Report on Proposed Legislation for Legalization of Medical Marijuana
The Alabama Policy Institute (API) is an independent, nonprofit research and education organization that is issue-centered and solution-oriented. We provide in-depth research and analysis of Alabama's public policy issues to impact policy decisions and deepen Alabama citizens' understanding of, and appreciation for, sound economic, social, and governing principles.

Since 1989, API has been on the front lines of critical public debates, helping Alabama citizens, lawmakers, and business leaders better understand and apply principles that maximize individual freedom, limit government interference, and encourage personal responsibility. API is the largest freemarket, solution-based policy research center in Alabama.

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Report on Proposed Legislation for Legalization of Medical Marijuana

by Phil Williams and Parker Snider
I. The Bottom Line

The Alabama Policy Institute opposes this legislation for a myriad of reasons. The legislation, as proposed, violates virtually every conservative principle. The draft legislation as reviewed grows government, adds taxes at rates not seen before, removes due process protections, allows for warrantless search and seizure, violates federal law, and promotes a medically prescribed substance that is not FDA approved. Even if marijuana was not itself controversial, the Alabama Policy Institute would oppose this legislation (for draft legislation, current as of 12/04/2019, see Appendix C).

II. Executive Summary

Marijuana continues to fuel public debate, with arguments coming from all sides on the efficacy of its use for medicinal purposes. There are no conclusive studies currently available that confirm either position, although each will tell you that their expert is “the” expert. At the present time, over thirty of the fifty states have enacted some form of legalization with the majority being for “medical use”. Several states and the District of Columbia have legalized recreational use of marijuana. In mid-2019, the Surgeon General of the United States issued a warning against the use of marijuana. The Federal Drug Administration (FDA) still has not approved its use for medicinal purposes. In effect, the states are taking it upon themselves to determine what the FDA has not yet validated. Even so, notwithstanding the contradictory research on marijuana, the other effects of the proposed legislation on the wellbeing of the State of Alabama are worthy of significant debate.
III. Procedural History

In the 2019 Legislative Session, a medical marijuana legalization bill was sponsored by State Senator Tim Melson. That particular bill, SB 236, ultimately passed the State Senate but not without a degree of controversy. It is noted that the Senate Republican Caucus was largely divided on the merits of the legislation as then proposed. The bill was opposed during floor debate resulting in it being carried over to the call of the chair.\(^1\) The bill later passed by a reduced vote count of 17 to 6 when it was called up at a time when many of the members were out of the Senate Chamber. The bill then traveled to the State House of Representatives where it was substituted for legislation that alternatively created the Medical Cannabis Study Commission.\(^2\) The Cannabis Study Commission then met at scheduled intervals for public hearings in the interim between the 2019 and 2020 legislative sessions. As the public hearings neared their conclusion in the fall of 2019, State Senator Melson (who also chaired the commission) announced that the legislation discussed herein would be forthcoming. This policy paper is the result of research by API and a full review of the most current draft of Senator Melson’s proposed legislation.

IV. Non-Marijuana Related Controversies

API has identified the following controversies which exist within the text of the draft legislation. All page numbers cited are as listed within the referenced draft. Future drafts may contain amended language that changes the page numbers and content.

The Bill Grows Government

Page 21 – The bill establishes an entirely new full-time commission within the Alabama Department of Public Health.

Page 21 - Members of the commission will be entitled to a per diem of $500 per day in addition to travel expenses at the then-current state employee rate.

Page 22 – The new commission will consist of 11 appointed members, none of whom were originally required to have a medical or pharmacological background (this has been added to the December version of the bill). The Commission will then have the potential for an unlimited number of full-time employees, to include but not limited to a Director, Assistant Director, and such other “additional officers to include an inspection officer” (page 25).

Page 18 – The legislation creates additional earmarks within the fiscal morass of Alabama’s heavily earmarked revenue streams by establishing a “separate fund” to collect “all receipts” raised pursuant to the taxes, fees and penalties established in the bill. In short, none of the revenue generated by this legislation is slated to relieve the current budget processes and instead appears to be designated solely to fund a new government structure in the form of the Cannabis Commission (as of this writing...
there is no fiscal note available for review).

Page 39 – The bill allows localized autonomy to “opt-out” of cannabis processing and distribution by municipal and county governments but only until July 31, 2021. After that date, no local government shall have the right to enact any localized ordinances to prevent the cannabis industry from establishing operations.

Page 10 – The bill removes the determination of applicable medical use from licensed physicians and instead vests it in the Cannabis Commission through the use of the “elastic clause” which states that it may be prescribed for “any other medical condition added by the commission”.

The Bill Creates Government Imposed Intrusions into the Private Sector

Page 25 – The legislation creates a government-imposed burden upon free market commerce by mandating that the only products that can be grown/processed/sold under the auspices of the legislation are to be “derived from cannabis grown in Alabama”.

Page 9 – The legislation requires the creation of alternative retail services in the form of “dispensaries”. The use of dispensaries is required and circumvents established pharmacies because the FDA has not yet approved marijuana, and it therefore cannot be dispensed by a fully trained and licensed pharmacist.

The Bill Increases Taxes and Fees at Previously Unseen Rates

Page 72 – Despite the fact that prescription medications are not taxed by the State of Alabama, all medical marijuana prescriptions under the proposed legislation will be taxed by the State at the rate of 9% - which is more than double the amount of the current general state sales tax rate.

Page 43 – The Commission shall have the unilateral right to levy and collect fines.

Page 43 – The Commission shall have the unilateral right to establish the amount of all related annual licensing fees which shall be at a minimum of $10,000 annually. There is no cap on the amount that the Commission may raise the fees over time.

Page 56 – In addition to criminal penalties, the Commission may “impose civil fines up to $X,000” – there is currently no set amount of penalties written into the draft legislation.

The Bill Violates Due Process Rights

Page 40 – The legislation establishes unilateral investigative authority in the Commission which may “at any time, through its investigators, agents or auditors, without a warrant, and without notice...enter, impound, seize, assume physical control of, or summarily remove” virtually anything on the premises (emphasis added).

Page 41 – The legislation also allows, without a warrant, the Commission’s “investigators, agents, or auditors” to search any person and examine their “personal effects... while that individual is present in a licensee”.

Alabama Policy Institute
The Bill Violates Federal Law

To this date marijuana remains a Class I scheduled substance for which there is no provision in federal law for lawful cultivation, processing, transportation, possession or use. All military personnel stationed at Alabama’s multiple active duty, Reserve, and National Guard facilities are prohibited from use of marijuana of any type and prescriptions will not override a failed drug test by any servicemember. Testing positive for marijuana use by any active or reserve member of the armed forces will still result in discipline under the Uniform Code of Military Justice, up to and including discharge from the service, regardless of whether the resident state has legalized its use.

The Bill Advocates Prescriptions For a Substance That Is Not FDA Approved

The Surgeon General of the United States recently issued a statement warning against the use of marijuana in any form with special emphasis on the negative effects on developmental brain activity.

The US Food and Drug Administration, the entity prescribed by federal law to test and approve the use of substances for medicinal purposes, to date has not approved marijuana for any uses, including medicinal uses.

As a result of the FDA not approving the use or prescription of marijuana for medicinal purposes, licensed pharmacists are prohibited from dispensing it in any form. For this reason, the proposed legislation requires the creation of alternative retail solutions in the form of “dispensaries” which will not have a pharmacist consulting or advising the staff.
V. The Legislation’s Impact on Alabamians

Farmers

Agribusiness entities are labeled as “cultivators” in the proposed legislation. When duly licensed, they are protected from criminal penalties otherwise attributed to the growth of marijuana. As a result of the powers enumerated in the legislation to the Department of Agriculture and Industries, cultivators will be potentially subject to warrantless search and seizure, to include any and all persons on their premises during said search. Unknown levels of civil penalties may also be assigned. Cultivators will have a captive market as the proposed legislation mandates the use of cannabis grown only in Alabama. Cultivators will be required to participate in a new “seed-to-sale” database that tracks all cultivation activity with penalties for non-compliance. No indication is given in the proposed legislation as to whether cultivators will have to pay for access to the mandatory tracking system.

Law Enforcement

The legislation as currently drafted requires a user of medical marijuana to have an identification card and to be actively entered in the new state cannabis database to which law enforcement will have access. No indication is given as to whether law enforcement agencies will have to pay for access to the new state database. The legislation also expressly creates reciprocity for any individual who is a registered user with identification from another state that has legalized the use of medical marijuana. However, the legislation does not ensure that law enforcement will have access to the database of those other states which will create delays and gaps in enforcement capability. The legislation also expressly allows the possession of up to 70 days of “daily doses” by an individual prescribee. However, the prescription may be given in up to five different forms (capsule, gel, tincture, liquid or oil for vaping) and the daily dose is expected to fluctuate from one patient to the next, thereby making enforcement of possession crimes virtually impossible. The difficulties inherent in assessing possession under the reciprocity and dosage guidelines would create significant barriers to the prevention of interstate trafficking.

Employers

The legislation as currently drafted takes several positive steps to protect employers whose employees may be users of medical marijuana (these positive steps are partially reflective of actions taken by other state legislatures – see appendix B). It would not require that any employer permit or accommodate possession or use in the workplace. Likewise, it would not be required that any special modifications be made to the workplace for any user of medical marijuana. However, this employer exemption provision would be subject to the subjective standard of “the reasonable business purposes of the employer”. It is expected that this standard will be put to any number of legal tests at great cost to employers. It is also allowable for an employer to refuse to hire, discharge, discipline or take such other adverse employment action as determined necessary related to an employee’s possession or use of medical marijuana.

Insurers

The legislation as currently drafted would not require any insurer to reimburse for “costs” associated with the use of medical marijuana. However, it does not address the issue of damages for liabilities associated with its use. It is left to be tested in the marketplace and the court
system as to whether an insurer could specifically choose not to cover the costs of accidents and other liabilities incurred due to medical marijuana use to include workers compensation.¹⁹

**Physicians**

Specific provisions within the proposed legislation state that physicians would not be subject to “arrest, prosecution, or penalty in any manner, or denied any right or privilege…” However, no provision is made for a medical facility that currently grants medical privileges to withhold those privileges as a matter of conscience from physicians who choose to advocate for or certify marijuana use. It is noted that a positive aspect of the legislation is the mandate that an actual face-to-face physician-patient relationship must be established before a patient may be certified for medical marijuana. The physician shall also be required to present the potential patient with a standardized informed consent form that informs of the side effects, FDA status, federal and state law, and the “state of research” on the efficacy of marijuana as a medicinal solution. This informed consent does currently require the presentation of the impacts that marijuana use could have upon employment, including military service. The informed consent form does not require presentation of “both sides” of the medical research and debate. For the purposes of a physician’s practice, it is assumed that, in the absence of insurance coverage of medical marijuana, the certification process and the required follow-up assessments would be on a pay-as-you-go patient-pay system. Physicians would be subject to dual regulation by the Cannabis Commission as well as the Board of Medical Examiners. The Cannabis Commission would have the authority to refer a physician for disciplinary action by the Board of Medical Examiners by having monitored the physician’s practice and use of the patient registry. Physicians should also know that medical marijuana is granted applicability to adolescents but that the physician may then be required to communicate with a third-party licensed “Caregiver” as defined in the bill.

**Pharmacists**

As noted previously, the legislation as currently drafted bypasses the normal dispensing of prescription medications by licensed pharmacists. Despite several states requiring a pharmacist to consult with the newly established marijuana dispensaries, this legislation would not do so.
VI. The General Marijuana Question

Much has been written on the status of research into the use and effectiveness of marijuana as a curative modality. To be sure, there are palliative effects, but they are accompanied by undeniable cognitive and emotional effects as well. It is also touted often by marijuana proponents that the deleterious effects of marijuana are less than those of the otherwise legal alcohol industry (see Appendix A). But suffice to say there is no free lunch in the use of marijuana. Seemingly, for every impartial and respected study that finds a benefit to its use, another equally vaunted study finds a negative, or simply refutes the findings of the previous study. As recently as April of 2019, the Journal of the American Medical Association’s Psychiatry section published a research report concluding that use of marijuana in adolescents leads to a higher prevalence of suicide, depression and anxiety.

A 2017 review of multiple evidentiary studies by Clinical Psychology Review indicated that marijuana may be of help fighting alcohol and opioid addictions. At nearly the same time, however, that finding was contended by a review published by the National Academies of Sciences that concluded that marijuana can increase the propensity for abuse, dependency and addiction of other substances. That same study by the National Academies of Sciences indicated that cannabis use increases the propensity to develop schizophrenia and other psychoses.

The ultimate question, “is marijuana an effective medicinal option for every ailment asserted by the proponents?” is answered a variety of ways depending on who is being asked. What is known, without question, is that the FDA has not approved it for medicinal use. Without this standard form of sanctioned research and approval, the various states will be left with a patchwork quilt of incompatible laws. In fact, the vast majority of the matters contemplated in the legislation currently proposed would not be necessary if the proponents of marijuana consumption merely went through the customary and accepted processes for FDA approval and federal legalization.
VII. Conclusion

Without FDA approval, the Alabama Policy Institute cannot sanction the legalization of marijuana. But even if the FDA were to approve marijuana, the vast overreach of the proposed legislation would result in API rejecting this bill.

VIII. Changes Since First Draft of Bill

In December, API reviewed an updated version of the proposed legislation. Although most changes were minor, there were some substantial updates.

The largest change is that the new version of the bill does not include reciprocity for individuals duly registered for medical marijuana use in another state. This eliminates some of the issues regarding enforcement detailed in this report, although the substance’s illegal federal status continues to pose problems for law enforcement.

In addition to dramatically increasing the security, experience, and residential requirements for marijuana cultivators and licensees, the new version removes the ability of localities to ban marijuana cultivation within their borders (banning the processing, testing, and dispensing is still an option in the current draft legislation).

In addition, the new version remains unclear in regards to a potential dual regulation of cultivators by the Cannabis Commission and the Department of Agriculture and Industries.

A full list of changes is available by request.

*The attached version of the bill (Appendix C) is the most updated version, with additions to the November version highlighted.*
ENDNOTES


APPENDIX A

Marijuana vs. Alcohol: A Statistical Comparison

Addiction Rates Among Select Substances (percent of users who become or are addicted)

- Marijuana – 9%1
- Tobacco – 30%2
- Alcohol – 15%3
- Opioids – 10%4 (21-29% according to the National Institutes for Health "misuses" their prescriptions, a distinction from being "addicted")

Excessive-use Induced Deaths

- Alcohol – 88,000 annually in the United States5
- Marijuana – 0 (first death recorded in 2019)6

Important Note: To overdose on Marijuana, one would have to smoke an estimated 2,000 joints. This is much higher of a death-inducing ingestion threshold than alcohol.7 The National Institute of Health remarked that, before 2019’s single case, there were no known cases of fatal overdoses from cannabis use”.8

Annual Health-Related Costs for Users

- Marijuana – $209
- Tobacco – $80010
- Alcohol – $16511

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2 Ibid.
3 Ibid.
7 Ibid.
8 Ibid.
10 Ibid.
11 Ibid.
Negative Health Effects on Users

The Brain
- Alcohol – reduction in brain matter volume and integrity over time, detrimental to both normal brain function and development\(^\text{12}\)
- Marijuana
  - There is no similar reduction in brain matter, although studies have been mixed.\(^\text{13}\)
  - Acute impairment of cognitive capacity, however, is indisputable.\(^\text{14}\)
  - Long-term use may lead to psychosis and other mental disorders\(^\text{15}\), including depression and schizophrenia.\(^\text{16}\)
  - Marijuana’s effect on the still-developing brains of young people remains a major concern for physicians.\(^\text{17}\)

Liver
- Alcohol – Cirrhosis\(^\text{18}\)
- Marijuana – no known liver impairment\(^\text{19}\)

Risks on Pregnancy
- Alcohol – miscarriage, stillbirth, and a range of lifelong physical, behavioral, and intellectual disabilities\(^\text{20}\)
- Marijuana – neurobehavioral deficits in children,\(^\text{21}\) premature birth, and stillbirth\(^\text{22}\)

The World Health Organization on Alcohol and Marijuana
“Overall, most of these risks (associated with marijuana) are small to moderate in size. In aggregate they are unlikely to produce public health problems comparable in scale to those currently produced by alcohol and

\(^{13}\) Ibid.
\(^{15}\) Ibid.
\(^{16}\) The Beckley Foundation. Cannabis and Mental Health: Responses to the Emerging Evidence, April 2006 (pdf).
\(^{19}\) Ibid.
tobacco. On existing patterns of use, cannabis poses a much less serious public health problem than is currently posed by alcohol and tobacco in Western societies.”

Note: The National Academies of Sciences, Engineering, and Medicine published a report on the health effects of marijuana and products derived from it and recommends more research is done on the topic.

Driving Risks
- Marijuana – 83% increase in odds of being in an accident
- Alcohol – 575% increase in odds of being in an accident (at .05% BAC, still legally sober)
- Marijuana and Alcohol together – risk is over and beyond the risk of using either substance alone

Why the difference? Researchers at the National Institute of Health have determined that marijuana users are more aware of their impairment. In fact, cannabis users given 7 mg of THC (about a third of a joint) rated themselves as impaired even though they were not. In the controlled experiment, alcohol users, on the other hand, rated themselves unimpaired while they were, in fact, impaired. The study, which summarizes a body of literature, suggests that "marijuana users tend to compensate effectively for their impairment by utilizing a variety of behavioral strategies", strategies that alcohol-users are less able to maneuver effectively.

More Research Needed
Although much research has been conducted on marijuana, many suggest that there is still more to be done. According to the National Institute of Health, "whether marijuana has therapeutic benefits that outweigh its health risks is uncertain." They recommend additional research to more fully understand the effects of marijuana use.

26 Ibid.
28 Ibid.
## Appendix B: Compendium of State Medical Marijuana Laws

As of 10/21/2014

<table>
<thead>
<tr>
<th>State</th>
<th>Year</th>
<th>Relevant Legislation and Regulations</th>
<th>Statutory Employment Protections</th>
<th>Links to Legislation</th>
</tr>
</thead>
</table>
| Alaska    | 1999 | §17.37.10 et seq.                    | Requires no undue regulation of any medical use of marijuana in any place of employment | [alaska.gov/ebsen/responders/2014]
| Arizona   | 2010 | §2541 et seq.                        | Requires no undue supervision or discipline of any employee based on the clock or on the premises for the use of their medical marijuana in accordance with state law or federal law | [www.azdhs.gov/MedicalMarijuana/Regulations]
| California| 1996 | §11362.5                              | Requires no undue discipline based on the clock or on the premises for the use of their medical marijuana in accordance with state law or federal law | [www.cdph.ca.gov/Programs/MMPI/CompassionateUseAct.htm]
| Colorado  | 2006 | §12-43.3-101, §12-18-106.3 etc.       | Requires no undue discipline for failing a drug test while on the clock or on the premises | [www.colorado.gov/cs/Satellite/CDXVIII/Sec.14.7/Colo.Dept.ofConsumerProtectionReg.§21a-408-1etseq.]
| Connecticut| 2012| §21a-408-1 et seq.                   | Requires no undue discrimination based on person's status as registered medical marijuana user | [www.cga.ct.gov/current/ConnGenStat §21a-408-1etseq.]
| Florida   | 2012 | §560.227                              | Requires no undue discipline based on the clock or on the premises for the use of their medical marijuana in accordance with state law or federal law | [www.flrules.com/propositions/2012/]
| Georgia   | 2012 | §17-4-106 et seq.                    | Requires no undue discipline based on the clock or on the premises for the use of their medical marijuana in accordance with state law or federal law | [www.dol.georgia.gov/]
| Hawaii    | 2013 | §13-335-9.30 et seq.                 | Requires no undue discipline based on the clock or on the premises for the use of their medical marijuana in accordance with state law or federal law | [www.hawaii.gov/]
| Idaho     | 2012 | §39-4306 et seq.                     | Requires no undue discipline based on the clock or on the premises for the use of their medical marijuana in accordance with state law or federal law | [www.idaho.gov/]
| Illinois  | 2012 | §225/16§225/16                      | Requires no undue discipline based on the clock or on the premises for the use of their medical marijuana in accordance with state law or federal law | [www.legis.state.il.us/]
| Indiana   | 2012 | §225/16§225/16                      | Requires no undue discipline based on the clock or on the premises for the use of their medical marijuana in accordance with state law or federal law | [www.in.gov/]
| Iowa      | 2012 | §225/16§225/16                      | Requires no undue discipline based on the clock or on the premises for the use of their medical marijuana in accordance with state law or federal law | [www.legis.idaho.gov/]
| Kansas    | 2012 | §225/16§225/16                      | Requires no undue discipline based on the clock or on the premises for the use of their medical marijuana in accordance with state law or federal law | [www.legislature.kansas.gov/]
| Kentucky  | 2012 | §225/16§225/16                      | Requires no undue discipline based on the clock or on the premises for the use of their medical marijuana in accordance with state law or federal law | [www.lrc.ky.gov/]
| Louisiana | 2012 | §225/16§225/16                      | Requires no undue discipline based on the clock or on the premises for the use of their medical marijuana in accordance with state law or federal law | [www.louisiana.gov/]
| Maine     | 2012 | §225/16§225/16                      | Requires no undue discipline based on the clock or on the premises for the use of their medical marijuana in accordance with state law or federal law | [www.maine.gov/]
| Maryland  | 2012 | §225/16§225/16                      | Requires no undue discipline based on the clock or on the premises for the use of their medical marijuana in accordance with state law or federal law | [www.maryland.gov/]
| Massachusetts | 2012 | §225/16§225/16                      | Requires no undue discipline based on the clock or on the premises for the use of their medical marijuana in accordance with state law or federal law | [www.mass.gov/]
| Michigan  | 2012 | §225/16§225/16                      | Requires no undue discipline based on the clock or on the premises for the use of their medical marijuana in accordance with state law or federal law | [www.michigan.gov/]
| Minnesota | 2012 | §225/16§225/16                      | Requires no undue discipline based on the clock or on the premises for the use of their medical marijuana in accordance with state law or federal law | [www.mn.gov/]
| Mississippi| 2012| §225/16§225/16                      | Requires no undue discipline based on the clock or on the premises for the use of their medical marijuana in accordance with state law or federal law | [www.mslegis.gov/]
| Missouri  | 2012 | §225/16§225/16                      | Requires no undue discipline based on the clock or on the premises for the use of their medical marijuana in accordance with state law or federal law | [www.missouri.gov/]
| Montana   | 2012 | §225/16§225/16                      | Requires no undue discipline based on the clock or on the premises for the use of their medical marijuana in accordance with state law or federal law | [www.mt.gov/]
| Nebraska  | 2012 | §225/16§225/16                      | Requires no undue discipline based on the clock or on the premises for the use of their medical marijuana in accordance with state law or federal law | [www.nebraska.gov/]
| Nevada    | 2012 | §225/16§225/16                      | Requires no undue discipline based on the clock or on the premises for the use of their medical marijuana in accordance with state law or federal law | [www.leg.state.nv.us/]
| New Hampshire | 2012 | §225/16§225/16                      | Requires no undue discipline based on the clock or on the premises for the use of their medical marijuana in accordance with state law or federal law | [www.nh.gov/]
| New Jersey| 2012 | §225/16§225/16                      | Requires no undue discipline based on the clock or on the premises for the use of their medical marijuana in accordance with state law or federal law | [www.state.nj.us/]
| New Mexico| 2012 | §225/16§225/16                      | Requires no undue discipline based on the clock or on the premises for the use of their medical marijuana in accordance with state law or federal law | [www.nmlegis.state.nm.us/]
| New York  | 2012 | §225/16§225/16                      | Requires no undue discipline based on the clock or on the premises for the use of their medical marijuana in accordance with state law or federal law | [www.nysenate.gov/]
| North Carolina | 2012 | §225/16§225/16                      | Requires no undue discipline based on the clock or on the premises for the use of their medical marijuana in accordance with state law or federal law | [www.ncleg.gov/]
| North Dakota | 2012 | §225/16§225/16                      | Requires no undue discipline based on the clock or on the premises for the use of their medical marijuana in accordance with state law or federal law | [www.nd.gov/]
| Ohio      | 2012 | §225/16§225/16                      | Requires no undue discipline based on the clock or on the premises for the use of their medical marijuana in accordance with state law or federal law | [www.ohiosenate.gov/]
| Oklahoma  | 2012 | §225/16§225/16                      | Requires no undue discipline based on the clock or on the premises for the use of their medical marijuana in accordance with state law or federal law | [www.ok.gov/]
| Oregon    | 2012 | §225/16§225/16                      | Requires no undue discipline based on the clock or on the premises for the use of their medical marijuana in accordance with state law or federal law | [www.leg.state.or.us/]
| Pennsylvania | 2012 | §225/16§225/16                      | Requires no undue discipline based on the clock or on the premises for the use of their medical marijuana in accordance with state law or federal law | [www.legis.state.pa.us/]
| Rhode Island | 2012 | §225/16§225/16                      | Requires no undue discipline based on the clock or on the premises for the use of their medical marijuana in accordance with state law or federal law | [www.ri.gov/]
| South Carolina | 2012 | §225/16§225/16                      | Requires no undue discipline based on the clock or on the premises for the use of their medical marijuana in accordance with state law or federal law | [www.southcarolina.gov/]
| South Dakota | 2012 | §225/16§225/16                      | Requires no undue discipline based on the clock or on the premises for the use of their medical marijuana in accordance with state law or federal law | [www.sdbiz.org/]
| Tennessee | 2012 | §225/16§225/16                      | Requires no undue discipline based on the clock or on the premises for the use of their medical marijuana in accordance with state law or federal law | [www.tn.gov/]
| Texas     | 2012 | §225/16§225/16                      | Requires no undue discipline based on the clock or on the premises for the use of their medical marijuana in accordance with state law or federal law | [www.texas.gov/]
| Utah      | 2012 | §225/16§225/16                      | Requires no undue discipline based on the clock or on the premises for the use of their medical marijuana in accordance with state law or federal law | [www.utah.gov/]
| Vermont   | 2012 | §225/16§225/16                      | Requires no undue discipline based on the clock or on the premises for the use of their medical marijuana in accordance with state law or federal law | [www.state.vt.us/]
| Virginia  | 2012 | §225/16§225/16                      | Requires no undue discipline based on the clock or on the premises for the use of their medical marijuana in accordance with state law or federal law | [www.virginia.gov/]
| Washington | 2012 | §225/16§225/16                      | Requires no undue discipline based on the clock or on the premises for the use of their medical marijuana in accordance with state law or federal law | [www.wa.gov/]

*Appendix B courtesy of National Families in Action*
<table>
<thead>
<tr>
<th>State</th>
<th>Year</th>
<th>Relevant Laws and Regulations</th>
<th>Statutory Employment Provisions</th>
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<tbody>
<tr>
<td>Delaware</td>
<td>2011</td>
<td>Medical Marijuana for Medical Treatment Amendment Act, codified at Del. Code Chap. 4 T.C. Code Annum. § 49A § 4901A et seq.</td>
<td>Allows discipline based on use, possession or impairment while on employer's premises or in the workplace.</td>
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<tr>
<td>Illinois</td>
<td>2013</td>
<td>Compassionate Use of Medical Cannabis Pilot Program Act, codified at 720 ILCS 550 et seq.</td>
<td>Employer permitted to adopt reasonable regulations concerning consumption, storage, or timekeeping requirements for registered users.</td>
</tr>
<tr>
<td>District of Columbia</td>
<td>2010</td>
<td>Medicaid Marijuanu Act, Chapter 1 of Title 23, Code Annum. § 1571.13 et seq.</td>
<td>Employer permitted to adopt reasonable regulations concerning consumption, storage, or timekeeping requirements for registered users.</td>
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<td>Hawaii</td>
<td>2000</td>
<td>Hawai`i Rev. Stat. § 7-1671.13 et seq., Code Annum. § 329-121 et seq.</td>
<td>Employer permitted to adopt reasonable regulations concerning consumption, storage, or timekeeping requirements for registered users.</td>
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<tr>
<td>Delaware</td>
<td>2013</td>
<td>Department of Health, State of Delaware, 1976 Code Chap. 4 T.C. Code Annum. § 49A § 4901A et seq.</td>
<td>Employer permitted to adopt reasonable regulations concerning consumption, storage, or timekeeping requirements for registered users.</td>
</tr>
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<td>State</td>
<td>Year</td>
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<td>Maine</td>
<td>2004</td>
<td>§ S04-6-30.1 et seq.</td>
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<td>Montana</td>
<td>2004</td>
<td>Marijuana Medical Act</td>
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<td>Michigan</td>
<td>2008</td>
<td>§ 333.26421 et seq.</td>
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<tr>
<td>Massachusetts</td>
<td>2012</td>
<td>Mass. Session Laws Chapter 35 § 1 et seq.</td>
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<tr>
<td>Maryland</td>
<td>2014</td>
<td>C.M.R. Chapter 122 § 13-3001 et seq.</td>
<td></td>
</tr>
<tr>
<td>Maine</td>
<td>1999</td>
<td>Marijuana Act</td>
<td></td>
</tr>
</tbody>
</table>

**Links to Legislation**

10. Maine
11. Maryland
12. Massachusetts
13. Michigan
14. Minnesota
15. Montana
16. Maine

**Statutory Employment Provisions**

- Prohibits employment discrimination based on (1) persons status as (1) persons status on the dock
- Allows discipline based on use, possession, or impairment while on the clock
- Expressly does not allow or bar an employer from including in any contract a provision prohibiting the use of marijuana for a debilitating medical condition by a registered cardholder to accommodate the use of marijuana
- Expressly does not permit a cause of action against an employer for a discrimination or discharge of a registered medical marijuana user
- By a registered cardholder
- By a registered cardholder
- Does not require an employer to supply marijuana
- Expressly does not prohibit an employer from discriminating against an employee based on race, gender, or disability
- Does not prohibit a cause of action against an employer for a discrimination or discharge of a registered medical marijuana user
- Expressly does not permit an employer to discriminate against a registered medical marijuana user based on race, gender, or disability
- Does not prohibit an employer from including in any contract a provision prohibiting the use of marijuana for a debilitating medical condition by a registered cardholder to accommodate the use of marijuana
<table>
<thead>
<tr>
<th>State</th>
<th>Year</th>
<th>Relegalized</th>
</tr>
</thead>
<tbody>
<tr>
<td>Montana</td>
<td>2007</td>
<td>7.9.3 NMAC</td>
</tr>
<tr>
<td>Nevada</td>
<td>2000</td>
<td>N.M. Stat. An. § 26</td>
</tr>
<tr>
<td>New Hampshire</td>
<td>2010</td>
<td>HB 573</td>
</tr>
<tr>
<td>New Jersey</td>
<td>2014</td>
<td>409 A07, HJM</td>
</tr>
<tr>
<td>New Mexico</td>
<td>2007</td>
<td>§ 26-43A NMAC</td>
</tr>
<tr>
<td>New York</td>
<td>2014</td>
<td>Compassionate Care</td>
</tr>
</tbody>
</table>

**Relevant Laws and Statutory Employment Protections**

The table above lists relevant laws and statutory employment protections for medical marijuana users in various states. The table includes the state, year of relegalization, and relevant laws.

- **Montana**: Montana Supreme Court held that medical marijuana users are not barred from employment, and that medical marijuana use is not a disqualifying factor for employment. The relevant laws are Montana Code Annotated § 453A-7.
- **New Hampshire**: HB 573 allows possession and/or use of marijuana in the workplace with written permission of employer. HB 573 does not require an employer to accommodate medical use of marijuana or to relieve medical marijuana users of responsibilities from fulfilling job duties.
- **New Jersey**: Does not require an employer to accommodate medical marijuana users of medical marijuana in the workplace. The Compassionate Care Act, A6357, expressly provides that certified medical marijuana users are deemed to have a disability under NY Human Rights Law. The relevant law is Compassionate Care Act, A6357.
- **New Mexico**: N.M. Stat. An. § 26-43A NMAC, and N.M. Stat. An. § 26-43A-7. The Supreme Court held that medical marijuana users are not protected from discipline by their employer for failing drug tests. The relevant laws include NMAC 7.9.3, NAC 453A.

**References**

For more detailed information, please refer to the links provided in the table.
<table>
<thead>
<tr>
<th>State</th>
<th>Year</th>
<th>Relevant Laws and Statutory Employment Protections</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oregon</td>
<td>1998</td>
<td>Oregon Medical Marijuana Act, codified at Or. Rev. Stat. § 475.300; OAR 333-008-0000. Oregon Supreme Court has held that Oregon Medical Marijuana Act does not require an accommodation for medical use of marijuana in the workplace.</td>
</tr>
<tr>
<td>Washington</td>
<td>1998</td>
<td>Wash. Rev. Code § 69.51A.010 et seq.; WAC 246-75-010 cannabis in the workplace. Does not require an accommodation for medical use of cannabis if an employer has a drug-free workplace policy. Washington Supreme Court has held that medical marijuana users are not protected from discipline by their employer for failed drug test.</td>
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</tr>
</tbody>
</table>

This chart is intended as a substitute for legal advice. The employment protections outlined herein are paraphrased from the express language of the respective state's statutes and regulations and have not been supplemented by applicable case law, if any. Many of these laws and regulations have only been in effect within the last few years, and thus the parameters and strength of employment protections have not yet been fleshed out through litigation. Please note that this is a developing area of the law and requires state-specific legal knowledge. As such, consult legal counsel when dealing with employment issues related to marijuana and medical marijuana.
SYNOPSIS: Under existing law, unlawful possession of marijuana in the first degree is a Class C or Class D felony, and unlawful possession of marijuana in the second degree is a Class A misdemeanor.

This bill would create the Compassion Act.

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

This bill would establish the Alabama Medical Cannabis Commission situated within the Department of Public Health for administrative purposes only, and provide for commission membership.

This bill would require the Alabama Medical Cannabis Commission to establish and administer a patient registry system that registers patients with qualifying medical conditions and their
designated caregivers, to issue medical cannabis cards, to issue licenses for the cultivation, processing, dispensing, transporting, and testing of medical cannabis, to adopt rules, and to generally regulate, administer, and enforce a medical cannabis program in the state.

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

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

This bill would provide for sales taxes.

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

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

This bill would prohibit the ingestion of any raw plant material, and would prohibit any smokeable product.

This bill would provide certain legal protections to employers.
This bill would prohibit the use of medical cannabis in certain circumstances.

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

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

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

Amendment 621 of the Constitution of Alabama of 1901, now appearing as Section 111.05 of the Official Recompilation of the Constitution of Alabama of 1901, as amended, prohibits a general law whose purpose or effect would be to require a new or increased expenditure of local funds from becoming effective with regard to a local governmental entity without enactment by a 2/3 vote unless: it comes within one of a number of specified exceptions; it is approved by the affected entity; or the Legislature appropriates funds, or provides a local source of revenue, to the entity for the purpose.
The purpose or effect of this bill would be to require a new or increased expenditure of local funds within the meaning of the amendment. However, the bill does not require approval of a local governmental entity or enactment by a 2/3 vote to become effective because it comes within one of the specified exceptions contained in the amendment.

A BILL

TO BE ENTITLED

AN ACT

Relating to the medical use of cannabis; to add a new Chapter 2A to Title 20, Code of Alabama 1975; to amend Section 13A-7-2, Code of Alabama 1975; to create the Compassion Act; to provide civil and criminal protections to certain residents diagnosed with a qualifying medical condition who have a valid medical cannabis card for the medical use of cannabis; to establish the Alabama Medical Cannabis Commission and provide for its membership and duties; to provide for a patient registry system of qualified patients and designated caregivers and provide for issuance of medical cannabis cards to registrants; to license the cultivation, processing, transporting, testing, and dispensing of medical cannabis; to prohibit certain types of medical cannabis products; to impose taxes; to provide certain legal protections for users of medical cannabis; to provide certain
legal protections for employers; to amend the crime of
trespass in the first degree; and in connection therewith
would have as its purpose or effect the requirement of a new
or increased expenditure of local funds within the meaning of
Amendment 621 of the Constitution of Alabama of 1901, now
appearing as Section 111.05 of the Official Recompilation of
the Constitution of Alabama of 1901, as amended.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

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


§20-2A-1.

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

§20-2A-2.

The Legislature finds all of the following:

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

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

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

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

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

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

$20-2A-3.

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

(1) CANNABIS. a. Except as provided in paragraph b., all parts of any plant of the genus cannabis, whether growing or not, including the seeds, extractions of any kind from any part of the plant, and every compound, derivative, mixture, product, or preparation of the plant.
b. The term does not include industrial hemp or hemp regulated under Article 11 of Chapter 8 of Title 2.

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

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

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

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

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

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

(8) INTEGRATED FACILITY. An entity licensed under Section 20-2A-67 that cultivates, processes, transports, and dispenses medical cannabis.
(9) LICENSEE. A cultivator, processor, secure transporter, state testing laboratory, dispensary, or integrated facility licensed by the commission under Article 4.

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

1. Lozenge, capsule, or tincture.
2. Gel, oil, or cream.
3. Suppository.
4. Patch.
5. Liquid or oil for vaporization or for administration using an inhaler.

b. The term does not include any of the following:
1. Raw plant material.
2. Any product administered by smoking or combustion.
3. A food product that has medical cannabis baked, mixed, or otherwise infused into the product, such as cookies or candies.

(11) MEDICAL CANNABIS CARD. A valid card issued pursuant to this chapter or a valid card from another state that has legalized the use of medical cannabis.

(12) MEDICAL USE. The acquisition, possession, use, delivery, transfer, or administration of medical cannabis
authorized by this chapter. The term does not include
possession, use, or administration of cannabis that was not
purchased or acquired from a licensed dispensary.

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

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

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

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

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

   
   b. Cancer related cachexia, weight loss, or chronic
      pain.
c. Crohn's Disease or Irritable Bowel Syndrome.

d. A condition causing chronic or intractable pain, including fibromyalgia and migraines.

e. Epilepsy or a condition causing seizures.

f. HIV/AIDS-related nausea or weight loss.

g. Post Traumatic Stress Disorder (PTSD).

h. Sleep disorders.

i. Spasticity associated with a motor neuron disease, including Amyotrophic Lateral Sclerosis.

j. Spasticity associated with Multiple Sclerosis or a spinal cord injury.

k. A terminal illness in which the life expectancy is six months or less.

l. Tourette's Syndrome.

m. Any other medical condition added by the commission, by rule, based on scientific evidence indicating efficacy in treating the condition or treating symptoms of the condition.

(18) REGISTERED CAREGIVER. An individual who meets the requirements described in subsection (c) of Section 20-2A-30 and is authorized to acquire and possess medical cannabis and to assist one or more registered qualified patients with the use of medical cannabis pursuant to this chapter.

(19) REGISTERED CERTIFYING PHYSICIAN. A physician who meets the qualifications described in Section 20-2A-31 and
is authorized to certify patients for the use of medical cannabis pursuant to this chapter.

(20) REGISTERED QUALIFIED PATIENT. Either of the following:

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

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

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

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

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

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

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

§20-2A-5.

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

§20-2A-6.

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

(1) Require an insurer, organization for managed care, health benefit plan, or any person who provides coverage for a medical or health care service to pay for or reimburse a person for costs associated with the use of medical cannabis.
(2) Require any employer to permit or accommodate an employee's possession or use of a medical cannabis product, to allow the use of medical cannabis in the workplace, or to modify the job or working conditions of an employee who engages in the use of medical cannabis that are based upon the reasonable business purposes of the employer.

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

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

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

(6) Permit an individual to commence a cause of action against an employer for refusing to hire, discharging, disciplining, or otherwise taking an adverse employment action against an individual with respect to hire, tenure, terms, conditions, or privileges of employment related to use of medical cannabis.
(7) Require a government medical assistance program, employer, property and casualty insurer, or private health insurer to reimburse a person for costs associated with the use of medical cannabis.

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


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

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

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

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

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

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

(e) Mere possession of, or application for, a medical cannabis card does not constitute probable cause or reasonable suspicion, nor shall it be used as the sole basis to support the search of the person, property, or home of the individual possessing or applying for the medical cannabis card. The possession of, or application for, a medical cannabis card does not preclude the existence of probable cause if probable cause exists on other grounds.
(f) Nothing in this chapter shall preclude the Alabama State Law Enforcement Agency or a local law enforcement agency from searching a licensee where there is probable cause to believe that a criminal law has been violated and the search is conducted in conformity with constitutional and state law. §20-2A-8.

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

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

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

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

(1) Undertaking any task under the influence of cannabis, when doing so would constitute negligence, professional malpractice, or professional misconduct, or violation of law.
(2) Possessing or using medical cannabis on any K-12 school property, in any correctional facility, or in a vehicle unless the medical cannabis is in its original package and is sealed and reasonably inaccessible while the vehicle is moving.


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

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

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

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

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

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

(6) Relevant scientific research.

(7) Applicable tax revenue.

(8) The commission's operating budget.
(9) Any other information available to the commission that would inform public officials of how this chapter affects the public.

§20-2A-10.

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

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

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

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

(b) Upon a determination by the Legislature that the commission has established sufficient revenues for the administration of this chapter, the Legislature shall direct the Comptroller to transfer any excess balance that is in the Medical Cannabis Fund to the General Fund, except that five percent annually shall be set aside for research grants for empirical analysis relating to the diagnosis, treatment and potential prescribing of medical cannabis, to analyze results of the medical cannabis program established under this chapter, or any other area of inquiry on the subject of medical cannabis as determined by the commission. The
commission shall adopt rules to implement the research grant program.


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

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

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

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

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

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

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

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

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

(e) The commission shall elect from the membership
one member to serve as chair and one member to serve as
vice-chair.
(f) While serving on business of the commission, members shall be entitled to a per diem of five hundred dollars ($500) per day, as well as actual travel expenses incurred in the performance of duties as a member, as other state employees are paid, when approved by the chair.

(g) The commission shall meet at least six times per year and hold other meetings for any period of time as may be necessary for the commission to transact and perform its official duties and functions. A majority of members of the commission shall constitute a quorum for the transaction of any business, or in the performance of any duty, power, or function of the commission, and the concurrence of a majority of those present and voting in any matter within its duties is required for a determination of matters within its jurisdiction. A special meeting may be called by the chair, or upon the written request of two or more members. All members shall be duly notified by the commission director of the time and place of any regular or special meeting at least thirty days in advance of any meeting. Members may participate by telephone, video conference, or by similar communications equipment so that all individuals participating in the meeting may hear each other at the same time. Participating by such means shall constitute presence in person at a meeting for all purposes. The chair shall be responsible for setting and keeping a meeting schedule that ensures the commission meets the requirements of this chapter. A member who misses more
than two meetings in one calendar year shall be subject to
removal by his or her appointing authority.

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

(2) The director shall maintain all records of the
commission and also serve as secretary of the commission. The
director shall prepare and keep the minutes of all meetings
held by the commission, including a record of all business
transacted and decisions rendered by the commission. A copy of
the record of the minutes and business transacted and
decisions rendered shall be kept on file at the commission's
main office and shall be available for public inspection.

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

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

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

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

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


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

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

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

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

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

§20-2A-22.
(a) The Alabama Medical Cannabis Commission shall implement this chapter by making medical cannabis derived from cannabis grown in Alabama available to registered qualified patients and licensing facilities that process, transport, test, or dispense medical cannabis.

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

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


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

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

b. Is registered with the commission.

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

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

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

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

b. Is registered with the commission.
c. Has a qualified designated caregiver.

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

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

a. Is registered with the commission.

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

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

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

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

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

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

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

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

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


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

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

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

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

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

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

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

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

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

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

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

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

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

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

(7) Advertise in a dispensary.

(8) Advertise on the physician's website, brochures, or any other media that generally describe the scope of practice of the physician, any statement that refers to the physician as a "medical cannabis" or "medical marijuana" physician or doctor, or otherwise advertises his or her status as a registered certifying physician, other than the following: "Dr. ______ is qualified by the Alabama Medical Cannabis Commission to certify patients for medical cannabis use under the Alabama Compassion Act."

§20-2A-33.
(a)(1) A registered certifying physician may certify a patient if the physician has a bona fide physician-patient relationship with a patient. For purposes of this subsection, bone fide physician-patient relationship means a relationship established at the private office of a physician, a hospital, or other health care facility in which the registered certifying physician has an ongoing responsibility for the assessment, care, and treatment of a patient's qualifying medical condition or a symptom of the patient's qualifying medical condition, and the relationship was established at least three months prior to physician certification.

(2) Notwithstanding subdivision (1), a certifying physician may certify a patient within the initial three month period of establishing a physician-patient relationship if the registered certifying physician documents that the patient is in need of immediate relief and obtains written documentation from another licensed physician who previously treated the patient which verifies that the patient is in need of immediate relief. This documentation must be provided through the patient registry at the time of certification in a manner determined by rule by the commission.

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

(1) Conduct a physical examination while physically present in the same room as the patient and a full assessment of the medical history of the patient.
(2) Diagnose the patient with at least one qualifying medical condition or confirm that the patient has been medically diagnosed with a qualifying medical condition.

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

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

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

(6) Obtain the voluntary and informed written consent of the patient to use medical cannabis, which shall be maintained in the patient's medical record. The patient, or the patient's parent or legal guardian if the patient is a minor, shall sign the informed consent acknowledging that the registered certifying physician has sufficiently explained its content. The registered certifying physician shall use a standardized informed consent form adopted by rule by the commission that shall include, at a minimum, information relating to all of the following:

a. The federal and state classification of cannabis as a Schedule I controlled substance.
b. The approval and oversight status of cannabis by
   the Food and Drug Administration.

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

d. The potential for addiction.

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

f. The potential side effects of cannabis use.

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

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

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

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

   (2) The respective qualifying medical condition or
conditions.
(3) The daily dosage and type of medical cannabis recommended for medical use.

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

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

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

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

(2) Determine that, over a period of not less than six months, the registered qualified patient's health or the symptoms of the qualifying medical condition have significantly improved.

(3) Identify and document in the registered qualified patient's medical records whether the registered qualified patient experienced either of the following related to the medical use of cannabis:

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

    b. A reduction in the use of, or dependence on, other types of controlled substances.
(f) A registered certifying physician shall update the patient registry within seven days after any change is made to the original physician certification.

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

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

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

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

(h) The commission may monitor physician certifications and patient registrations in the patient registry for practices that could facilitate unlawful diversion or misuse of cannabis and shall recommend disciplinary action to the Board of Medical Examiners as appropriate. Monitoring may include reviewing the medical records of patients, in accordance with state and federal law, on whose behalf a registered certifying physician issued physician certifications, in order to ascertain whether the patients were diagnosed with the qualifying medical condition or conditions specified by the registered certifying physician on the physician certification.
(i) The commission, by rule, shall specify, by form and tetrahydrocannabinol content, a maximum daily dosage of medical cannabis that may be recommended by a registered certifying physician for a particular qualifying medical condition.

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

§20-2A-34.

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

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

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

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

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

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

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

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

g. Determines whether a particular sale of medical
cannabis transaction exceeds the permissible limit.
h. Tracks medical cannabis cards that are denied,
revoked, or suspended.
i. Interfaces as necessary with the statewide
seed-to-sale tracking system established under Article 4.
j. Provides access as further provided in subsection
(b).

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

(1) State and local law enforcement agencies,
provided the database may only be accessed upon probable cause
or reasonable suspicion of a violation of a controlled
substance law or of driving under the influence, and access is
strictly limited to information that is necessary to verify
that an individual is registered and possesses a valid and
current medical cannabis card and, if appropriate, to verify
that the amount and type of product in the individual's
possession complies with the daily dosage limit and type of
medical cannabis recommended.
(2) Health care practitioners licensed to prescribe
prescription drugs.
(3) Registered certifying physicians.
(4) Dispensaries.
§20-2A-35.
(a) Once certified, a patient and, if applicable,
the patient's designated caregiver, shall register in the
patient registry. The commission shall develop the application
and renewal process for patient and designated caregiver
registration, that shall include, but not be limited to, an
application form, relevant information that must be included
on the form, any additional requirements for eligibility the
commission deems necessary, and an application fee not to
exceed sixty-five dollars ($65).
(b) If the certified patient or designated caregiver
meets the criteria for registration, the commission shall
place the patient or caregiver on the patient registry and
issue the patient or designated caregiver a medical cannabis
card. The commission shall determine the criteria for revoking
or suspending a medical cannabis card. Medical cannabis cards
shall be resistant to counterfeiting and tampering and, at a
minimum, shall include all of the following:
(1) The name, address, and date of birth of the
qualified patient or caregiver, as applicable.
(2) A photograph of the qualified patient or
caregiver, as applicable.
(3) Identification of the cardholder as a qualified patient or a caregiver.

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

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

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

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

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

§20-2A-50.

(a) The state hereby preemptively regulates medical cannabis from seed to sale and shall reasonably regulate and control all aspects of the medical cannabis industry to meet the intent of this chapter. All functions and activities relating to the production of medical cannabis in the state shall be licensed, and licenses shall be granted in the following categories: Cultivator, processor, state testing laboratory, dispensary, secure transporter, and integrated.
(b) The commission shall license and regulate all aspects of medical cannabis excluding cultivation. The Department of Agriculture and Industries shall license and regulate the cultivation of cannabis.

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

(d) With regard to integrated licenses, the commission and the department shall enter into a memorandum of understanding relating to the sharing of regulatory and licensing and enforcement authority over licensees with regard to the cultivation function §20-2A-51.

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

§20-2A-52.

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

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

(2) Investigate all individuals employed by
licensees.

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

a. To inspect and examine all premises of licensees.

b. To inspect, examine, and audit relevant records
of the licensee and, if the licensee fails to cooperate with
an investigation, impound, seize, assume physical control of,
or summarily remove from the premises all books, ledgers,
documents, writings, photocopies, correspondence, records, and
videotapes, including electronically stored records, money
receptacles, or equipment in which the records are stored.
c. To inspect the person, and inspect or examine
personal effects present in a licensee, of any holder of a
state operating license while that individual is present in a
licensee.
d. To investigate alleged violations of this
article.

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

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

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

(7) Conduct periodic audits of licensees.

(8) Take disciplinary action as the commission
considers appropriate to prevent practices that violate this
article and rules.
(9) Take any other reasonable or appropriate action
to enforce this article and rules.

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

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

§20-2A-53.

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

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

(2) Establish minimum levels of liability and
casualty insurance or other financial guarantees that
licensees must maintain.
(3) Establish qualifications and restrictions for individuals participating in or involved with operating medical cannabis facilities.

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

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

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

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

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

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

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

(11) Establish standards, procedures, and requirements for waste product storage and disposal and chemical storage.
(12) Establish standards, procedures, and requirements for securely and safely transporting medical cannabis between facilities.

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

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

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

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

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

§20-2A-54.

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

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

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

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

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

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

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

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

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

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

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

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

§20-2A-55.

(a) Beginning September 1, 2021, a person may apply
to the commission for a license in one of the following
categories: Integrated facility, cultivator, processor, secure
transporter, state testing laboratory, or dispensary. The
application shall be made under oath on a form provided by the
commission and shall contain information as prescribed by the
commission, including, but not limited to, all of the
following:
(1) The name, business address, business telephone number, and Social Security number or if applicable, federal tax identification number, of the applicant.

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

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

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

(5) Whether an applicant has been indicted for, charged with, arrested for, or convicted of, pled guilty or nolo contendere to, forfeited bail concerning any criminal offense under the laws of any jurisdiction, either felony or controlled substance-related misdemeanor, not including traffic violations, regardless of whether the offense has been reversed on appeal or otherwise, including the date, the name and location of the court, arresting agency, and prosecuting agency, the case caption, the docket number, the offense, the disposition, and the location and length of incarceration.

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

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

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

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

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

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

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

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

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

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

(g) If the commission identifies a deficiency in an
application, the commission shall provide the applicant with a
reasonable period of time, as determined by the commission by
rule but not more than 60 days, to correct the deficiency.
§20-2A-56.

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

(1) The applicant has been convicted of or released
from incarceration for a felony under the laws of this state,
any other state, or the United States within the past 10 years
or has been convicted of a controlled substance-related felony
within the past 10 years.
(2) The applicant has knowingly submitted an application for a license under this article that contains false information.

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

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

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

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

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

(1) The integrity, moral character, and reputation; personal and business probity; financial ability and experience; and responsibility or means to operate or maintain a facility of the applicant and of any other individual that meets either of the following:

a. Controls, directly or indirectly, the applicant.

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

(2) The financial ability of the applicant to purchase and maintain adequate minimum levels of liability and casualty insurance or other financial guarantees.
(3) The sources and total amount of the applicant's capitalization to operate and maintain the proposed facility.

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

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

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

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

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

(9) The applicant's ability to capitalize and conduct operations as proposed in its business plan, including business experience in related fields.
(10) The applicant's history of business activities as it applies to the specific license for which the applicant is seeking licensure.

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

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

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

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

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

(f) A license shall be issued for a one-year period and is renewable annually. Except as otherwise provided in this article, the commission shall renew a license if both of the following requirements are met:
(1) The licensee applies to the commission in a timely manner on a renewal form provided by the commission that requires information prescribed in rules and pays the annual license fee.

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

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

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

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

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

§20-2A-57.
(a) If any of the following occurs, the commission may deny, suspend, revoke, or restrict a license:

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

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

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

(b) The commission may impose civil fines of up to $X,000 against an individual and up to $X,000 or an amount equal to the daily gross receipts, whichever is greater, against a licensee for each violation of this article, rules, or an order of the commission. Assessment of a civil fine under this subsection is not a bar to the investigation, arrest, charging, or prosecution of an individual for any other violation of this article and is not grounds to suppress evidence in any criminal prosecution that arises under this article or any other law of this state.

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

(d) Any party aggrieved by an action of the commission suspending, revoking, restricting, or refusing to renew a license, or imposing a fine, shall be given a hearing before the commission upon request. A request for a hearing must be made to the commission in writing within 21 days after service of notice of the action of the commission. Notice of the action of the commission must be served either by personal delivery or by certified mail, postage prepaid, to the aggrieved party. Notice served by certified mail is considered complete on the business day following the date of the mailing.

(e) The commission may conduct investigative and contested case hearings; issue subpoenas for the attendance of witnesses; issue subpoenas duces tecum for the production of books, ledgers, records, memoranda, electronically retrievable data, and other pertinent documents; and administer oaths and affirmations to witnesses as appropriate to exercise and discharge the powers and duties of the commission under this article.
§20-2A-58.

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

§20-2A-59.

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

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

§20-2A-60.

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

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

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

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

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

(5) Tracking transportation of product.

(6) Performing complete batch recall tracking that
clearly identifies all of the following details relating to
the specific batch subject to the recall:
   a. Sold product.
   b. Product inventory that is finished and available
      for sale.
   c. Product that is in the process of transfer.
   d. Product being processed into another form.
   e. Postharvest raw product, such as product that is
      in the drying, trimming, or curing process.

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

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

(10) Reporting and tracking all sales and refunds.

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

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

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

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

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

(16) Providing licensees with access only to the information in the system that they are required to receive before a sale, transfer, transport, or other activity authorized under a license issued under this article.
(17) Securing the confidentiality of information in the database by preventing access by a person who is not authorized to access the statewide seed-to-sale tracking system or is not authorized to access the particular information.

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

   a. Total daily sales.
   b. Total cannabis plants in production.
   c. Total cannabis plants destroyed.
   d. Total inventory adjustments.

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

   §20-2A-61.

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

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

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

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

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

§20-2A-62.

(a) A cultivator license authorizes the cultivation of cannabis and sale and transfer of cannabis to a processor.

A processor license authorizes the cultivator to transfer cannabis only by means of a secure transporter.

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

(1) Provide records indicating continuous, full-time business experience in the field of commercial horticulture or agronomic production for a period of at least 15 years.

(2) Demonstrate the ability to secure and maintain cultivation facilities or integrated facilities, as applicable.
(3) Demonstrate the ability to obtain and use an inventory control and tracking system as required under Section 20-2A-60.

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

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

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

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

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

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

(3) All employees must not have any felony drug convictions in the past 10 years.

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

(d) A cultivator shall be subject to inspection by the Alabama State Law Enforcement Agency.
(e) The cultivation of cannabis pursuant to this chapter shall be considered an agricultural purpose for purposes of Section 40-23-4.

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

§20-2A-63.

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

(b) All medical cannabis products must be medical grade and packaged and labeled in accordance with this section and rules. Medical cannabis products may not contain any additives other than pharmaceutical grade excipients.

(c)(1) Medical cannabis products may not be processed into a form that is attractive to or targets children, including all of the following which are prohibited:

a. Any product bearing any resemblance to a cartoon character, fictional character whose target audience is children or youth, or pop culture figure.

b. Any product bearing a reasonable resemblance to a product available for consumption as a commercially available candy.
c. Any product whose design resembles, by any means, another object commonly recognized as appealing to, or intended for use by, children.

d. Any product whose shape bears the likeness or contains characteristics of a realistic or fictional human, animal, or fruit, including artistic, caricature, or cartoon rendering.

(2) Medical cannabis products administered through vaporization may not be processed into a form that has a flavor that is attractive to or targets children.

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

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

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

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

a. Lot and batch numbers.

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

c. Cannabinoid content and potency.
d. The universal state symbol printed in color at least one-half inch by one-half inch in size.

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

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

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

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

§20-2A-64.

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

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

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

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

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

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

(4) Before selling or dispensing medical cannabis to
a registered qualified patient or registered caregiver on
behalf of a registered qualified patient, inquire of the
patient registry to determine whether the patient or caregiver
holds a valid, current, unexpired, and unrevoked medical
cannabis card and that the dispensing of medical cannabis
conforms to the type and amount recommended in the physician
certification and will not exceed the 60-day daily dosage
purchasing limit.

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

(6) Not allow the use of medical cannabis product on
the premises.
(7) Only allow registered qualified patients and registered caregivers on the premises. §20-2A-65.

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

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

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

(2) A route plan and manifest shall be entered into the statewide seed-to-sale tracking system, and a copy must be carried in the transporting vehicle and presented to a law enforcement officer upon request.

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

(4) A secure transporting vehicle may not bear markings or other indication that it is carrying cannabis or medical cannabis.
(c) A secure transporter is subject to administrative inspection by a law enforcement officer at any point during the transportation of cannabis or medical cannabis to determine compliance with this article. §20-2A-66.

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

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

(1) Cannabinoid content and potency.
(2) Terpene profiles.
(3) Heavy metals.
(4) Chemical contamination, such as residual solvents remaining after extraction and concentration.
(5) Microbials, including pathogenic microbials.
(6) Mycotoxins.
(7) Residual insecticides, fungicides, herbicides, and growth regulators used during cultivation.
(8) Residual solvents.
(c) The state testing laboratory license authorizes the licensee to do all of the following without using a secure transporter:

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

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

(d) The licensee shall be accredited by an entity approved by the commission not more than one year after the date the license is issued or have previously provided drug testing services to this state or this state's court system and be a vendor in good standing in regard to those services. The commission may grant a variance from this requirement upon a finding that the variance is necessary to protect and preserve the public health, safety, or welfare.

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

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

(1) Perform tests to certify that cannabis and medical cannabis is reasonably free of heavy metals, chemical contamination, residual pesticides and growth inhibitors, and residual solvents.
(2) Use validated test methods to determine
tetrahydrocannabinol, tetrahydrocannabinol acid, cannabidiol,
and cannabidiol acid levels.

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

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

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

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


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

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

§20-2A-68.

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

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

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

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

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

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

(4) The annual medical cannabis privilege tax shall
be reported on forms and in the manner as prescribed by rule
by the department. The failure to receive a form from the
department shall not relieve a taxpayer from liability for any
tax, penalty, or interest otherwise due. The tax due, as
reported, shall constitute an admitted liability for that
amount. The department may compute and assess additional tax,
penalty, and interest against a taxpayer as provided in

(d) The Department of Revenue shall adopt rules to
implement this section.
Section 3. An employee who is injured or killed while using medical cannabis is ineligible to receive any compensation under Chapter 5 of Title 25, Code of Alabama 1975, if the injury or death was caused by an action or inaction of the employee, even if the employee was in full compliance with Chapter 2A of Title 20, Code of Alabama 1975, at the time of injury or death.

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

"§13A-7-2.

(a) A person is guilty of criminal trespass in the first degree if he knowingly enters or remains unlawfully in a dwelling or on the premises of any cultivator, as defined in Section 20-2A-3, or on the premises of any cultivation operation that is part of an integrated facility, as defined in Section 20-2A-3.

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

Section 5. Although this bill would have as its purpose or effect the requirement of a new or increased expenditure of local funds, the bill is excluded from further requirements and application under Amendment 621, now appearing as Section 111.05 of the Official Recompilation of the Constitution of Alabama of 1901, as amended, because the bill defines a new crime or amends the definition of an existing crime.
Section 6. This act shall become effective immediately following its passage and approval by the Governor, or its otherwise becoming law.