter 2 of this
19 title.

20 (5) Review the patient registry and confirm that the
21 patient does not have an active physician certification from
22 another registered certifying physician.

23 (6) Obtain the voluntary and informed written
24 consent of the patient to use medical cannabis, which shall be
25 maintained in the patient's medical record. The patient, or
26 the patient's parent or legal guardian if the patient is a
27 minor, shall sign the informed consent acknowledging that the

1 registered certifying physician has sufficiently explained its
2 content. The registered certifying physician shall use a
3 standardized informed consent form adopted by rule by the
4 commission that shall include, at a minimum, information
5 relating to all of the following:

6 a. The federal and state classification of cannabis
7 as a Schedule I controlled substance.

8 b. The approval and oversight status of cannabis by
9 the Food and Drug Administration.

10 c. The current state of research on the efficacy of
11 cannabis to treat the qualifying medical condition or
12 conditions.

13 d. The potential for addiction.

14 e. The potential effect that cannabis may have on a
15 patient's coordination, motor skills, and cognition, including
16 a warning against operating heavy machinery, operating a motor
17 vehicle, or engaging in activities that require a person to be
18 alert or respond quickly.

19 f. The potential side effects of cannabis use.

20 g. The risks, benefits, and drug interactions of
21 cannabis.

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

1 (c) At the time of physician certification, the
2 registered certifying physician shall enter electronically in
3 the patient registry, in a manner determined by the
4 commission, the following information:

5 (1) The name and date of birth of the patient.

6 (2) The respective qualifying medical condition or
7 conditions.

8 (3) The daily dosage and type of medical cannabis
9 recommended for medical use.

10 (4) Any other information the commission, by rule,
11 deems relevant.

12 (d) A physician certification does not constitute a
13 prescription for medical cannabis.

14 (e) A physician certification shall be valid for a
15 period of time as determined by the registered certifying
16 physician, but in no event may a physician certification
17 exceed three months in duration. Before a registered
18 certifying physician may reissue a physician certification, he
19 or she shall do all of the following:

20 (1) Determine if the patient still meets the
21 criteria for physician certification under subsection (a).

22 (2) Determine that, over a period of not less than
23 six months, medical cannabis has provided therapeutic or
24 palliative benefit to the registered qualified patient.

25 (3) Identify and document in the registered
26 qualified patient's medical records whether the registered

1 qualified patient experienced either of the following related
2 to the medical use of cannabis:

3 a. An adverse drug interaction with any prescription
4 or nonprescription medication.

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

7 (f) A registered certifying physician shall update
8 the patient registry within seven days after any change is
9 made to the original physician certification.

10 (g) A registered certifying physician shall
11 deactivate a physician certification in the following
12 circumstances:

13 (1) When the registered certifying physician no
14 longer recommends medical cannabis for medical use for the
15 patient.

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

19 (3) When the physician-patient relationship is
20 terminated.

21 (h) The commission may monitor physician
22 certifications and patient registrations in the patient
23 registry for practices that could facilitate unlawful
24 diversion or misuse of cannabis and shall recommend
25 disciplinary action to the Board of Medical Examiners as
26 appropriate. Monitoring may include reviewing the medical
27 records of patients, in accordance with state and federal law,

1 on whose behalf a registered certifying physician issued
2 physician certifications, in order to ascertain whether the
3 patients were diagnosed with the qualifying medical condition
4 or conditions specified by the registered certifying physician
5 on the physician certification.

6 (i) The commission, by rule, shall specify, by form
7 and tetrahydrocannabinol content, a maximum daily dosage of
8 medical cannabis that may be recommended by a registered
9 certifying physician for a particular qualifying medical
10 condition. The maximum daily dosage may not exceed 75 mg of
11 delta-9-tetrahydrocannabinol.

12 (j) The commission may adopt additional rules to
13 implement this section.

14 §20-2A-34.

15 (a) In order to commence, use, and maintain a
16 reliable system to track all aspects of patient and caregiver
17 qualification not later than September 1, 2021, the commission
18 shall do all of the following:

19 (1) Establish and administer an integrated,
20 electronic patient and caregiver registry, known as the
21 Alabama Medical Cannabis Patient Registry System, that does
22 all of the following:

23 a. Receives and tracks physician certifications from
24 registered certifying physicians.

25 b. Receives and tracks qualified patient
26 registration and issuance of medical cannabis cards.

1 c. Receives and tracks designated caregiver
2 registration and issuance of medical cannabis cards.

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

10 e. Verifies that a medical cannabis card is current
11 and valid and has not been suspended, revoked, or denied.

12 f. Tracks purchases of medical cannabis at
13 dispensaries by date, time, amount, and type.

14 g. Determines whether a particular sale of medical
15 cannabis transaction exceeds the permissible limit.

16 h. Tracks medical cannabis cards that are denied,
17 revoked, or suspended.

18 i. Interfaces as necessary with the statewide
19 seed-to-sale tracking system established under Article 4.

20 j. Provides access as further provided in subsection
21 (b).

22 (b) The patient registry shall be accessible to the
23 following:

24 (1) State and local law enforcement agencies,
25 provided the database may only be accessed upon probable cause
26 or reasonable suspicion of a violation of a controlled
27 substance law or of driving under the influence, and access is

1 strictly limited to information that is necessary to verify
2 that an individual is registered and possesses a valid and
3 current medical cannabis card and, if appropriate, to verify
4 that the amount and type of product in the individual's
5 possession complies with the daily dosage limit and type of
6 medical cannabis recommended.

7 (2) Health care practitioners licensed to prescribe
8 prescription drugs.

9 (3) Registered certifying physicians.

10 (4) Dispensaries.

11 §20-2A-35.

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

21 (b) If the certified patient or designated caregiver
22 meets the criteria for registration, the commission shall
23 place the patient or caregiver on the patient registry and
24 issue the patient or designated caregiver a medical cannabis
25 card. The commission shall determine the criteria for revoking
26 or suspending a medical cannabis card. Medical cannabis cards

1 shall be resistant to counterfeiting and tampering and, at a
2 minimum, shall include all of the following:

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

5 (2) A photograph of the qualified patient or
6 caregiver, as applicable.

7 (3) Identification of the cardholder as a qualified
8 patient or a caregiver.

9 (4) The expiration date, as determined by commission
10 rule.

11 (c) Once a patient or designated caregiver is
12 registered and issued a medical cannabis card, he or she is
13 qualified to acquire, possess, or use medical cannabis, as
14 applicable.

15 (d) If a registered qualified patient or registered
16 caregiver loses his or her medical cannabis card, he or she
17 shall notify the commission within 10 days of becoming aware
18 the card is lost.

19 (e) The commission shall adopt rules to implement
20 this section and may impose civil penalties for violations of
21 this section.

22 Article 4. Cultivation, Processing, and Dispensing
23 of Medical Cannabis.

24 §20-2A-50.

25 (a) The state hereby preemptively regulates medical
26 cannabis from seed to sale and shall reasonably regulate and
27 control all aspects of the medical cannabis industry to meet

1 the intent of this chapter. All functions and activities
2 relating to the production of medical cannabis in the state
3 shall be licensed, and licenses shall be granted in the
4 following categories: Cultivator, processor, state testing
5 laboratory, dispensary, secure transporter, and integrated.

6 (b) The commission shall license and regulate all
7 aspects of medical cannabis excluding cultivation. The
8 Department of Agriculture and Industries shall license and
9 regulate the cultivation of cannabis.

10 (c) The commission shall determine the number of
11 licenses that may be issued, based on market demand, taking
12 into account the racial and economic makeup of the state, the
13 unemployment rate, the need for agricultural and other
14 business opportunities in communities, access to health care,
15 infrastructure, and other factors the commission deems
16 relevant in providing the greatest benefits to the residents
17 of this state; provided, however, there shall be only one
18 licensed testing laboratory in the state and there shall be a
19 minimum of three licensed integrated facilities in the state.
20 The commission shall also provide for independent cultivators,
21 processors, secure transporters, and dispensaries. The
22 commission shall consult with the department when determining
23 the number of licensed cultivators.

24 (d) With regard to integrated licenses, the
25 commission and the department shall enter into a memorandum of
26 understanding relating to the sharing of regulatory and

1 licensing and enforcement authority over licensees with regard
2 to the cultivation function.

3 §20-2A-51.

4 Any county or municipality seeking to ban the
5 processing, testing, or dispensing of medical cannabis within
6 its jurisdiction is authorized to do so by a two-thirds vote
7 of the local governing body; provided, that the vote occurs no
8 later than July 31, 2021, and the local governing body
9 notifies the commission and the department within 10 days of a
10 vote in favor of a ban.

11 §20-2A-52.

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

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

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

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

1 and consistent with constitutional limitations, for the
2 following purposes:

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

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

11 c. To inspect the person, and inspect or examine
12 personal effects present in a licensee, of any holder of a
13 state operating license while that individual is present in a
14 licensee.

15 d. To investigate alleged violations of this
16 article.

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

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

24 (6) Eject, or exclude or authorize the ejection or
25 exclusion of, an individual from the premises of a licensee if
26 the individual violates this article, rules, or final orders
27 of the commission; provided, however, the propriety of the

1 ejection or exclusion is subject to a subsequent hearing by
2 the commission.

3 (7) Conduct periodic audits of licensees.

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

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

9 (b) The commission and department may seek and shall
10 receive the cooperation and assistance of the Alabama State
11 Law Enforcement Agency in conducting criminal background
12 checks and in fulfilling its responsibilities under this
13 article. The Alabama State Law Enforcement Agency may recover
14 its costs of cooperation under this article.

15 (c) The commission and department shall assist any
16 prosecuting agency in the investigation or prosecution of a
17 violation of a controlled substances law.

18 §20-2A-53.

19 (a) The commission, and the department with regard
20 to cultivation, shall adopt rules as necessary to implement,
21 administer, and enforce this article in a timely manner that
22 allows persons to begin applying for a license by September 1,
23 2021. Rules must ensure safety, security, and integrity of the
24 operation of medical cannabis facilities, that do all of the
25 following for each category of license:

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

4 (2) Establish minimum levels of liability and
5 casualty insurance or other financial guarantees that
6 licensees must maintain.

7 (3) Establish qualifications and restrictions for
8 individuals participating in or involved with operating
9 medical cannabis facilities.

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

14 (5) Establish standards or requirements to ensure
15 cannabis and medical cannabis remains secure at all times,
16 including, but not limited to, requirements that all
17 facilities of licensees remain securely enclosed and locked as
18 appropriate.

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

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

24 (8) Establish annual license fees for each type of
25 license, provided the fee shall be not less than ten thousand
26 dollars (\$10,000).

1 (9) Establish quality control standards, procedures,
2 and requirements.

3 (10) Establish chain of custody standards,
4 procedures, and requirements.

5 (11) Establish standards, procedures, and
6 requirements for waste product storage and disposal and
7 chemical storage.

8 (12) Establish standards, procedures, and
9 requirements for securely and safely transporting medical
10 cannabis between facilities.

11 (13) Establish standards, procedures, and
12 requirements for the storage of cannabis and medical
13 cannabis.

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

17 (15) Establish marketing and advertising
18 restrictions for medical cannabis products and medical
19 cannabis facilities.

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

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

26 §20-2A-54.

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

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

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

21 (2) Effective seed-to-sale tracking of cannabis and
22 medical cannabis sales and transfers among independent
23 licensees and within facilities of integrated licensees.

24 (3) Receipt and integration of information from
25 third-party inventory control and tracking systems under
26 Section 20-2A-60.

1 (c) The commission shall seek bids to establish,
2 operate, and maintain the statewide seed-to-sale tracking
3 system under this section. The commission shall do all of the
4 following:

5 (1) Evaluate bidders based on the cost of the
6 service and the ability to meet all of the requirements of
7 this chapter.

8 (2) Give strong consideration to the bidder's
9 ability to prevent fraud, abuse, and other unlawful or
10 prohibited activities associated with the commercial trade in
11 cannabis and medical cannabis in this state, and the ability
12 to provide additional tools for the administration and
13 enforcement of this chapter.

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

18 (4) Require the person awarded the contract to
19 deliver the functioning system by 180 days after award of the
20 contract.

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

23 (e) The information in the system is confidential
24 and is exempt from disclosure under the Open Records Act,
25 Article 3 of Chapter 12 of Title 36; provided, however,
26 information in the system may be disclosed for purposes of
27 enforcing this chapter.

1 §20-2A-55.

2 (a) Beginning September 1, 2021, a person may apply
3 to the commission for a license in one of the following
4 categories: Integrated facility, cultivator, processor, secure
5 transporter, state testing laboratory, or dispensary. The
6 application shall be made under oath on a form provided by the
7 commission and shall contain information as prescribed by the
8 commission, including, but not limited to, all of the
9 following:

10 (1) The name, business address, business telephone
11 number, and Social Security number or if applicable, federal
12 tax identification number, of the applicant.

13 (2) The identity of every individual having any
14 ownership interest in the applicant with respect to which the
15 license is sought. If the disclosed entity is a trust, the
16 application shall disclose the names and addresses of the
17 beneficiaries; if a privately held corporation, the names and
18 addresses of all shareholders, officers, and directors; if a
19 publicly held corporation, the names and addresses of all
20 shareholders holding a direct or indirect interest of greater
21 than five percent, officers, and directors; if a partnership
22 or limited liability partnership, the names and addresses of
23 all partners; if a limited partnership or limited liability
24 limited partnership, the names of all partners, both general
25 and limited; or if a limited liability company, the names and
26 addresses of all members and managers.

1 (3) An identification of any business that is
2 directly or indirectly involved in the cultivation,
3 processing, packaging, labeling, testing, transporting, or
4 sale of cannabis, including, if applicable, the state of
5 incorporation or registration, in which an applicant or, if
6 the applicant is an individual, the applicant's spouse,
7 parent, or child has any equity interest. If an applicant is a
8 corporation, partnership, or other business entity, the
9 applicant shall identify any other corporation, partnership,
10 or other business entity that is directly or indirectly
11 involved in the cultivation, processing, packaging, labeling,
12 testing, transporting, or sale of cannabis in which it has any
13 equity interest, including, if applicable, the state of
14 incorporation or registration. An applicant may comply with
15 this subdivision by filing a copy of the applicant's
16 registration with the Securities and Exchange Commission if
17 the registration contains the information required by this
18 subdivision.

19 (4) Proof that majority ownership must be
20 attributable to an individual with proof of residency in this
21 state for a continuous period of no less than fifteen years
22 preceding the application date.

23 (5) Whether an applicant has been indicted for,
24 charged with, arrested for, or convicted of, pled guilty or
25 nolo contendere to, forfeited bail concerning any criminal
26 offense under the laws of any jurisdiction, either felony or
27 controlled substance-related misdemeanor, not including

1 traffic violations, regardless of whether the offense has been
2 reversed on appeal or otherwise, including the date, the name
3 and location of the court, arresting agency, and prosecuting
4 agency, the case caption, the docket number, the offense, the
5 disposition, and the location and length of incarceration.

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

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

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

1 (9) The anticipated or actual number of employees;
2 and projected or actual gross receipts.

3 (10) Financial information in the manner and form
4 required by rule by the commission.

5 (b) An individual with a controlling interest in an
6 applicant shall be subject to a state and national criminal
7 background check. The commission shall determine the manner in
8 which fingerprints of the individual shall be submitted to the
9 Alabama State Law Enforcement Agency along with a sufficient
10 fee required to perform the criminal history records check by
11 the agency and by the Federal Bureau of Investigation. The
12 applicant shall submit with its application the individual's
13 written consent to the criminal history records check.

14 (c) A false application is cause for the commission
15 to deny a license. The commission shall not consider an
16 incomplete application but, within a reasonable time, shall
17 return the application to the applicant with notification of
18 the deficiency and instructions for submitting a corrected
19 application. Information the commission obtains from the
20 background investigation is exempt from disclosure under the
21 Open Records Act, Article 3 of Chapter 12 of Title 36.

22 (d) An applicant shall provide written consent to
23 the inspections, examinations, searches, and seizures provided
24 for in subdivision (a) (3) of Section 20-2A-52 and to
25 disclosure to the commission and its agents of otherwise
26 confidential records, including tax records held by any
27 federal, state, or local agency, or credit bureau or financial

1 institution, while applying for or holding a license.
2 Information the commission receives under this subsection is
3 exempt from disclosure under the Open Records Act.

4 (e) An applicant shall certify that the applicant
5 does not have an interest in any other license under this
6 article.

7 (f) A nonrefundable application fee shall be paid at
8 the time of filing to defray the costs associated with the
9 background investigation conducted by the commission. The
10 commission, by rule, shall set the amount of the application
11 fee for each category of license. If the costs of the
12 investigation and processing the application exceed the
13 application fee, the applicant shall pay the additional amount
14 to the commission. All information, records, interviews,
15 reports, statements, memoranda, or other data supplied to or
16 used by the commission in the course of its review or
17 investigation of an application for a license under this
18 article shall be disclosed only in accordance with this
19 article. The information, records, interviews, reports,
20 statements, memoranda, or other data are not admissible as
21 evidence or discoverable in any action of any kind in any
22 court or before any department, agency, board, commission, or
23 authority, except for any action considered necessary by the
24 commission.

25 (g) If the commission identifies a deficiency in an
26 application, the commission shall provide the applicant with a

1 reasonable period of time, as determined by the commission by
2 rule but not more than 60 days, to correct the deficiency.

3 §20-2A-56.

4 (a) An applicant is ineligible to receive a license
5 if any of the following circumstances exist:

6 (1) The applicant has been convicted of or released
7 from incarceration for a felony under the laws of this state,
8 any other state, or the United States within the past 10 years
9 or has been convicted of a controlled substance-related felony
10 within the past 10 years.

11 (2) The applicant has knowingly submitted an
12 application for a license under this article that contains
13 false information.

14 (3) The applicant is a member of the commission.

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

19 (5) The applicant is a public official or public
20 employee.

21 (6) The applicant fails to meet other criteria
22 established by rule.

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

25 (1) The integrity, moral character, and reputation;
26 personal and business probity; financial ability and
27 experience; and responsibility or means to operate or maintain

1 a facility of the applicant and of any other individual that
2 meets either of the following:

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

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

7 (2) The financial ability of the applicant to
8 purchase and maintain adequate minimum levels of liability and
9 casualty insurance or other financial guarantees.

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

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

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

22 (6) Whether the applicant has been served with a
23 complaint or other notice filed with any court or public
24 agency regarding payment of any tax required under federal,
25 state, or local law that has been delinquent for one or more
26 years.

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

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

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

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

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

16 (12) Whether the applicant meets other standards in
17 rules applicable to the license category.

18 (c) The commission shall review all applications for
19 licenses and shall inform each applicant of the commission's
20 decision.

21 (d) After denial of an application for a license,
22 the commission, upon request, shall provide a public
23 investigative hearing at which the applicant is given the
24 opportunity to present testimony and evidence to establish its
25 suitability for a license. Other testimony and evidence may be
26 presented at the hearing, but the commission's decision must
27 be based on the whole record before the commission and is not

1 limited to testimony and evidence submitted at the public
2 investigative hearing.

3 (e) Before issuing a license, the applicant shall
4 pay the annual license fee, as established by the commission.

5 (f) A license shall be issued for a one-year period
6 and is renewable annually. Except as otherwise provided in
7 this article, the commission shall renew a license if both of
8 the following requirements are met:

9 (1) The licensee applies to the commission in a
10 timely manner on a renewal form provided by the commission
11 that requires information prescribed in rules and pays the
12 annual license fee.

13 (2) The licensee meets the requirements of this
14 article and any other renewal requirements set forth in the
15 rules.

16 (g) If a license renewal application is not
17 submitted by the license expiration date, the license may be
18 renewed within 60 days after its expiration date upon
19 application, payment of the annual license fee, and
20 satisfaction of any renewal requirement and late fee set forth
21 in rules. The licensee may continue to operate during the 60
22 days after the license expiration date if the license is
23 renewed by the end of the 60-day period.

24 (h) License expiration does not terminate the
25 commission's authority to impose sanctions on a licensee whose
26 license has expired.

1 (i) A licensee shall consent in writing to
2 inspections, examinations, searches, and seizures that are
3 permitted under this article.

4 (j) An applicant or licensee has a continuing duty
5 to provide information requested by the commission and to
6 cooperate in any investigation, inquiry, or hearing conducted
7 by the commission.

8 §20-2A-57.

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

11 (1) An applicant or licensee fails to comply with
12 this article or rules.

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

15 (3) An applicant or licensee fails to provide
16 information the commission requests to assist in any
17 investigation, inquiry, or commission hearing.

18 (b) The commission may impose civil fines of up to X
19 thousand dollars (\$X,000) against an individual and up to X
20 thousand dollars (\$X,000) or an amount equal to the daily
21 gross receipts, whichever is greater, against a licensee for
22 each violation of this article, rules, or an order of the
23 commission. Assessment of a civil fine under this subsection
24 is not a bar to the investigation, arrest, charging, or
25 prosecution of an individual for any other violation of this
26 article and is not grounds to suppress evidence in any

1 criminal prosecution that arises under this article or any
2 other law of this state.

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

18 (d) Any party aggrieved by an action of the
19 commission suspending, revoking, restricting, or refusing to
20 renew a license, or imposing a fine, shall be given a hearing
21 before the commission upon request. A request for a hearing
22 must be made to the commission in writing within 21 days after
23 service of notice of the action of the commission. Notice of
24 the action of the commission must be served either by personal
25 delivery or by certified mail, postage prepaid, to the
26 aggrieved party. Notice served by certified mail is considered

1 complete on the business day following the date of the
2 mailing.

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

11 §20-2A-58.

12 Each license is exclusive to the licensee. The
13 attempted transfer, sale, or other conveyance of an interest
14 in a license shall be grounds for suspension or revocation of
15 the license or for other sanction considered appropriate by
16 the commission.

17 §20-2A-59.

18 (a) Before hiring a prospective employee, a licensee
19 shall conduct a background check of the prospective employee.
20 If the background check indicates a pending charge or
21 conviction within the past five years for a controlled
22 substance-related felony or a controlled substance-related
23 misdemeanor, a licensee may not hire the prospective employee
24 without written permission of the commission.

25 (b) Each licensee shall enter all transactions,
26 current inventory, and other information into the statewide
27 seed-to-sale tracking system in accordance with rules adopted

1 by the commission and the Department of Agriculture and
2 Industries.

3 §20-2A-60.

4 (a) Except as otherwise provided in subsection (b),
5 a licensee shall adopt and use a third-party inventory control
6 and tracking system that is capable of interfacing with the
7 statewide seed-to-sale tracking system to allow the licensee
8 to enter or access information in the statewide seed-to-sale
9 tracking system as required under this article and rules. The
10 third-party inventory control and tracking system must have
11 all of the following capabilities necessary for the licensee
12 to comply with the requirements applicable to the licensee's
13 license type:

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

18 (2) Tracking lot and batch information throughout
19 the entire chain of custody.

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

22 (4) Tracking cannabis plant, batch, and product
23 destruction.

24 (5) Tracking transportation of product.

25 (6) Performing complete batch recall tracking that
26 clearly identifies all of the following details relating to
27 the specific batch subject to the recall:

- 1 a. Sold product.
- 2 b. Product inventory that is finished and available
- 3 for sale.
- 4 c. Product that is in the process of transfer.
- 5 d. Product being processed into another form.
- 6 e. Postharvest raw product, such as product that is
- 7 in the drying, trimming, or curing process.

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

10 (8) Reporting and tracking all inventory
11 discrepancies.

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

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

15 (11) Receiving testing results electronically from
16 the licensed state testing laboratory via a secured
17 application program interface into the system and directly
18 linking the testing results to each applicable source batch
19 and sample.

20 (12) Identifying test results that may have been
21 altered.

22 (13) Providing the licensee with access to
23 information in the tracking system that is necessary to verify
24 that the licensee is carrying out all transactions authorized
25 under the licensee's license in accordance with this article.

26 (14) Providing information to cross-check that
27 product sales are made to a registered qualified patient, or a

1 registered caregiver on behalf of a registered qualified
2 patient, and that the product received the required testing.

3 (15) Providing the commission and state agencies
4 with access to information in the database that they are
5 authorized to access.

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

10 (17) Securing the confidentiality of information in
11 the database by preventing access by a person who is not
12 authorized to access the statewide seed-to-sale tracking
13 system or is not authorized to access the particular
14 information.

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

- 17 a. Total daily sales.
- 18 b. Total cannabis plants in production.
- 19 c. Total cannabis plants destroyed.
- 20 d. Total inventory adjustments.

21 (b) If the statewide seed-to-sale tracking system is
22 capable of allowing a licensee to access or enter information
23 into the statewide seed-to-sale tracking system without use of
24 a third-party inventory control and tracking system, a
25 licensee may access or enter information into the statewide
26 seed-to-sale tracking system directly and the licensee is not

1 required to adopt and use a third-party inventory control and
2 tracking system.

3 §20-2A-61.

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

7 a. Advertise medical cannabis brand names or use
8 graphics related to cannabis or paraphernalia on the exterior
9 of the physical structure or vehicle.

10 b. Display medical cannabis products or
11 paraphernalia so as to be clearly visible from the exterior of
12 the physical structure or vehicle.

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

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

19 (c) The commission shall adopt rules that establish
20 restrictions and requirements for advertising, including
21 signage, that may include limiting the media or forums where
22 advertising may occur.

23 §20-2A-62.

24 (a) A cultivator license authorizes the cultivation
25 of cannabis and sale and transfer of cannabis to a processor.
26 A processor license authorizes the cultivator to transfer
27 cannabis only by means of a secure transporter.

1 (b) An applicant for a license under this section
2 shall meet the following requirements:

3 (1) Provide records indicating continuous, full-time
4 business experience in the field of commercial horticulture or
5 agronomic production for a period of at least five years.

6 (2) Demonstrate the ability to secure and maintain
7 cultivation facilities or integrated facilities, as
8 applicable.

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

12 (4) Demonstrate the ability to commence cultivation
13 of cannabis within 60 days of application approval
14 notification.

15 (5) Demonstrate the ability to destroy unused or
16 waste cannabis in accordance with rules adopted by the
17 Department of Agriculture and Industries.

18 (6) Demonstrate the financial stability to provide
19 proper testing of individual lot and batches.

20 (c) A cultivator shall comply with all of the
21 following, in accordance with rules adopted by the Department
22 of Agriculture and Industries:

23 (1) All facilities shall be protected by a monitored
24 security alarm system, be enclosed, and remain locked at all
25 times.

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

4 (3) All employees may not have any conviction within
5 the past 10 years for a controlled substance-related felony or
6 a controlled substance-related misdemeanor.

7 (4) Cultivars selected by a licensee must be
8 approved by the department prior to acquisition of plant
9 material for cultivation.

10 (d) A cultivator shall be subject to inspection by
11 the Alabama State Law Enforcement Agency.

12 (e) The cultivation of cannabis pursuant to this
13 chapter shall be considered an agricultural purpose for
14 purposes of Section 40-23-4.

15 (f) The Department of Agriculture and Industries
16 shall consult with the commission when adopting rules pursuant
17 to this article.

18 §20-2A-63.

19 (a) A processor license authorizes purchase of
20 cannabis only from a cultivator and sale of properly packaged
21 and labeled medical cannabis only to a dispensary. A processor
22 license authorizes the processor to transfer medical cannabis
23 only by means of a secure transporter.

24 (b) All medical cannabis products must be medical
25 grade product, manufactured using documented good quality
26 practices, such that the product is shown to meet intended
27 levels of purity and be reliably free of toxins and

1 contaminants. Medical cannabis products may not contain any
2 additives other than pharmaceutical grade excipients.

3 (c) Medical cannabis products may not be processed
4 into a form that is attractive to or targets children,
5 including all of the following which are prohibited:

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

9 (2) Any product bearing a reasonable resemblance to
10 a product available for consumption as a commercially
11 available candy.

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

15 (4) Any product whose shape bears the likeness or
16 contains characteristics of a realistic or fictional human,
17 animal, or fruit, including artistic, caricature, or cartoon
18 rendering.

19 (d) All of the following shall apply to all packages
20 and labels of medical cannabis products:

21 (1) Labels, packages, and containers shall not be
22 attractive to minors and may not contain any content that
23 reasonably appears to target children, including toys, cartoon
24 characters, and similar images. Packages should be designed to
25 minimize appeal to children and must contain a label that
26 reads: "Keep out of reach of children."

1 (2) All medical cannabis products must be packaged
2 in child-resistant containers.

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

5 a. Lot and batch numbers.

6 b. A license identification number for the
7 cultivator and a license identification number for the
8 processor.

9 c. Cannabinoids content and potency.

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

12 e. The following statement: "WARNING: There is
13 insufficient evidence showing it is safe to ingest medical
14 cannabis while pregnant or while breastfeeding. Women who are
15 pregnant or plan to become pregnant should discuss medical
16 cannabis use with their doctors."

17 (e) Any advertisement and any package or label may
18 not contain any false statement or statement that advertises
19 health benefits or therapeutic benefits of medical cannabis.

20 (f) The commission may require the implementation of
21 a digital image such as a QR Code for purposes of tracking
22 medical cannabis products. The digital image must interface
23 with the statewide seed-to-sale tracking system.

24 (g) The commission shall determine what information
25 from the label shall be entered into the statewide
26 seed-to-sale tracking system.

27 §20-2A-64.

1 (a) A dispensary license authorizes the purchase or
2 transfer of medical cannabis only from a cultivator and sale
3 only to a registered qualified patient or registered
4 caregiver. All transfers of medical cannabis to a dispensary
5 from a separate facility must be by means of a secure
6 transporter.

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

11 (c) A dispensary shall comply with all of the
12 following:

13 (1) Be located at least one thousand feet from any
14 school.

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

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

22 (4) Before selling or dispensing medical cannabis to
23 a registered qualified patient or registered caregiver on
24 behalf of a registered qualified patient, inquire of the
25 patient registry to determine whether the patient or caregiver
26 holds a valid, current, unexpired, and unrevoked medical
27 cannabis card and that the dispensing of medical cannabis

1 conforms to the type and amount recommended in the physician
2 certification and will not exceed the 60-day daily dosage
3 purchasing limit.

4 (5) Enter into the patient registry at the time of
5 sale the date, time, amount, and type of medical cannabis
6 dispensed.

7 (6) Not allow the use of medical cannabis product on
8 the premises.

9 (7) Only allow registered qualified patients and
10 registered caregivers on the premises.

11 §20-2A-65.

12 (a) A secure transporter license authorizes the
13 licensee to store and transport cannabis and medical cannabis
14 for a fee upon request of a licensee. A license does not
15 authorize transport to a registered qualified patient or
16 registered caregiver.

17 (b) A secure transporter shall comply with all of
18 the following:

19 (1) Each employee who has custody of cannabis or
20 medical cannabis shall not have been convicted of or released
21 from incarceration for a felony under the laws of this state,
22 any other state, or the United States within the past five
23 years or have been convicted of a misdemeanor involving a
24 controlled substance within the past five years.

25 (2) A route plan and manifest shall be entered into
26 the statewide seed-to-sale tracking system, and a copy must be

1 carried in the transporting vehicle and presented to a law
2 enforcement officer upon request.

3 (3) The cannabis or medical cannabis shall be
4 transported in one or more sealed containers and not be
5 accessible while in transit.

6 (4) A secure transporting vehicle may not bear
7 markings or other indication that it is carrying cannabis or
8 medical cannabis.

9 (c) A secure transporter is subject to
10 administrative inspection by a law enforcement officer at any
11 point during the transportation of cannabis or medical
12 cannabis to determine compliance with this article.

13 §20-2A-66.

14 (a) The state testing laboratory license authorizes
15 the licensee to possess and test cannabis and medical cannabis
16 products cultivated or processed at licensed facilities.

17 (b) The commission, by rule, shall establish
18 protocols for product testing by the licensed state testing
19 laboratory, which shall be conducted during cultivation,
20 processing, and dispensing to ensure that all dispensed
21 medical cannabis is consistently high grade and maintains a
22 consistency with less than 0.5 percent variability among
23 batches of the same product. The protocols for testing shall
24 include the following, as well as a determination of
25 corresponding tolerance limits:

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

- 1 a. Total THC (THC+THCA).
- 2 b. Total CBD (CBD+CBDA).
- 3 c. THC/CBD ratio, if applicable.
- 4 d. Percent of THC relative to original plant
- 5 material (w/w).
- 6 (2) Terpene profiles.
- 7 (3) Heavy metals.
- 8 (4) Chemical contamination, such as residual
- 9 solvents remaining after extraction and concentration.
- 10 (5) Microbials, including pathogenic microbials.
- 11 (6) Mycotoxins.
- 12 (7) Residual insecticides, fungicides, herbicides,
- 13 and growth regulators used during cultivation.
- 14 (8) Residual solvents.
- 15 (c) The state testing laboratory license authorizes
- 16 the licensee to do all of the following without using a secure
- 17 transporter:
- 18 (1) Take cannabis or medical cannabis from, test
- 19 cannabis or medical cannabis for, and return cannabis or
- 20 medical cannabis to only a respective licensed facility.
- 21 (2) Collect a random sample of cannabis or medical
- 22 cannabis at the premises of a cultivator, processor, or
- 23 dispensary for testing.
- 24 (d) The licensee shall be accredited and shown to
- 25 meet the requirements for a testing laboratory in
- 26 international standard ISO/IEC 17025, with the licensee's
- 27 scope of accreditation demonstrating testing capabilities in

1 the categories of cannabinoids, pesticides, toxins, metals,
2 and microbiological bacteria.

3 (e) To be eligible for the state testing laboratory
4 license, the applicant and each investor with any interest in
5 the applicant must not have an interest in any licensed
6 cultivator, secure transporter, processor, or dispensary.

7 (f) The licensee shall comply with all of the
8 following:

9 (1) Perform tests to certify that cannabis and
10 medical cannabis is reasonably free of heavy metals, chemical
11 contamination, residual pesticides and growth inhibitors, and
12 residual solvents.

13 (2) Use validated test methods to determine
14 delta-9-tetrahydrocannabinol, tetrahydrocannabinolic acid,
15 cannabidiol, and cannabidiolic acid levels.

16 (3) Perform tests that determine whether cannabis
17 and medical cannabis comply with the standards the commission
18 establishes for microbial and mycotoxin contents.

19 (4) Perform other tests necessary to determine
20 compliance with any other good manufacturing practices as
21 prescribed in rules.

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

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

26 §20-2A-67.

1 (a) An integrated license authorizes the licensee to
2 cultivate and process cannabis, dispense medical cannabis to
3 registered qualified patients and registered caregivers, and
4 transport cannabis or medical cannabis between facilities.

5 (b) A licensee shall comply with all requirements
6 for independent cultivators, processors, secure transporters,
7 and dispensaries, in addition to any other requirements
8 determined by rule by the commission.

9 §20-2A-68.

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

16 Section 2. (a) A county or municipality may tax the
17 sale of medical cannabis in accordance with Article 1,
18 commencing with Section 40-23-1, of Chapter 23 of Title 40,
19 Code of Alabama 1975; provided, that the tax may not exceed
20 2.1 percent of the gross proceeds of the sales.

21 (b) Commencing January 1, 2021, there is levied, in
22 addition to all other taxes of every kind now imposed by law,
23 and shall be collected and remitted in accordance with Article
24 1, commencing with Section 40-23-1, of Chapter 23 of Title 40,
25 Code of Alabama 1975, a tax on the gross proceeds of the sales
26 of medical cannabis when sold at retail in this state at the
27 rate of nine percent of the gross proceeds of the sales.

1 (c) (1) Commencing January 1, 2021, there is levied
2 an annual privilege tax on every person doing business under
3 Chapter 2A of Title 20, Code of Alabama 1975, in Alabama. The
4 tax shall accrue as of January 1 of every taxable year, or in
5 the case of a taxpayer licensed under Chapter 2A of Title 20,
6 Code of Alabama 1975, during the year, or doing business in
7 this state for the first time, as of the date the taxpayer is
8 licensed to do business under Chapter 2A of Title 20, Code of
9 Alabama 1975. The rate of tax shall be 10 percent of the net
10 worth in Alabama for the taxable year. For purposes of this
11 subdivision, a taxpayer's net worth in Alabama shall be
12 determined by apportioning the taxpayer's net worth computed
13 under Section 40-14A-23, Code of Alabama 1975, in the same
14 manner as prescribed for apportioning income during the
15 determination period for purposes of the income tax levied by
16 Chapter 18 of Title 40, Code of Alabama 1975, or the manner in
17 which the income would be apportioned if the taxpayer were
18 subject to the income tax.

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

26 (3) The Department of Revenue may grant a reasonable
27 extension of time for filing returns under rules adopted by

1 the department. No extension shall be for more than six
2 months.

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

12 (d) The Department of Revenue shall adopt rules to
13 implement this section.

14 Section 3. An employee who is injured or killed
15 while using medical cannabis is ineligible to receive any
16 compensation under Chapter 5 of Title 25, Code of Alabama
17 1975, if the injury or death was caused by an action or
18 inaction of the employee, even if the employee was in full
19 compliance with Chapter 2A of Title 20, Code of Alabama 1975,
20 at the time of injury or death.

21 Section 4. Section 13A-7-2, Code of Alabama 1975, is
22 amended to read as follows:

23 "§13A-7-2.

24 "(a) A person is guilty of criminal trespass in the
25 first degree if he knowingly enters or remains unlawfully in a
26 dwelling or on the premises of any cultivator or processor, as
27 those terms are defined in Section 20-2A-3, or on the premises

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

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

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

13 Section 6. This act shall become effective
14 immediately following its passage and approval by the
15 Governor, or its otherwise becoming law.