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LEGISLATIVE  
ANNUAL  
REPORT



ALABAMA  
MEDICAL  
CANNABIS  
COMMISSION

2022:

# Annual Report

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On May 17, 2021, Governor Kay Ivey signed into law the Darren Wesley “Ato” Hall Compassion Act (Alabama Act 2021 – 450). The Act establishes the Alabama Medical Cannabis Commission and authorizes the Commission to implement the Act by making medical cannabis derived from cannabis grown in Alabama available to registered qualified patients, by licensing facilities that process, transport, test, or dispense medical cannabis, and by administering and enforcing the Act and all rules adopted pursuant to the Act (Section 20-2A-22, Code of Alabama 1975).



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# Commission Appointments

The Act provides the appointing authority for members of the Alabama Medical Cannabis Commission and directed that initial appointments be made no later than July 1, 2021.

(1) Three members appointed by the Governor, one of whom is a physician licensed to practice medicine in Alabama; one of whom is a licensed pharmacist; and one of whom has experience in agricultural lending or banking.

(2) Three members appointed by the Lt. Governor, one of whom is a physician licensed to practice medicine in Alabama and certified in the specialty of pediatrics; one of whom is licensed to practice law in Alabama who specializes in health law; and one of whom is a biochemist.

(3) Two members appointed by the President Pro Tempore of the Senate, one of whom is licensed to practice medicine in Alabama and certified in the specialty of oncology; and one of whom has experience in multiple crop development and agricultural practices.

(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.

(5) One member appointed by the Commissioner of Agriculture and Industries who is experienced in agricultural production or agronomic or other horticultural practices.

(6) One member appointed by the State Health Officer.

(7) One member appointed by the Attorney General (nonvoting)

(8) One member appointed by the Secretary of the Alabama State Law Enforcement Agency (nonvoting).

# Commission Members



**Dr. Sam Blakemore**  
Pharmacist  
Birmingham, Alabama



**Dr. William Saliski**  
Pulmonologist  
Montgomery, Alabama



**Dr. Steven Stokes**  
Oncologist  
Dothan, Alabama



**Dr. Angela Martin**  
Pediatrician  
Anniston, Alabama



**Dr. Jerzy Szaflarski**  
Neurologist  
Birmingham, Alabama



**Taylor Hatchett**  
Farmer  
Chilton Co., Alabama



**Judge Charles Price**  
Circuit Judge  
Montgomery, Alabama



**Dr. Eric Jensen**  
Biochemist  
Brownsboro, Alabama



**Loree Skelton**  
Healthcare Attorney  
Birmingham, Alabama



**Dwight Gamble**  
Banker  
Headland, Alabama



**Rex Vaughn**  
Farmer  
Huntsville, Alabama



**James Harwell**  
Nursery/Landscaper  
Montgomery, Alabama



**Dion Robinson**  
ALEA Special Agent  
Tuskegee, Alabama

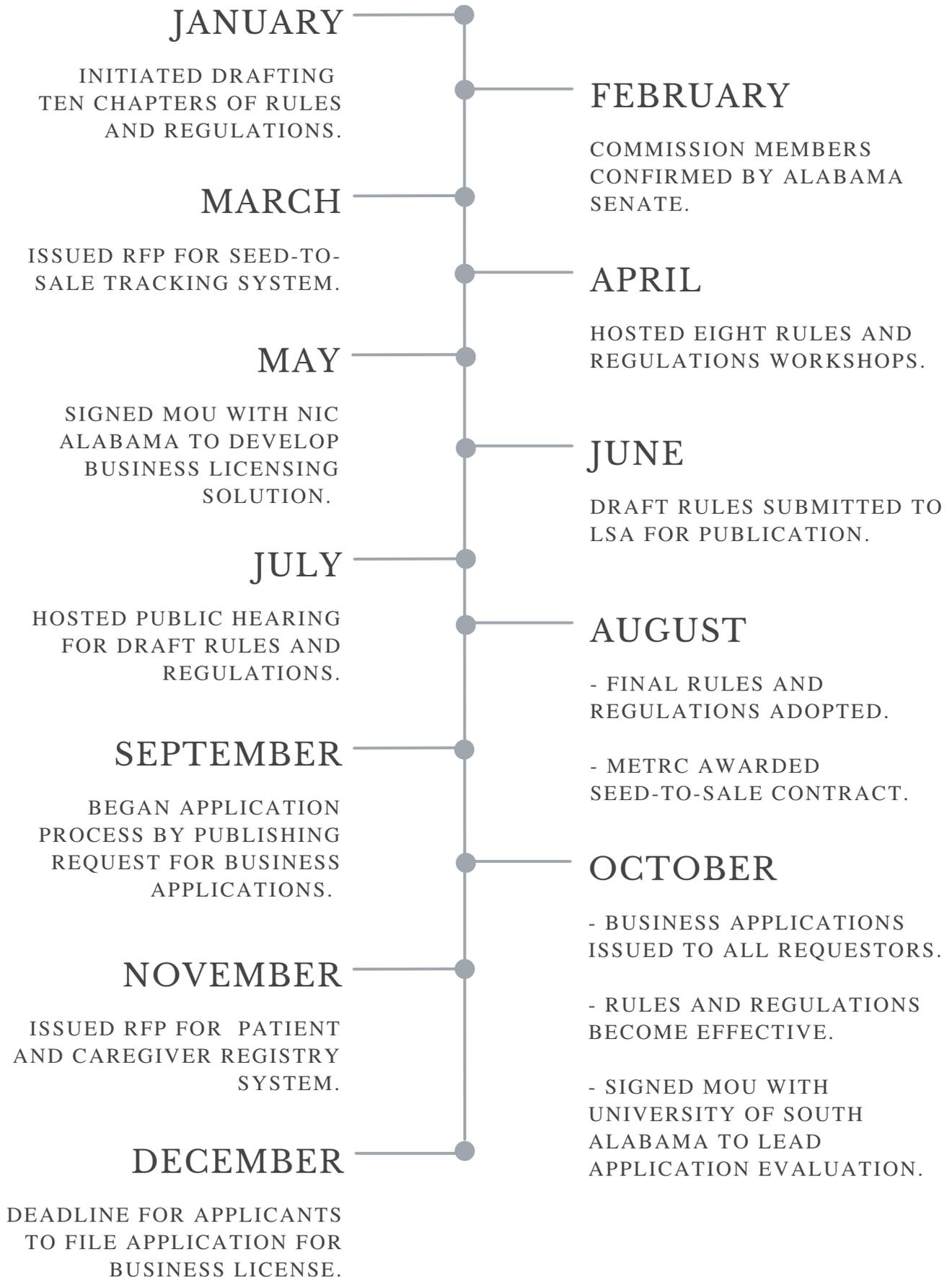


**Vacant**  
Attorney General Appointee

2022

# TIMELINE

A LOOK BACK ON THE MILESTONES OF 2022



# Letter from the Director

JOHN MCMILLAN

When the Alabama Medical Cannabis Commission submitted its 2021 annual report to the Alabama Legislature in accordance with Section 20-2A-9, Code of Alabama 1975, I had served as AMCC director for less than three months. At that time, in my cover letter to the Legislature, I summarized the initial steps our staff would take to establish Alabama's medical cannabis program in the right way. The priorities which we emphasized in the 2021 letter included drafting administrative rules and regulations to govern the program and acquiring statutorily mandated software technology to provide the necessary tracking services for the Alabama program.

I am very pleased to announce that the AMCC is well on its way to accomplishing these prioritized goals as well as other milestones. The Commission is moving closer to implementing the Alabama Legislature's intentions of providing safe medical cannabis products to qualified Alabama patients. Thanks to the efforts of the Commission members, AMCC staff and other key partners, the Alabama Legislature's intent will be accomplished by setting up opportunities for medical cannabis to be cultivated, processed, transported, tested and dispensed in Alabama.

In accordance with Alabama law, one of the first actions taken by the AMCC was to retain the services of legal counsel to assist the Commission and staff with establishing a functional program and achieving compliance with applicable laws. Mr. Will Webster, of the Montgomery law firm Webster Henry, was retained last November. Working in tandem with staff, Mr. Webster began drafting the administrative rules and regulations in January 2022. Almost seven months later, following guidance from the Alabama Legislative Services Agency, numerous drafts, rules and regulations workshops,



and comments from the public, the Commission adopted the AMCC administrative rules and regulations at its August Commission meeting and the rules became effective 45 days later on October 17, 2022.

In March 2022, Commission staff issued the request for proposal for the mandated seed-to-sale tracking software technology. Following the bid process required by state law, the Commission selected Metrc as Alabama's seed-to-sale tracking system provider. Metrc's team was introduced to Commission members at the Commission's October meeting. The Metrc team, which provides cannabis tracking system services to 21 other states, presented a highlight of the system's key features to the Commission and members of the public.

The AMCC has reached other notable milestones over the past year. Among these is the beginning of the business application phase of our program. Alabama's medical cannabis law mandated that the Commission begin the application process by September 1, 2022. On September 1, the window opened for applicants to begin the application process by requesting a business application from the AMCC. In the weeks following September 1, over 600 Requests for Applications were received by the AMCC. The window for applicants to request an application closed on October 17, 2022 and the full applications were sent out to all requestors on October 24, 2022. Applicants have until December 30, 2022, to file their applications with the Commission.

The business application period continues into next spring, with opportunities for applicants to correct deficiencies and make amendments to their applications. Finally, in April, the Commission will vote on all properly filed and corrected applications. Upon the Commission's vote to deem applications submitted, the application review process begins and runs for 60 days. It is our expectation that the Commission will grant Alabama's first medical cannabis business licenses on June 12, 2023.

Thus, we will begin the start-up phase for Alabama's medical cannabis businesses next summer and the AMCC will commence its regulatory responsibilities over the State's new medical cannabis industry. I am confident that when the AMCC makes its annual report at this time next year, we will have cultivators, processors, secure transporters, testing laboratories, and dispensaries almost ready to begin providing safe medical cannabis products to qualified Alabama patients in accordance with recommendations of certified qualifying physicians.

The Commission is pleased to submit its 2022 annual report to the Alabama Legislature in accordance with Section 20-2A-9, Code of Alabama 1975. This annual report will include, to the extent possible, information in eleven specific areas set forth in Act 2021 – 450.



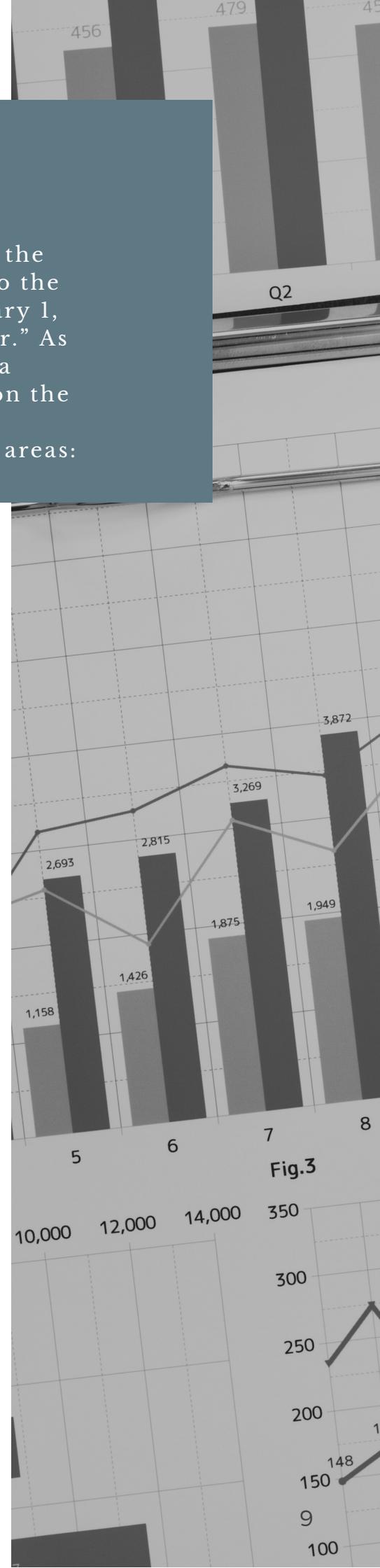
John McMillan  
Director

# Report Sections

Section 20-2A-9, Code of Alabama 1975, requires the Commission to provide “annual written reports to the Legislature, with the first one no later than January 1, 2022, tracking the implementation of this chapter.” As required by law, the annual report to the Alabama legislature will be publicly available and posted on the Commission’s website. The report is to include information and data in the following eleven (11) areas:

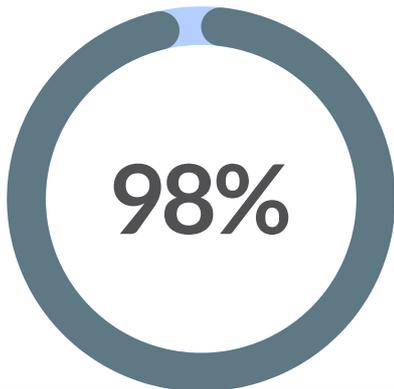
1. The number of patients applying for and receiving medical cannabis cards. \*
2. The qualifying medical conditions identified to obtain the medical cannabis cards. \*
3. Comments from physicians and other health care providers and from pharmacists.
4. Revenues and expenses of card issuance and licensing of medical cannabis facilities.\*
5. Relevant development in other states’ cannabis laws.
6. Relevant scientific research.
7. Applicable tax revenue. \*
8. The commission’s annual operating expenses and revenues.
9. The number of total applicants for each type of license under Article 4 and the number of veterans, minorities, and women who applied and the number of these applicants who were denied a license.
10. Any other information available to the commission that would inform public officials of how this chapter affects the public.
11. Any suggested legislative changes to this chapter or other state laws.

\* = information not applicable for 2022 report



# Patient Information Survey Results

The AMCC will begin registering patients after business licenses are awarded. A survey was published to the AMCC website on March 1, 2022, to gauge interest in the Alabama Medical Cannabis Program. See below the data collected from over 2,900 respondents.

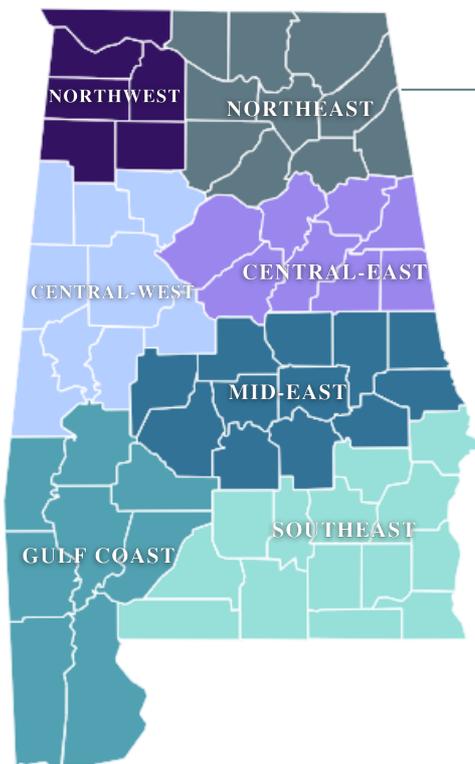
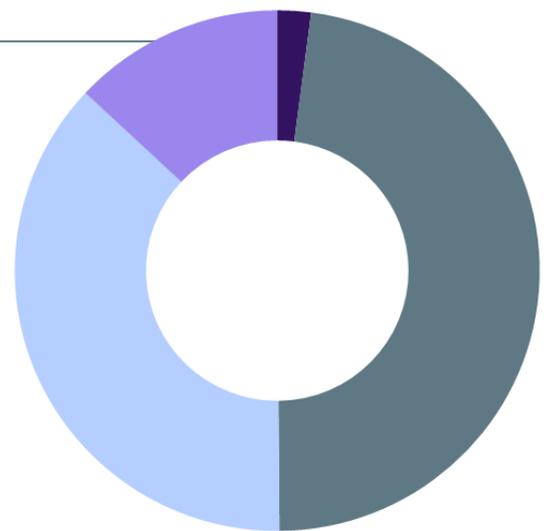


## DO YOU OR A FAMILY MEMBER PLAN TO APPLY FOR A MEDICAL CANNABIS CARD?

Yes - 98%  
No - 2%

## YOU OR YOUR FAMILY MEMBER'S AGE GROUP:

- Under 19 - 2%
- 19 to 39 - 48%
- 40 to 60 - 37%
- 60 Plus - 13%



## WHAT REGION OF ALABAMA DO YOU OR YOUR FAMILY MEMBER LIVE?





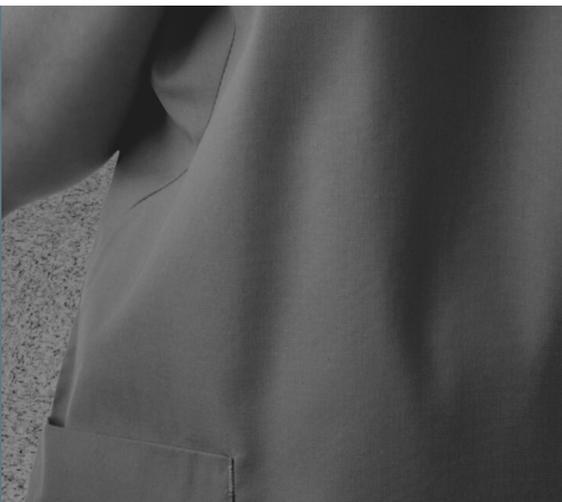


# Comments from Physicians, Health Care Providers, and Pharmacists.

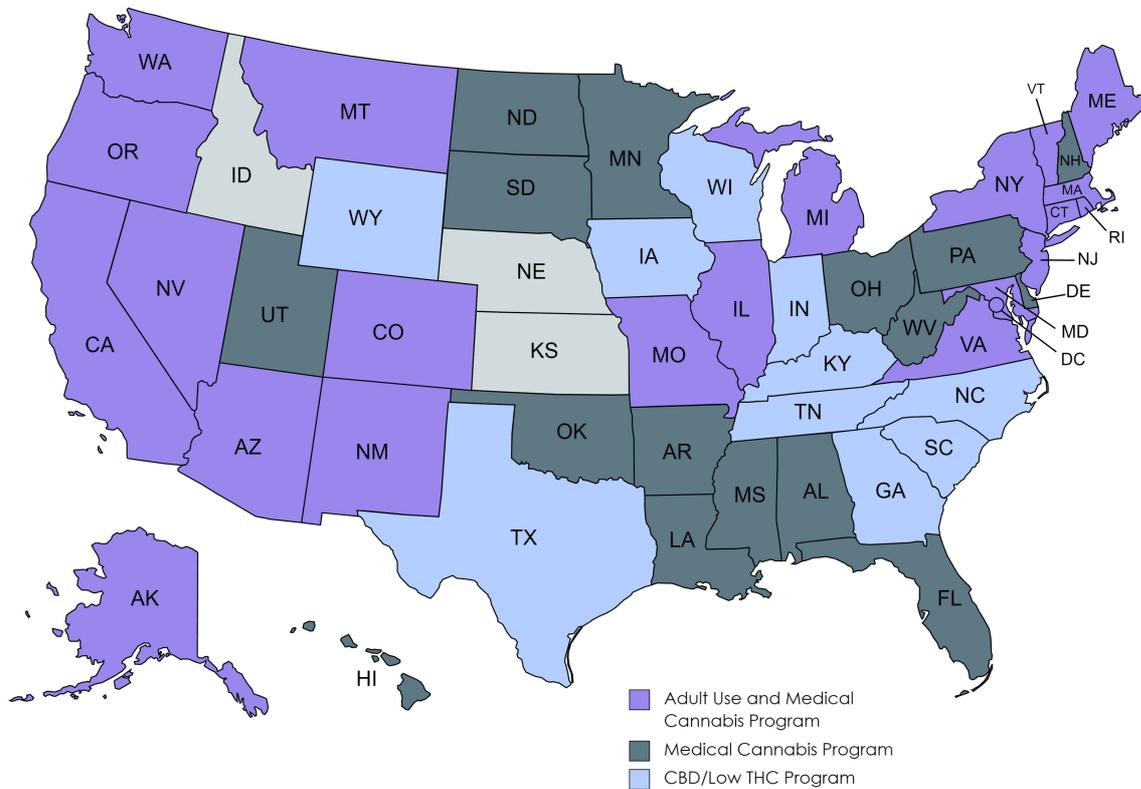
"The Board of Medical Examiners has promulgated rules for the physician recommendation of the use of medical cannabis and those rules are now in effect (Ala. Admin Code R. 540-X-25).

Pursuant to these rules, the Board will begin permitting physicians to recommend medical cannabis once the Alabama Medical Cannabis Commission issues its initial licenses to cultivators, processors, dispensers, secure transporters and state testing laboratories."

- Mr. William M. Perkins  
Executive Director  
State of Alabama Board of Medical Examiners



# Relevant development in other states' cannabis laws.



## 2022 MIDTERM ELECTIONS

During the 2022 midterm elections five states had ballot measures which would allow adult use, commonly referred as recreational use, of cannabis. Medical cannabis legislation had already been enacted in each of the five states with these ballot initiatives (North Dakota, South Dakota, Missouri, Arkansas, and Maryland). Out of the five states, Missouri and Maryland were the only states that approved legislative amendments to now allow for adult use of cannabis.

## ADJACENT STATES

Tennessee's medical cannabis commission is encouraging its state lawmakers to enact rules to regulate both medical cannabis and isomers of THC. Initially the Tennessee commission was formed to study how other states had created a regulated market.

In Mississippi, the Mississippi Medical Cannabis Act was signed into law in February 2022. The state expects that dispensaries will be operational in January 2023. The Department of Health is the regulator of Mississippi's medical cannabis market. The state has issued provisional licenses for the entire supply chain as of October 2022.

In Florida, state health regulators have set into motion a process to issue up to 22 more medical cannabis business licenses. This increase will double the size of Florida's medical cannabis industry.

Lastly, Georgia's medical cannabis market has stalled. The Georgia legislature passed the Hope Act in 2019. Six licenses were awarded in 2022, however other companies involved in the application process have filed lawsuits and/or complaints regarding the transparency of both commission meetings and the selection process.

### **STATES TRANSITIONING TO SMOKABLE CANNABIS**

In 2022, both Minnesota and Louisiana began allowing the sale of smokable cannabis flower to qualified patients. Initially these states only allowed patients to purchase pharmaceutical grade dosage forms such as oral tinctures, topicals, and metered dose inhalers.

### **MEDICAL CANNABIS RECIPROCITY THROUGH EXECUTIVE ORDER**

Kentucky's Governor, Andy Beshear, signed an executive order related to medical cannabis. His executive order allows Kentucky residents to possess medical cannabis if they have certain medical conditions or are receiving palliative care. Kentucky residents must show proof that their purchase of cannabis has been "lawfully made from a jurisdiction within the United States of America but outside of the Commonwealth of Kentucky."

# Relevant Scientific Research

In the last several years, the medical community became interested again in the health benefits of cannabis and cannabinoids. While most research to date has focused on the negative health effects of cannabis and cannabinoids, the recognition of potentially beneficial health effects comes from older and historical literature. In the last few years, in addition to the data generated with the support of the medical cannabis industry, pharmaceutical and other companies started testing high-quality plant-derived cannabis products for the treatment of various human conditions. The most recent reports focused on the treatment of amyotrophic lateral sclerosis (ALS; Lou Gehrig Disease), multiple sclerosis, chronic pain, anxiety, cancer and epilepsy. Randomized trial results have been presented and are available to the public. This data, in general, supports the use of either highly-purified plant-derived cannabidiol, nabiximols – 1:1 cannabidiol (CBD) - tetrahydrocannabinol (THC) combination, or synthetic cannabinoids for the treatment of these symptoms and disorders. Observational cross-sectional and longitudinal data, and small randomized trials are becoming available to provide additional data in support of medical cannabis use in these and other conditions including the conditions that are included in the Alabama Medical Cannabis Law.



While hundreds of quality references have been published in the last few years, some that provide balanced and at times opposing views and are rich in detail are included below:

Medical Marijuana – Mikhail Kogan, MD and Joan Liebmann-Smith, PhD – Avery Publisher 2021

Cannabis in Medicine – Kenneth Finn – Springer 2020

The Health Effects of Cannabis and Cannabinoids – The National Academies of Sciences Engineering and Medicine – 2017 (cited already as a resource over 1000 times).

In addition to treatment of the aforementioned human diseases, significant research is being conducted on appropriate dosing, interactions with other drugs, THC/CBD ratios, terpenes and different modes of consumption.

There is a clear need for further research in the field. Because of great public interest, research will rapidly progress. The Alabama Medical Cannabis Law includes the creation of the Consortium for Medical Cannabis Research and will likely have an impact on the knowledge that will be generated in the future regarding the application of cannabis and cannabinoids for medical purposes based on the input of physicians and the citizens of Alabama.

# Commission's Annual Operating Expenses and Revenues

## Revenue and Expenses Through November 30, 2022

Category	Available	Expenditures	Encumbrances	Total Obligations
Personnel Costs	\$975,358.00	\$169,101.50	\$0.00	\$169,101.50
Employee Benefit	\$268,501.00	\$46,364.50	\$0.00	\$46,364.50
Travel, In-State	\$35,000.00	\$246.25	\$0.00	\$246.25
Travel, Out-Of-State	\$30,000.00	\$0.00	\$0.00	\$0.00
Repair And Maintenance	\$10,000.00	\$0.00	\$0.00	\$0.00
Rentals And Leases	\$90,000.00	\$12,140.60	\$4,308.24	\$16,448.84
Utilities And Communication	\$15,000.00	\$0.00	\$2,999.40	\$2,999.40
Services	\$4,795,681.00	\$140.00	\$0.00	\$140.00
Supplies, Mat'l, And Operating	\$45,000.00	\$7,493.10	\$1,802.68	\$9,295.78
Transportation Equip Operation	\$7,500.00	\$233.22	\$7,266.78	\$7,500.00
Transportation Equipment Purch	\$40,000.00	\$0.00	\$0.00	\$0.00
Other Equipment Purchases	\$45,000.00	\$0.00	\$0.00	\$0.00
<b>Total:</b>	<b>\$6,357,040.00</b>	<b>\$235,719.17</b>	<b>\$16,377.10</b>	<b>\$252,096.27</b>

### Financial Summary:

September 2022:

\$3.5 million budget for FY 2022.

Fiscal Year 2023:

Rollover funds \$2.827 million from FY 2022.

\$6.3 million available to develop and maintain the patient registry system, seed-to-sale tracking system, legal services, business licensing solution, and application evaluation services.

Fiscal Year 2024:

The Commission's Budget Request for next fiscal year is \$2.5 million to cover operations and continuing costs of developing and maintaining the IT systems.



# LOCALITY RESOLUTIONS AND ORDINANCES PERMITTING DISPENSING SITES

## §20-2A-51:

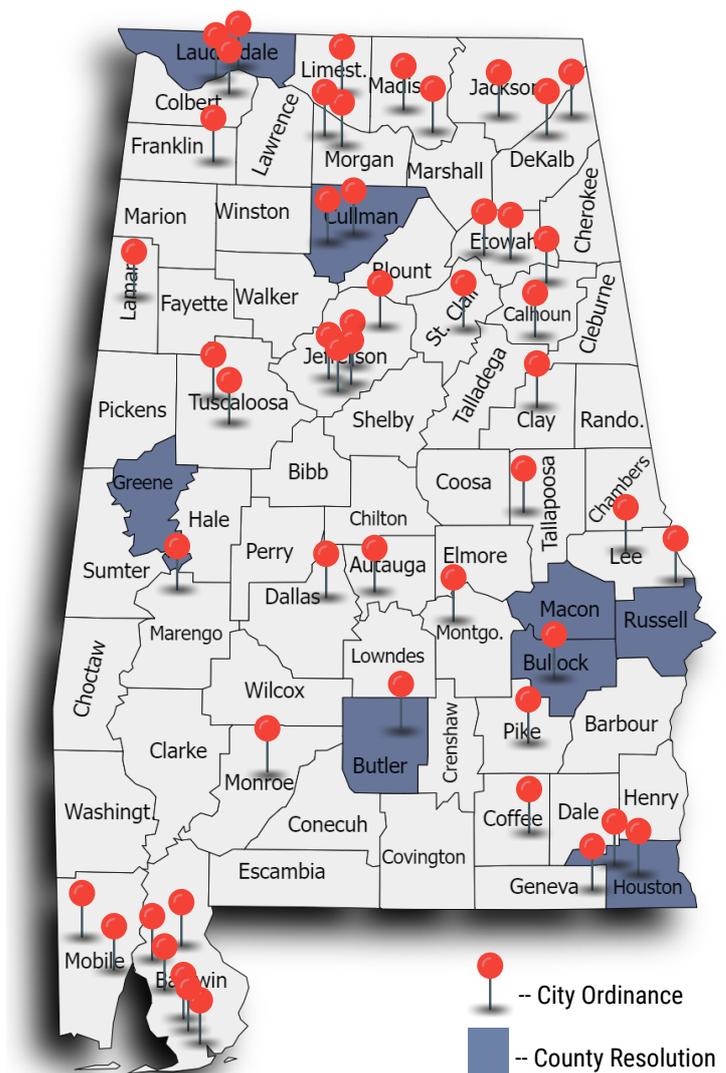
*Notwithstanding any other provision of this chapter to the contrary, the commission shall not permit a dispensary to operate a dispensing site in any municipality or unincorporated area of a county unless the municipality or county has authorized the operation of dispensing sites within its boundaries, as provided in subdivision (2).*

*Any county commission, by resolution, may authorize the operation of dispensing sites in the unincorporated areas of the county, and the governing body of any municipality, by ordinance, may authorize the operation of dispensing sites within the corporate limits of the municipality. The county commission or municipal governing body shall notify the commission not more than seven calendar days after adopting the resolution or ordinance.*

*This subsection does not prohibit a municipality from adopting zoning ordinances restricting the operation of dispensing sites within its corporate limits.*

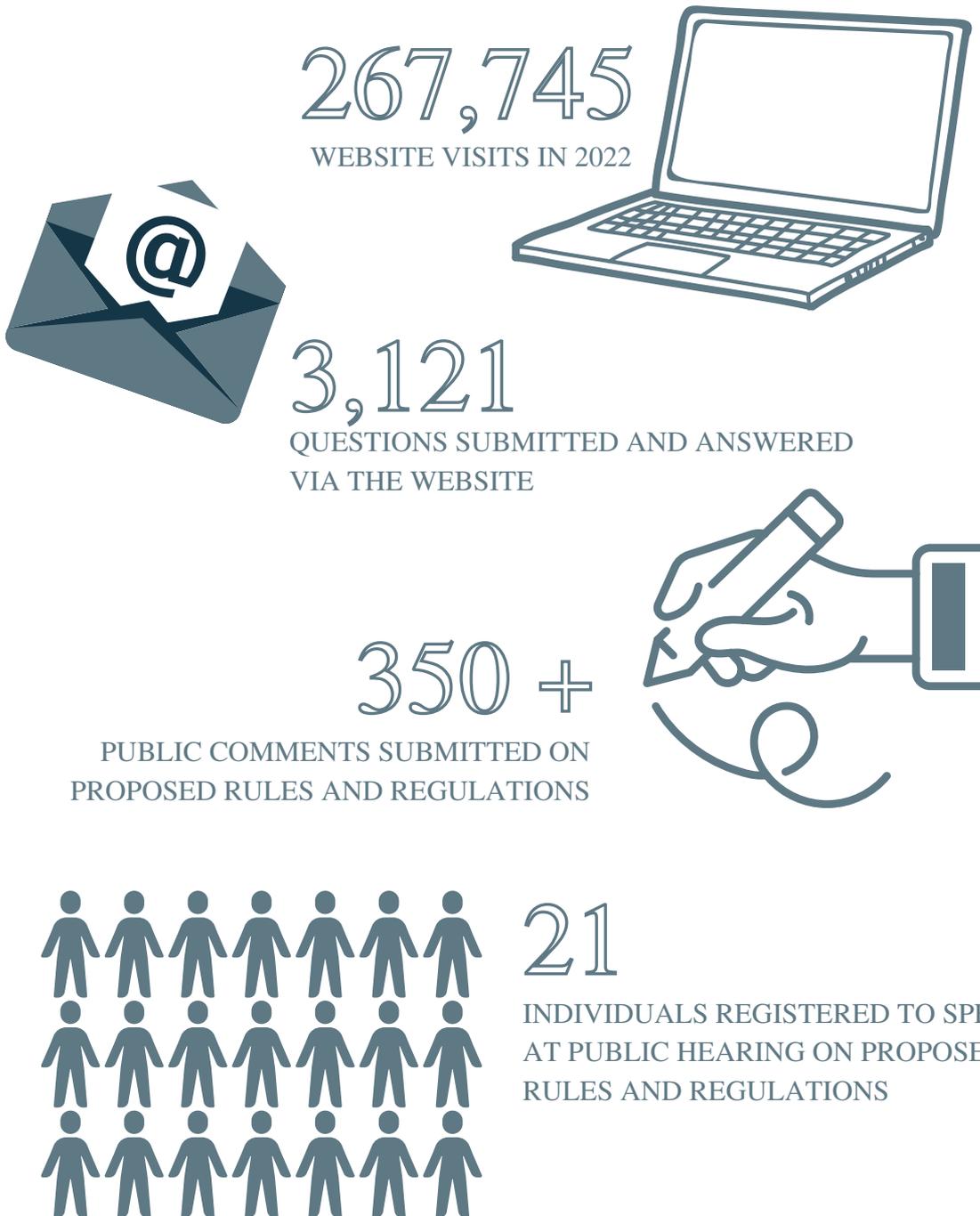
## Resolutions/Ordinances Received by the Commission (as of December 22, 2022):

- |                   |                        |
|-------------------|------------------------|
| Alexander City    | Lauderdale County      |
| Ashland City      | Loxley City            |
| Athens City       | Macon County           |
| Attalla City      | Magnolia Springs City  |
| Bessemer City     | Malvern City           |
| Birmingham City   | Midfield City          |
| Bullock County    | Mobile City            |
| Butler County     | Monroeville City       |
| Center Point City | Montgomery City        |
| Coosada City      | Northport City         |
| Cowarts City      | Opelika City           |
| Cullman City      | Owens Cross Roads City |
| Cullman County    | Oxford City            |
| Daphne City       | Phenix City            |
| Decatur City      | Priceville City        |
| Demopolis City    | Riverside City         |
| Dothan City       | Robertsdale City       |
| Enterprise City   | Russell County         |
| Fairfield City    | Russellville City      |
| Florence City     | Scottsboro City        |
| Foley City        | Selma City             |
| Gadsden City      | Semmes City            |
| Glencoe City      | Spanish Fort City      |
| Good Hope City    | Sylvania City          |
| Greene County     | Troy City              |
| Greenville City   | Tuscaloosa City        |
| Houston County    | Tuscumbia City         |
| Huntsville City   | Union Springs          |
| Ider City         | Vernon City            |
| Killen City       |                        |



# Public Engagement

Public interest in Act 2021-450 and public engagement in the newly established Alabama Medical Cannabis Commission has been significant. Website traffic, questions submitted via the website contact portal and attendance at Commission meetings is evidence of this interest. It demonstrates that Alabama's citizens are following the development and progress of the program closely. The Commission will continue to seek input from and work alongside Alabamians.





# Suggested Legislative Changes

At this time, the Commission does not propose or suggest any legislative changes to Act 2021-450.





2022

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