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LEGISLATIVE  
ANNUAL  
REPORT



ALABAMA  
MEDICAL  
CANNABIS  
COMMISSION

2023:

# 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. Jimmie Harvey**  
Oncologist  
Birmingham, 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**  
AL Dept. of Corrections  
Tuskegee, Alabama



**Vacant**  
Attorney General Appointee

# Letter from the Director

JOHN MCMILLAN

Last December when the Alabama Medical Cannabis Commission submitted its 2022 annual report to the Alabama legislature in accordance with Section 20-2A-9, Code of Alabama 1975, I reported that the commission was confident that by late 2023, the AMCC would have commenced its regulatory responsibilities over the State's new medical cannabis industry. Furthermore, it was the expectation of the commission by the time of the submission of the 2023 edition of the AMCC annual report, the AMCC would have cultivators, processors, secure transporters, testing laboratories, and dispensaries near ready to begin providing a safe medical cannabis product by authorizing certified qualifying physicians to recommend product to qualified Alabama patients.

From the beginning, the Commission was aware of the array of legal challenges many state medical cannabis programs experienced, especially litigation aimed at program licensing processes. Thus, we expected some litigation as the Alabama program navigated through the licensing phase. The Commission's concerns about litigation were justified. In fact, the legal challenges on various issues began last April and continue to the present. In many respects, the Commission's licensing timeline has been governed by the ongoing litigation. Yet, our Commission members remain undaunted in the goal to establish an Alabama medical cannabis program that is both safe and beneficial to qualified Alabama patients. We remain laser focused on this aim. Even though our timeline has been tempered by the legal process, we remain confident that we will have medical cannabis products available soon.

Let's re-cap 2023.





Following 600 requests for applications during the Commission’s inaugural license offering, the deadline to file an application was December 30, 2022. A total of 94 applications spread across all license categories were submitted by the deadline. The breakdown by license category was as follows:

- Cultivator license: 12
- Processor license: 12
- Dispensary license: 18
- Secure Transporter license: 11
- Testing Laboratory license: 3
- Integrated Facility license: 38

During January, February, and March, license applicants had the opportunity to correct deficiencies in their respective applications as well as propose amendments to their applications.

On April 13, 2023, the Commission voted to deem as submitted all properly filed and corrected applications. Ninety (90) applications were “deemed submitted” by the Commission. In accordance with the Commission’s rules, the Commission had 60 days from April 13 to grant or deny initial licenses (including a 30-day public comment period).

The Commission’s rules as adopted in 2022, provide that the Commission, one or more independent consultants selected by the Commission, or a combination of the two would review applications that were deemed submitted. Despite this flexibility, the rules emphasize that the Commission is clearly the primary decision maker on the applications with the authority to act independently of any third-party evaluation. The Commission determined to examine and review applications utilizing both a third-party evaluation and the independent discretion and scoring of the Commission.

Each application was evaluated utilizing this method and, on June 12, 2023, the Commission voted to award licenses in the various license categories to twenty-one (21) applicants. Following the award of these licenses two events happened that required the Commission to rescind the June 12 award of licenses. One, errors in calculations by the third-party evaluators, caused the Commission to undergo a substantive audit and re-calculation of third-party evaluator scores. Second, legal challenges to the third-party evaluation process further complicated the ability of the Commission to proceed with the June 12 license awards.

Following multiple legal actions, a second award of licenses was set for August 10, 2023. The Commission met on August 10 to rescind the June 12 awards and to again award licenses in the various license categories.

Unfortunately, following this second round of awards, legal challengers again criticized the awards and argued to the court that the third-party evaluations and scores should not be considered in the selection of licensees.

With the legal challenges to the legitimacy of the application review process, the Commission determined that the August 10 license awards must be rescinded and another plan of action for awarding licenses developed. At about the same time, the Commission also drafted and promulgated a new rule pertaining to special procedures relating to certain applications. Under this new rule, applicants whose applications were deemed submitted by the Commission would be permitted, among other items, an opportunity to make a public presentation and answer questions from the Commission about their applications.

Furthermore, in an attempt find common ground between litigants and to move the medical cannabis program along on the fastest and most efficient track possible, the Court ordered the parties to a mediation on November 20, 2023. Following this court-ordered mediation, certain litigants reached a settlement and resolution of claims. Based on this settlement, the court required the Commission to eliminate any use of the scores derived from the Commission's third-party evaluators.

Thus, the Commission met during the last week of November and the first week in December to hear presentations from applicants from each category of licenses. In total, 66 applicants requested presentations and answered questions from Commission members.

On December 1, 2023, the Commission met and awarded licenses in the following categories, including the required number of minority applicants:

- Cultivator licenses: 7
- Processor licenses: 4
- Dispensary licenses: 4
- Secure Transporter licenses: 4
- Testing Laboratory license: 1

On December 12, 2023, the Commission met and awarded licenses in the Integrated Facility category, including the required number of minority applicants. Five applicants were awarded a license.

As the Commission submits this annual report to the Alabama legislature, the Commission is preparing to issue licenses in all categories. Unfortunately, we likely face additional legal challenges threatening to slow the progress of the program.



Yet, we remain determined and hopeful that the availability of medical cannabis products, recommended by certified physicians to qualified Alabama patients, is right around the corner. We have an outstanding group of awardees who endured a rigorous and very competitive licensing process. These applicants were awarded licenses and were selected from a large pool of impressive applicants. It is clear to the Commission that these awardees have as their primary goal to provide the benefits of medical cannabis to Alabamians who suffer from certain serious medical conditions. We look forward to the regulatory phase of the program and working with licensees to provide this beneficial product to Alabama patients --- as intended by the Alabama legislature.

I thank AMCC's individual commission members for their tireless work and unwavering commitment in carrying out the mandates of Alabama's medical cannabis law. Their selfless efforts are splendid examples of public service. I also appreciate the support of the Alabama legislature, as well as Governor Ivey and her staff. Other state agencies have also worked in tandem with the AMCC in developing the program. We are grateful for their support. Finally, I commend all interested Alabamians for their patience, understanding, and encouragement as the Commission works every day to make medical cannabis available to many Alabama patients who suffer from severe pain and other debilitating symptoms.

A handwritten signature in white ink on a dark green background. The signature is cursive and appears to read "John McMillan".

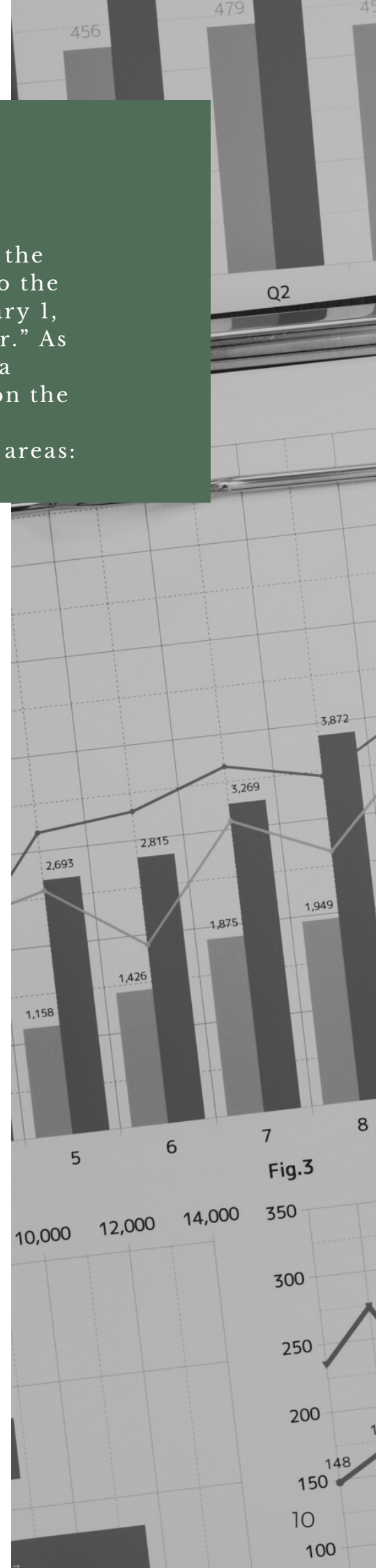
John McMillan  
Director

# 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 2023 report





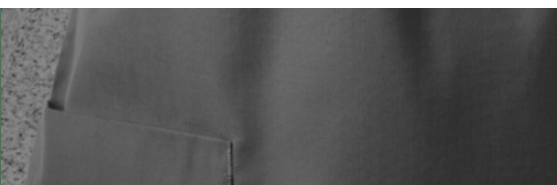
# Comments from Physicians, Health Care Providers, and Pharmacists.

The Board of Medical Examiners approved rules in November 2021 to regulate the physician recommendation of medical cannabis (Ala. Admin. Code R. 540-X-25). As the Alabama Medical Cannabis Commission nears the issuance of its licenses, the Board is currently undertaking a review of its existing rules to address any evolution in the science and any other issues that have been recognized.

In May 2023, the Medical Association of the State of Alabama launched the mandatory training course for physicians seeking to become Registered Certifying Physicians. To date, over 60 physicians have registered for the course and over 50 physicians have successfully completed the training. As the Cannabis Commission completes its initial licensure process, the Medical Association is preparing to launch a campaign to increase physician awareness of the course's availability.


Pursuant to Ala. Admin. Code R. 540-X-25-.04(5), the Board is prepared to begin accepting applications and issuing Alabama Medical Cannabis Certification Permits to qualified physicians once the 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





# Revenues and Expenses



AMCC's Schedule of Fees, Penalties and Fines can be found at <https://amcc.alabama.gov/cannabis-business-applicants/#fees>

## Medical Cannabis Business Licensure

### **License-Related Fees Collected:**

Application Fees: \$242,500

Deficiency Fees: \$112,500

Amendment Fees: \$52,500

License Fees: \$990,000\*

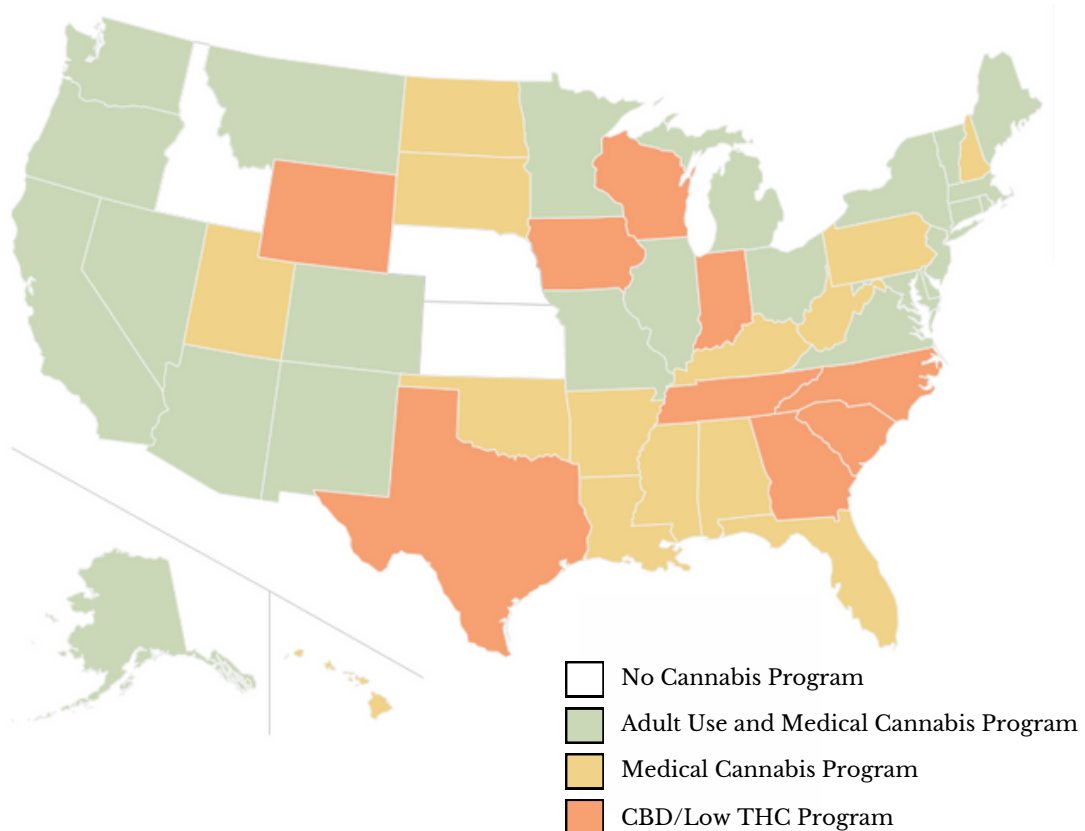
\* = collected in fiscal year 2023 and 2024

## Patient/Caregiver Card Issuance

N/A

No physicians are yet certified to recommend medical cannabis products to patients who have the required qualifying medical conditions. Under rules promulgated by the Alabama Board of Medical Examiners, a physician may not be certified “until the AMCC has issued at least one license each for a cultivator, a processor, a secure transporter, and a dispensary” (Section 540-X-25-.04(5), Alabama Administrative Rules, Alabama Board of Medical Examiners).

# Relevant development in other states' cannabis laws.



## TOTALS

Medical-Use: 38 states and the District of Columbia

Adult-Use: 24 states and the District of Columbia

CBD/Low-THC: 9 states

## ADJACENT STATES

### MISSISSIPPI

In Mississippi where its cannabis law was signed into law in February 2022, the Mississippi Medical Cannabis Program is primarily under the Mississippi Department of Health. The Department is over the medical cannabis program and handles licensing, regulatory, and enforcement of laws relating to patient's cards, medical practitioners, cultivation facilities, cannabis processing facilities, cannabis testing facilities, cannabis waste disposal entities, and cannabis transportation facilities.

In addition, the Mississippi Department of Revenue has been tasked with licensing, regulating, and enforcing the law for medical cannabis dispensaries. The Alcoholic Beverage Control Enforcement Division of the Mississippi Department of Revenue is the point division within the Revenue Department for licensing and regulating

dispensaries. That division is also responsible for enforcing medical cannabis laws as they pertain to the proper purchase, sale, and distribution of medical cannabis at dispensaries.

Mississippi's cannabis program has an open and non-competitive licensing structure. There is no residency requirement.

As of September 2023, Mississippi had licensed 121 cultivation facilities and 20 processing facilities. As of August 2023, the state had 185 licensed cannabis dispensaries.

Finally, Mississippi's most recent cannabis law allows for the sale of topical cannabis products to adults over the age of 21, regardless of their medical cannabis status, thus creating a hybrid program for the adult-use sale of topical cannabis products such as gels, creams, and lotions.

## GEORGIA

In Georgia, the Georgia Access to Medical Cannabis Commission is authorized by Georgia law (effective since April 2019) to oversee the regulated licensing of limited, in-state cultivation, production, manufacturing, and sale of low-THC oil as well as dispensing to registered patients on the state's low-THC Oil Registry. The Commission is administratively tied to the Office of the Georgia Secretary of State.

According to recent reports, Georgia is the first state in the country where patients who meet Georgia's strict criteria for cannabis medical products are expected to have the opportunity to buy low-dose THC products at their pharmacy.

In September 2023, the Georgia Department of Public Health reported that there are 14,000 registered medical marijuana patients and caregivers.

Currently, Georgia has 10 dispensaries across the state. The dispensaries are located in Macon, Marietta, Pooler, Newnan, Chamblee, Stockbridge, and Evans.

## FLORIDA

Florida's medical cannabis program is run by the Office of Medical Marijuana Use (OMMU), under the Florida Department of Health. The Office is charged with the licensing and regulation of medical marijuana treatment centers. The treatment centers are vertically integrated businesses, and are the only businesses authorized to cultivate, process, and dispense low-THC cannabis and medical marijuana.

As of December 22, 2023, according to the OMMU there are over 864,662 patients in the state who have active medical marijuana ID cards. There are 2,748 qualified physicians in Florida who may order medical marijuana and low-THC cannabis for qualified patients. Florida presently has 615 dispensing locations.

## TENNESSEE

Tennessee created the Tennessee Medical Cannabis Commission (TMCC) in 2021, but has not legalized medical cannabis. Patients diagnosed with certain illnesses may possess oil containing 0.9% THC or less, as long as they can prove this oil was legally purchased out of state.



# Relevant Scientific Research

Dr. Jerzy Szaflarski, in addition to his service on the Alabama Medical Cannabis Commission, serves as Director of UAB's Epilepsy Center and Professor of Neurology, Neurobiology and Neurosurgery.

Dr. Szaflarski has prepared a 6-lecture series (one hour per lecture) on medical cannabis.

Lecture series topics include:

- AL Medical Cannabis Law and Physician Regulations
- Endocannabinoid System and Why Cannabis May Work For So Many Conditions
- Focus on General Medical Conditions and Palliative Care
- Neurologic Conditions
- Psychiatric Conditions
- Short and Long-Term Negative Effects of Cannabis

For more information on the lecture series, please contact [info@amcc.alabama.gov](mailto:info@amcc.alabama.gov)





# Commission's Annual Operating Expenses and Revenues

## Revenue and Expenses Through November 30, 2023

Category	Available	Expenditures	Encumbrances	Total Obligations
Personnel Costs	\$1,466,602.00	\$198,931.00	\$0.00	\$198,931.00
Employee Benefit	\$482,456.00	\$60,391.85	\$0.00	\$60,391.85
Travel, In-State	\$50,000.00	\$595.00	\$0.00	\$595.00
Travel, Out-Of-State	\$54,000.00	\$0.00	\$0.00	\$0.00
Repair And Maintenance	\$15,000.00	\$0.00	\$0.00	\$0.00
Rentals And Leases	\$108,000.00	\$21,051.24	\$3,797.18	\$24,848.42
Utilities And Communication	\$17,500.00	\$200.43	\$1,999.57	\$2,200.00
Services	\$5,545,243.00	\$630.25	\$439,292.04	\$439,922.29
Supplies, Mat'l, And Operating	\$25,000.00	\$7,898.90	\$864.14	\$8,763.04
Transportation Equip Operation	\$7,500.00	\$135.00	\$2,865.00	\$3,000.00
Transportation Equipment Purch	\$80,000.00	\$0.00	\$0.00	\$0.00
Other Equipment Purchases	\$45,000.00	\$0.00	\$0.00	\$0.00
<b>Total:</b>	<b>\$7,896,301.00</b>	<b>\$289,833.67</b>	<b>\$448,817.93</b>	<b>\$738,651.60</b>

### Financial Summary:

September 2023:

\$6.3 million budget for FY 2023.

Fiscal Year 2024:

\$3.8 million Rollover funds from FY23

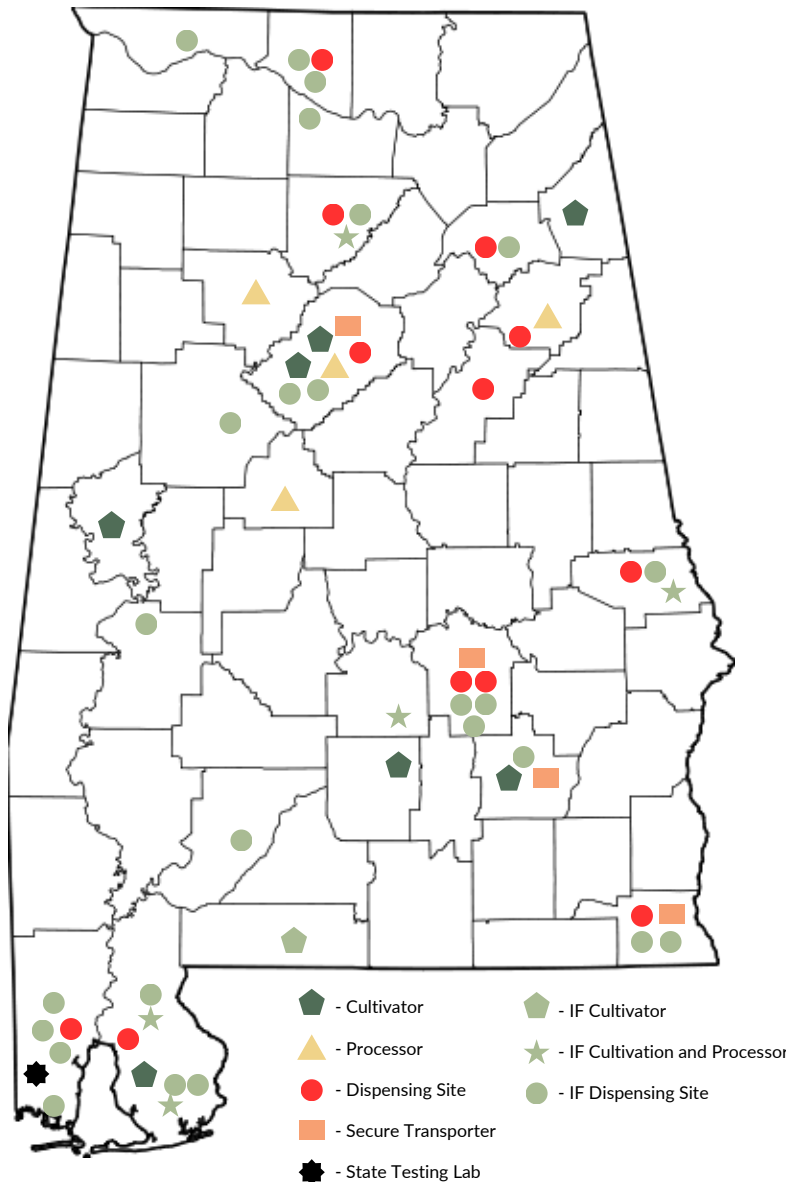
\$7.8 million available to develop and maintain the patient registry, seed to sale tracking system, legal services, business licenses solutions, and continuing operations.

Fiscal Year 2025:

The Commission's Budget request for next fiscal year is \$2.5 million to cover operating cost, legal services, and development of IT systems while maintaining the current systems in place.

# Applicant and Licensee Data

**Facility Locations for those Applicants Awarded Licenses on December 1, 2023 and December 12, 2023**



**The Commission considered 90 Applications for Medical Cannabis Business Licensure.**

The number of applications deemed submitted per license category is detailed below.

- **Cultivator: 12**
- **Processor: 11**
- **Dispensary: 18**
- **Integrated Facility: 38**
- **Secure Transporter: 9**
- **State Testing Laboratory: 2**

The Commission, per the statute, could award up to twelve (12) cultivator licenses, four (4) processor licenses, four (4) dispensary licenses, five (5) integrated facility licenses and an unspecified number of secure transport and state testing laboratory licenses.

The number of minority applicants per license category is detailed below.

- **Cultivator: 4**
- **Processor: 2**
- **Dispensary: 5**
- **Integrated Facility: 13**
- **Secure Transporter: 4**
- **State Testing Laboratory: 1**

The Commission satisfied the requirement set forth by §20-2A-51.

## **Ala. Code § 20-2A-51**

(b) The commission, and where applicable the department, shall ensure that at least one-fourth of all licenses, or in the case of Section 20-2A-67, one-fifth of all licenses, are awarded to business entities at least 51 percent of which are owned

by members of a minority group or, in the case of a corporation, at least 51 percent of the shares of the corporation are owned by members of a minority group, and are managed and controlled by members of a minority group in its daily operations.



# Suggested Legislative Changes

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





2023

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