

APA-1

TRANSMITTAL SHEET FOR NOTICE OF INTENDED ACTION

Control: 538
Department or Agency: Alabama Medical Cannabis Commission
Rule No.: Chapter 538-X-5
Rule Title: Regulation of Cultivators
Intended Action: Amend

Would the absence of the proposed rule significantly harm or endanger the public health, welfare, or safety? Yes

Is there a reasonable relationship between the state's police power and the protection of the public health, safety, or welfare? Yes

Is there another, less restrictive method of regulation available that could adequately protect the public? No

Does the proposed rule have the effect of directly or indirectly increasing the costs of any goods or services involved? No

To what degree?: N/A

Is the increase in cost more harmful to the public than the harm that might result from the absence of the proposed rule? NA

Are all facets of the rule-making process designed solely for the purpose of, and so they have, as their primary effect, the protection of the public? Yes

Does the proposed action relate to or affect in any manner any litigation which the agency is a party to concerning the subject matter of the proposed rule? No

Does the proposed rule have an economic impact? No

If the proposed rule has an economic impact, the proposed rule is required to be accompanied by a fiscal note prepared in accordance with subsection (f) of Section 41-22-23, Code of Alabama 1975.

Certification of Authorized Official

I certify that the attached proposed rule has been proposed in full compliance with the requirements of Chapter 22, Title 41, Code of Alabama 1975, and that it conforms to all applicable filing requirements of the Administrative Procedure Division of the Legislative Services Agency.

Signature of certifying officer

John McMillan
John McMillan

Date

Tuesday, July 16, 2024

REC'D & FILED
JUL 16, 2024

LEGISLATIVE SVC AGENCY

ALABAMA MEDICAL CANNABIS COMMISSION

NOTICE OF INTENDED ACTION

AGENCY NAME: Alabama Medical Cannabis Commission

RULE NO. & TITLE: Chapter 538-X-5 Regulation of Cultivators

INTENDED ACTION: Amend

SUBSTANCE OF PROPOSED ACTION:

The proposed action is necessary due to statutory changes in Act 2024-342.

TIME, PLACE AND MANNER OF PRESENTING VIEWS:

A public comment portal will be available on the Commission's website (www.amcc.alabama.gov) between the date of publication (07/31/2024) and for a period of 35 days thereafter (ending on 09/04/2024).

FINAL DATE FOR COMMENT AND COMPLETION OF NOTICE:

Wednesday, September 4, 2024

CONTACT PERSON AT AGENCY:

Justin Aday

John McMillan

John McMillan

(Signature of officer authorized
to promulgate and adopt
rules or his or her deputy)

ALABAMA MEDICAL CANNABIS COMMISSION
ADMINISTRATIVE CODE

CHAPTER 538-X-5
REGULATION OF CULTIVATORS

TABLE OF CONTENTS

538-X-5-.01	Scope
538-X-5-.02	Construction
538-X-5-.03	Application Fee <u>Licensing and Regulation</u>
538-X-5-.04	License Fees And Renewal License <u>Fees Applications and Licensing</u>
538-X-5-.05	<u>Procedures as to Cultivators Generally</u>
538-X-5-.06	<u>Requirements for Cultivators</u>
538-X-5-.07	<u>Post-Licensing Inspection of Cultivator</u>
538-X-5-.08	<u>Facilities</u>
538-X-5-.09	<u>Investigation of Cultivator Licensees</u>
538-X-5-.10	<u>Training and Continuing Education</u>
538-X-5-.11	<u>Requirements for Cultivators</u>
538-X-5-.12	<u>Cultivators' Maintenance of Proper</u>
538-X-5-.13	<u>Technology</u>
538-X-5-.14	<u>Cultivator Annual License Fees;</u>
538-X-5-.15	<u>Schedule</u>
538-X-5-.16	<u>Duty of Cultivator to Meet and Maintain</u>
538-X-5-.17	<u>Standards, Policies, Procedures and</u>
538-X-5-.18	<u>Operations per Application</u>
538-X-5-.19	<u>Duty of Cultivator to Notify or Seek</u>
538-X-5-.20	<u>Permission Regarding Material Change in</u>
538-X-5-.21	<u>Licensing Information</u>
538-X-5-.22	<u>Term of Cultivator License</u>
	<u>Application for Renewal of Cultivator</u>
	<u>License</u>
	<u>Notification to Apply for Renewal of</u>
	<u>Cultivator License</u>
	<u>Expiration of Cultivator License;</u>
	<u>Delinquent License Renewal; Failure to</u>
	<u>Apply for Renewal</u>
	<u>Cultivator License Renewal Process and</u>
	<u>Procedures; Use of Independent Third-</u>
	<u>Party Consultants</u>
	<u>Cultivator License Renewal Fees;</u>
	<u>Schedule</u>
	<u>Non-Renewal of Cultivator License</u>
	<u>Transfer of Cultivator License; Change</u>
	<u>of Ownership</u>
	<u>Marketing and Advertising by</u>
	<u>Cultivators</u>
	<u>Relocation of Cultivator Facilities</u>

<u>538-X-5-.23</u>	<u>Material Change in Cultivators' Information</u>
<u>538-X-5-.24</u>	<u>Temporary Licenses for Cultivators</u>
<u>538-X-5-.25</u>	<u>Surrender of Cultivator License; Cessation of Operations</u>
<u>538-X-5-.26</u>	<u>Disciplinary Actions Against Cultivators</u>
<u>538-X-5-.27</u>	<u>Cultivator Appeals from Adverse Decisions by the Commission</u>

538-X-5-.01 **Scope.**

Cultivators authorized pursuant to §20-2A-62, Code of Ala. 1975 (as amended), shall operate in accordance with the provisions of the Act and this Chapter. Except as specifically provided in this Chapter, Cultivators shall be governed by the General Rules for Licensee Applications (Chapter 3 of these Rules) and the General Rules for Licensee Conduct (Chapter 4 of these Rules)~~Chapter 5 of these Rules applies to Cultivators as defined under the Act, and shall be read in conjunction with the Rules and Regulations pertaining to Cultivators promulgated by the Alabama Department of Agriculture and Industry ("the Department") at Ala. Admin. r. 80-14-1, et seq.~~

Author: William H. Webster; Justin C. Aday

Statutory Authority: Code of Ala. 1975, §§20-2A-22, as amended.

History: New Rule: Published August 31, 2022; effective October 15, 2022. **Amended:** Published _____; effective _____.

538-X-5-.02 **Construction.**

These Rules shall be construed and administered to regulate cultivators and the cultivation functions of integrated facilities, to the extent these Rules apply to all licensees ~~rather than matters specifically regulated by the Department at Ala. Admin. r. 80-14-1, et seq.; such construction shall be~~ in accordance with, and giving reasonable effect to, the Act. Specifically, cultivation under these rules requires reference to and compliance with these Rules, including but not limited to Chapters 1, 3, and 4, of these Rules, as well as this Chapter.

Author: William H. Webster; Justin C. Aday

Statutory Authority: Code of Ala. 1975, §§20-2A-22, as amended.

History: New Rule: Published August 31, 2022; effective October 15, 2022. **Amended:** Published _____; effective _____.

538-X-5-.03

Application Fee Licensing and Regulation of Medical Cannabis as to Cultivators.

The (1) ~~cultivator applicant~~ License Required. Cultivators are required to be licensed as set forth in Rule 3 of Chapter 3 of these Rules. ~~must provide~~

(2) Number of Licenses to be issued by the Commission ~~the appropriate.~~ In accordance with §20-2A-62(b), ~~application fee~~ Code of Ala. 1975, (as amended), the Commission shall issue no more than twelve (12) Cultivator licenses, which will be awarded based on merit, need, and other factors identified generally and specifically by the Act and these Rules. (See §20-2A-51 ~~as required by §20-2A-55(f)~~, Code of Ala. 1975, (as amended)).

(3) A license to operate as a Cultivator authorizes the following:

(a) The cultivation of cannabis. ~~The application fee is~~

(b) The sale or transfer of cannabis to a Processor. ~~nonrefundable and must be submitted electronically per instructions~~

(c) If the Cultivator contracts with a Processor to process its cannabis into medical cannabis on the Cultivator's behalf, the sale or transfer of medical cannabis to a Dispensary.

(4) A Cultivator license authorizes the Cultivator to transfer cannabis only by means of a Secure Transporter. A Cultivator shall not transport cannabis or medical cannabis.

(5) A license to operate as a Cultivator does not authorize the Cultivator to process, transport or dispense cannabis or medical cannabis, nor may a Cultivator perform the functions of a State Testing Laboratory or an Integrated Facility as defined in the Act and these Rules ~~in the Application Form received in response to the applicant's Request for Application.~~

Author: William H. Webster; Justin C. Aday

Statutory Authority: Code of Ala. 1975, §§20-2A-22, as amended.

History: New Rule: Published August 31, 2022; effective October 15, 2022. **Amended:** Published ; effective .

538-X-5-.04

~~License Fees And Renewal License Fees~~
Applications and Licensing Procedures as to Cultivators Generally.

~~Cultivators~~

(1) ~~duty~~Generally. Applicants for a license to operate as a Cultivator under the Act and these Rules shall be governed by the Rules for filing applications and seeking a license contained in Chapter 3 of these Rules, except as specifically modified below. ~~regarding annual license fees and renewal license fees shall be as set forth in Rule 538-x-4-.06 of Chapter 4 of these Rules,~~

(2) Procedure to Filing Application - Contents of Application Specific to Cultivators. A Cultivator's application filed with the Commission shall conform to the requirements for all licensees set forth in 538-X-3-.05 of Chapter 3 of these Rules, except as noted below:

(a) Cover Sheet - as provided in 538-X-3-.05 of Chapter 3 of these Rules.

(b) Summary Sheet - as provided in 538-X-3-.05 of Chapter 3 of these Rules.

(c) Application Information - as provided in 538-X-3-.05 of Chapter 3 of these Rules, except as provided otherwise below:

1. The Cultivator Applicant's Verification regarding each business entity that has any ownership interest in the applicant shall conform with paragraph 3.a. of Rule 538-X-3-.05 of Chapter 3 of these Rules.

2. The Cultivator Applicant's Verification regarding individuals having any ownership interest in the applicant, as to the identity, street address and responsible person of all entities with which the individual is connected, to the extent the entity is directly or indirectly involved in the cannabis industry, shall conform with paragraph 3.b. of Rule 538-X-3-.05 of Chapter 3 of these Rules.

3. The Cultivator Applicant's Verification regarding any criminal history as to any owner, director, board member, or individual with a controlling interest in the applicant shall conform with paragraph 3.c. of Rule 538-X-3-.05 of Chapter 3 of these Rules.

4. The Cultivator Applicant's verified licensing history, cannabis industry history, and tax history regarding itself or any affiliate shall conform with paragraphs 3.d., 3.e., and 3.f. of Rule 538-X-3-.05 of Chapter 3 of these Rules.

5. The Cultivator Applicant's Verification regarding any public officials having any interest in the applicant shall conform with paragraph 3.g. of Rule 538-X-3-.05 of Chapter 3 of these Rules.

6. The Cultivator Applicant's statement of the anticipated or actual number of employees shall conform with paragraph 3.h. of Rule 538-X-3-.05 of Chapter 3 of these Rules.

7. The Cultivator Applicant's statement of the number of days, if awarded a license, within which it will commence operations and reach full capacity shall conform with paragraph 3.i. of Rule 538-X-3-.05 of Chapter 3 of these Rules.

8. The Cultivator Applicant's consent to the inspections, examinations, searches and seizures contemplated by §20-2A-52(a)(3), Code of Ala. 1975, (as amended) shall conform with paragraph 3.j. of Rule 538-X-3-.05 of Chapter 3 of these Rules.

9. The Cultivator Applicant's Verification of the permissibility of its facilities' locations and compliance with all State and local laws shall conform with paragraph 3.k. of Rule 538-X-3-.05 of Chapter 3 of these Rules.

10. The Cultivator Applicant's Verification that it and its leadership have no economic interest in any other license or Applicant for license under the Act or these Rules shall conform with paragraph 3.l. of Rule 538-X-3-.05 of Chapter 3 of these Rules.

(3) Procedure for Filing Application - Exhibits to Cultivator's Application. Exhibits to the Cultivator Applicant's application information shall include all those provided in subparagraphs 3.m.(1) through 3.m.(16) of Rule 538-X-3-.05 of Chapter 3 of these Rules, unless specifically provided otherwise as follows:

(a) Cultivator applicants must provide, as available, sales contracts and receipts, lease agreements or other documentation demonstrating possessory interest in all machinery and equipment to be used in the cultivation of cannabis, as well as specifications and operations manuals of such machinery and equipment.

(b) In addition to the requirements of subparagraph 3.m.(16) of Rule 538-X-3-.05 of Chapter 3 of these Rules, the Cultivator Applicant's verified Standard Operating Plan and Procedures shall include the following:

1. A grow plan that shall show the number of cannabis plants and methods of cultivation the Cultivator intends to utilize.

2. Engineering plans and specifications of the entire cultivation facility, which shall include the following:

(i) A detailed plan and elevation drawings of all operational areas involved with the production of cannabis plants, including dimensions and elevation referenced to a single facility benchmark.

(ii) Cross-sections that show the construction details and their dimensions to provide verification of construction materials, enhancement for security measures, and bio-security measures.

(iii) Identification of all employee-accessible non production areas.

(iv) The location, size, and capacity of all storage areas, ventilation systems, and equipment used for the production of cannabis.

(v) The location and door material specifications of all entrances and exits to the cultivation facility, as well as the physical makeup and specifications of all outer walls of the facility.

(vi) The location and specifications of any windows, skylights and roof hatches.

(vii) The location of all monitoring cameras and their field of view, verified to be operating 24 hours per day.

(viii) The location of all alarm inputs (door contacts, motion detectors, duress/hold up devices) and alarm sirens.

(ix) The location of the digital video recorder and alarm control panel.

(x) The location of all restricted, employee-accessible and public areas.

(xi) The location where all plant inputs and application equipment are stored.

(xii) The location of all enclosed, secure areas or loading/unloading docks out of public view for the loading/unloading of cannabis or medical cannabis into or out of any motor vehicle for secure transport.

(xiii) The location of any area used to store medical cannabis that has been returned to the cultivation facility from a Processor or Dispensary.

(c) Cultivator applicants must provide a quality control and quality assurance plan for each of their proposed facilities identifying:

1. An overview of the steps to be taken in the manufacturing process to provide high quality products and to ensure the safety, potency, stability, lifespan, and consistency among batches of the same product, whether as required by law or otherwise.

2. What tests will be conducted, if any, at each stage or stages of cultivation.

3. Whether the testing at each stage will be performed in house, through unofficial private testing performed by a State Testing Laboratory, or through an official test by a State Testing Laboratory.

4. A plan for return and remediation or destruction of any failed test samples, including entry of the event on the Statewide Seed-to-Sale Tracking System.

(d) Cultivator applicants must provide:

1. A curriculum vitae for the business, demonstrating the education, experience, and other credentials of its leadership employed at each facility.

2. A detailed explanation of the role each leader is to have in the cultivation of cannabis at each facility.

3. A 5-year hiring plan for its leaders identifying the types, positions, required education, required experience, and expected roles of such personnel.

(e) Cultivator applicants must provide copies of all contracts, contingent contracts, memoranda of understanding (or, if none of the foregoing are available, exemplars) between themselves and:

1. Any Processor or prospective Processor.

2. Any Secure Transporter or prospective Secure Transporter.
3. Any Dispensary or prospective Dispensary.
4. Any Integrated Facility or prospective Integrated Facility.
5. Any State Testing Laboratory or prospective State Testing Laboratory.

(f) Cultivator applicants must create a receiving and shipping plan that, at a minimum, ensures the following, in coordination with the contracted Secure Transporter or State Testing Laboratory, as applicable:

1. Individual batches and containers of cannabis being shipped for storage or processing have been QR coded or otherwise digitally coded to identify, at a minimum, the Cultivator, facility, plant tag or harvest batch number, date of harvest, expiration date (or, if no expiration date, a notation that the expiration date does not apply), and the date of the Cultivator's State Testing Laboratory testing approval.~~and the schedule therefor~~

2. All information from the QR code relating to the outgoing cannabis, as well as the date and time of shipment, has been logged into the Statewide Seed-to-Sale Tracking System.

3. Outgoing cannabis is accompanied by the Secure Transporter's manifest and other appropriate documentation; the information thereon is accurate and has been duly executed by all appropriate parties.

4. Incoming and outgoing medical cannabis is accompanied by the Secure Transporters' manifest and other appropriate documentation; the information thereon is accurate and has been duly executed by all appropriate parties.

5. All information from the QR code relating to incoming and outgoing medical cannabis, as well as the date and time of shipment, has been logged into the Statewide Seed-to-Sale Tracking System.

(g) Cultivator applicants must provide a marketing and advertising plan, if any, including:

1. Any proposed logos, branding, messaging, or other marketing or advertising communications, providing exemplars of any specific advertisements.

2. Any specific media outlets or platforms where the marketing or advertising campaigns or programs will be utilized.

3. The identity of any media outlet or third-party individual or entity who is projected to play any role in the Cultivator's marketing or advertising efforts, and copies of all contracts or contract forms proposed for use, if any, between itself and such media outlet or third-party individual or entity.

4. Virtual renderings of all packaging to be provided by the Applicant, demonstrating the size, color, logo, artwork, or statements appearing on the packaging, as well as all child-resistant, tamper-evident, or other safety features, demonstrating conformity with the Act and these Rules.

5. Exemplars of all proposed labeling, including labels on packaging, on containers and any inserts to be included in any packages, demonstrating conformity with the Act and these Rules.

(h) Cultivator applicants must provide a detailed recall plan that will be followed in the event one or more of its products, including any lots or batches thereof, is determined to require recall. The plan must include, but is not limited to, the following:

1. Provisions for notifying the Cultivator of an adverse event.

2. Factors about an adverse event that would likely necessitate a recall, and any potential for retesting or remediation.

3. Responsible individuals or positions within the Cultivator's organization who will oversee the recall process.

4. Accounting for the safety of employees and others on the premises.

5. Notification protocols to other licensees and the Commission through the Statewide Seed-to-Sale Tracking System, and to any other proper authorities.

6. Processes to ensure that the recalled product is returned, remediated (and approved as safe), or destroyed.

7. Processes to report to the Commission and any other appropriate regulatory body regarding crisis response and steps taken to mitigate or avoid danger to the public.

8. Steps to be taken to avoid further contamination, to preserve and protect uncontaminated cannabis or medical cannabis

products, and to ensure access to said products by those who depend on it.

9. Investigation and analysis of the factors that led to the unsafe condition requiring the recall, and any adjustments to internal protocols and processes to avoid recurrence.

(i) The Cultivator Applicant's Security Plan must include a plan for security at each facility, including but not limited to the following:

1. Twenty-four-hour alarm systems must be installed in all facilities where cannabis or medical cannabis products are present. Such alarms shall be provided and installed by experts in industry-standard commercial-grade alarm systems. Alarm systems must be fully operational, securing all entry points and perimeter windows, be equipped with motion detectors and pressure switches, and must cover all areas where cannabis or medical cannabis products are delivered, received, handled, stored, prepared, processed, tested, packaged, labeled, or readied for transport. ~~shall be contained~~

2. Reception areas and personnel adjacent to ingress and egress points shall have ready access to duress panic and hold-up alarms that may be activated in the event of access by unauthorized personnel or intruders.

3. Broadcast communication devices (cell phones, intercom equipment or the like) must be:

(i) Carried by each employee or installed in all areas of each Processor's facility designed for regular access by humans.

(ii) Accessible for communication by all personnel at all times, and particularly at perimeter ingress/egress stations, facility reception areas, and the security office.

(iii) Capable of providing information with sufficient clarity to be heard and understood by all personnel and visitors within earshot of the employee receiving the communication.

4. Cultivators, at each of their facilities, shall maintain an audio/video surveillance system that shall be in continuous operation 24 hours per day. Cameras shall be fixed in place covering both the interior and exterior of the facility, in such quantity, with such lighting, and at such resolution as shall allow for the clear identification of individuals (i.e., as to determine the facial features of all persons in the camera's view at all times of day) and activities in all reasonably accessible areas of the premises, including but not limited to all

entrances, exits, parking lots, and any area where cannabis or medical cannabis is cultivated, delivered, received, handled, stored, prepared, processed, tested, packaged, labeled, or readied for transport. Monitoring cameras at vehicle entry and exit points must be of such numbers, scope, and clarity to record the license plate information and description of all vehicles entering and exiting the facility. Audio/Video surveillance recordings must clearly and accurately display the time and date. Audio recordings shall clearly and accurately capture sound within camera range at a level of 20 decibels or greater. (Note: Audio/Video surveillance records must be kept for at least 60 days, and longer upon the request of the Commission, its inspectors, or any law enforcement personnel. Audio/Video recordings potentially reflecting an incident of actual or attempted diversion must be kept for the longer of a period of two years, or until resolution of the incident and apprehension and discipline or prosecution of the individuals involved in the actual or attempted diversion.)

5. The Cultivator facility's perimeter and any outdoor premises must be surrounded by a sufficient fence or barrier to prevent access by unauthorized persons and to limit the visibility of the cultivation facility, and must have sufficient lighting to allow for the proper functioning of video surveillance equipment at all times between dusk and dawn or at any other time when ambient lighting requires enhancement to permit identification of individuals or activities upon or immediately adjacent to the premises. Indoor premises must likewise be sufficiently lit to allow for the identification of individuals and activities.

6. Exterior doors of each facility operated by a Cultivator must be designed or reinforced to withstand unlawful forcible entry; exterior doors shall, at all times, remain locked against outside intruders, while allowing free egress by the facility's occupants in the event of an emergency; doors must permit ingress to employees and other appropriate persons only by means of a keycard or other similar electronic access device.

7. Exterior walls of each facility operated by a Cultivator must be reinforced to withstand unlawful forcible entry. Windows, likewise, must be reinforced to prevent breakage by outside intruders.

8. Cultivators must maintain sufficient staffing of security guards at each facility where cannabis and medical cannabis is present to reasonably ensure the safety of the products stored therein; however, the Applicant must maintain, at a minimum, one (1) security guard per facility during the facility's business/operating hours.

9. Strict access controls shall protect areas where cannabis or medical cannabis is handled or stored - in a secured, locked room or vault.

10. Records, whether electronic or manual, must be kept of all persons on the premises at a facility at all times, including employees, vendors, transporters or other licensees, and all others, recording each individual's name, the date and time of ingress and egress, and (as to non-employees) the reason for their presence; such records shall be kept for a minimum of two years, and longer at the request of the Commission or law enforcement.

11. Audio/Video surveillance records must be kept for at least 60 days, and longer upon the request of the Commission, its inspectors, or any law enforcement personnel. Audio/Video recordings potentially reflecting an incident of actual or attempted diversion must be kept for the longer of a period of two years, or until resolution of the incident and apprehension and discipline or prosecution of the individuals involved in the actual or attempted diversion.

12. Employees, while on duty, shall wear identification badges that clearly identify them as employees.

13. Visitors, including vendors, other licensees, Commission members, inspection personnel, or other representatives must wear a "visitor pass" or "AMCC Official" pass, as applicable, at all times while on the Applicant's premises. ~~AMCC website~~

14. Cultivators shall maintain, review and update policies to report theft, diversion, or other loss of cannabis products to the Commission and to law enforcement as early as practicable and not more than 24 hours from the event or its discovery.

15. Upon request, a Cultivator shall make available to the Commission or its inspectors all information relating to the Applicant's security plan, including, but not limited to, security alarm systems, monitoring, alarm activity, maps of camera locations and camera coverage, audio/video footage, surveillance equipment maintenance logs, authorized use lists, operation instructions, and any other security-related information deemed relevant by the Commission or its inspectors.

16. Upon request, a Cultivator shall make available to the Commission or its inspectors all information relating to the Cultivator's security plan.

(j) The Cultivator Applicant must provide an affidavit signed by the responsible individual and designated contact person (or, if the Cultivator is an entity, the duly authorized officer, owner or interest holder and the designated contact person) that the information provided in the Application is true and correct, to the best of the Affiants' knowledge upon a diligent investigation thereof.

(k) The Cultivator Applicant must provide the appropriate application fee as required by §20-2A-22(f), Code of Ala. 1975, (as amended). The application fee is nonrefundable and must be submitted electronically per instructions in the Application Form received in response to the applicant's Request for Application.

(l) In all other respects except as expressly stated otherwise in this Rule, Cultivator Applicants shall be governed by the rules for applications and licensing generally pertaining to all applicants (Chapter 3 of these Rules).

Author: William H. Webster; Justin C. Aday

Statutory Authority: Code of Ala. 1975, §§20-2A-22, as amended.

History: New Rule: Published August 31, 2022; effective October 15, 2022. **Amended:** Published _____; effective _____.

538-X-5-.05

Requirements for Cultivators.

(1) *Enclosed Facility and Cultivation Requirements.*

(a) All cannabis must be cultivated in an enclosed facility.

(b) Cultivators must take steps to limit the visibility of cannabis, in any form, from outside the perimeter barrier of their facilities.

(c) Each cannabis plant or batch of cannabis plants must be cultivated in an individual receptacle containing soil or growing media, so as to foster portability, limit cross-contamination, and facilitate proper monitoring of each plant.

(d) Containers may be for individual plants or for batches of plants as long as each plant is clearly identified and traceable.

(e) No cultivation is allowed outdoors or directly in the ground.

(2) *Cultivar Approval.* Cultivators may only cultivate cannabis cultivars approved by the commission prior to acquisition of plant material. Cultivars cannot be derived from hemp or

industrial hemp as defined by Ala. Admin. Code Rule 80-10-21-.02(19) but must be derived from cannabis plants that have a high likelihood of producing medical cannabis.

(3) Pesticide Usage and Testing.

(a) Cultivators shall fully comply with all laws and administrative rules relating to the usage of pesticides in the State of Alabama.

(b) The commission, or its representative or agent, may perform pesticide testing on a random basis or if representatives of the commission have reason to believe that a pesticide may have been applied to cannabis in violation of the product label.

(c) At least quarterly, Cultivators shall, at their own cost, have their cannabis sampled by a State Testing Laboratory to ensure that no pesticides or other hazardous substances are present in the cannabis material. Cultivators must maintain records of these tests for at least two years and provide the results to the commission, upon request. Nothing in this Rule shall preclude a Cultivator from conducting or seeking, at its own cost, in-house or independent third-party testing of cannabis at any other time before, at, or after the time of harvest.

Author: Justin C. Aday

Statutory Authority: Code of Alabama 1975, §20-2A-22, as amended.

History: **New Rule:** Published _____ ; effective _____ .

538-X-5-.06

Post-Licensing Inspection of Cultivator Facilities.

Post-Licensing Inspection of Cultivator facilities under the Act and these Rules shall be governed by Rule 538-X-4-.02 of Chapter 4 of these Rules.

Author: Justin C. Aday

Statutory Authority: Code of Alabama 1975, §20-2A-22, as amended.

History: **New Rule:** Published _____ ; effective _____ .

538-X-5-.07

Investigation of Cultivator Licensees.

Investigation of Cultivator licensees under the Act and these Rules shall be governed by Rule 538-X-4-.03 of Chapter 4 of these Rules.

Author: Justin C. Aday

Statutory Authority: Code of Alabama 1975, §§20-2A-22, as amended.

History: New Rule: Published _____ ; effective _____ .

538-X-5-.08 **Training and Continuing Education Requirements for Cultivators.**

Training and continuing education requirements for Cultivators' owners, officers, administrators, managers, and employees shall be as set forth in Rule 538-X-4-.04 of Chapter 4 of these Rules.

Author: Justin C. Aday

Statutory Authority: Code of Alabama 1975, §20-2A-22, as amended.

History: New Rule: Published _____ ; effective _____ .

538-X-5-.09 **Cultivators' Maintenance of Proper Technology.**

Cultivators' duty to maintain proper technology shall be governed by Rule 538-X-4-.05 of Chapter 4 of these Rules.

Author: Justin C. Aday

Statutory Authority: Code of Alabama 1975, §20-2A-22, as amended.

History: New Rule: Published _____ ; effective _____ .

538-X-5-.10 **Cultivator Annual License Fees; Schedule.**

Cultivators' duty regarding annual license fees shall be as set forth in Rule 538-x-4-.06 of Chapter 4 of these Rules, and the schedule therefor shall be contained on the AMCC website.

Author: Justin C. Aday

Statutory Authority: Code of Alabama 1975, §20-2A-22, as amended.

History: New Rule: Published _____ ; effective _____ .

538-X-5-.11

Duty of Cultivator to Meet and Maintain Standards, Policies, Procedures and Operations per Application.

A cultivator licensee has an ongoing duty to meet and maintain the standards, policies, procedures, and operations, both at the pre-commencement inspection and at all times thereafter, as it affirmed to the Commission at the time of licensing, as such standards, policies, procedures, and operations may have been amended and updated by the licensee from time to time in accordance with Rules 538-X-4-.08 and 538-X-4-.19, as provided in Rule 538-X-4-.07 of Chapter 4 of these Rules and as modified by Rule 538-X-5-.04 of this Chapter.

Author: Justin C. Aday

Statutory Authority: Code of Alabama 1975, §20-2A-22, as amended.

History: New Rule: Published _____ ; effective _____ .

538-X-5-.12

Duty of Cultivator to Notify or Seek Permission Regarding Material Change in Licensing Information.

Cultivators' duty to notify or seek the Commission's permission regarding any material change in licensing information shall be governed by Rule 538-X-4-.08 of Chapter 4 of these Rules.

Author: Justin C. Aday

Statutory Authority: Code of Alabama 1975, §20-2A-22, as amended.

History: New Rule: Published _____ ; effective _____ .

538-X-5-.13

Term of Cultivator License.

The term of a Cultivator's license shall be governed by Rule 538-X-4-.09 of Chapter 4 of these Rules.

Author: Justin C. Aday

Statutory Authority: Code of Alabama 1975, §20-2A-22, as amended.

History: New Rule: Published _____ ; effective _____ .

538-X-5-.14 **Application for Renewal of Cultivator License.**

Applications for renewal of Cultivator licenses shall be governed by Rule 538-X-4-.10 of Chapter 4 of these Rules.

Author: Justin C. Aday

Statutory Authority: Code of Alabama 1975, §20-2A-22, as amended.

History: **New Rule:** Published _____ ; effective _____ .

538-X-5-.15 **Notification to Apply for Renewal of Cultivator License.**

Notifications to apply for renewal of a Cultivator license shall be governed by Rule 538-X-4-.11 of Chapter 4 of these Rules.

Author: Justin C. Aday

Statutory Authority: Code of Alabama 1975, §20-2A-22, as amended.

History: **New Rule:** Published _____ ; effective _____ .

538-X-5-.16 **Expiration of Cultivator License; Delinquent License Renewal; Failure to Apply for Renewal.**

The expiration of a Cultivator license, renewal of a delinquent Cultivator license and consequences for failing to apply for renewal shall be governed by Rule 538-X-4-.12 of Chapter 4 of these Rules.

Author: Justin C. Aday

Statutory Authority: Code of Alabama 1975, §20-2A-22, as amended.

History: **New Rule:** Published _____ ; effective _____ .

538-X-5-.17 **Cultivator License Renewal Process and Procedures; Use of Independent Third-Party Consultants.**

The Cultivator license renewal process and procedures, and the Commission's use of independent third-party consultants as to Cultivators, shall be governed by Rule 538-X-4-.13 of Chapter 4 of these Rules.

Author: Justin C. Aday

Statutory Authority: Code of Alabama 1975, §20-2A-22, as amended.

History: New Rule: Published _____ ; effective _____ .

538-X-5-.18 **Cultivator License Renewal Fees; Schedule.**

License renewal fees for Cultivators shall be governed by Rule 538-X-4-.14 of Chapter 4 of these Rules. License renewal fees shall be set forth on the schedule of fees maintained by the Commission on the AMCC website.

Author: Justin C. Aday

Statutory Authority: Code of Alabama 1975, §20-2A-22, as amended.

History: New Rule: Published _____ ; effective _____ .

538-X-5-.19 **Non-Renewal of Cultivator License.**

Non-renewal of a Cultivator license shall be governed by Rule 538-X-4-.15 of Chapter 4 of these Rules.

Author: Justin C. Aday

Statutory Authority: Code of Alabama 1975, §20-2A-22, as amended.

History: New Rule: Published _____ ; effective _____ .

538-X-5-.20 **Transfer of Cultivator License; Change of Ownership.**

The transfer of Cultivator licenses and change of ownership of Cultivators shall be governed by Rule 538-X-4-.16 of Chapter 4 of these Rules.

Author: Justin C. Aday

Statutory Authority: Code of Alabama 1975, §20-2A-22, as amended.

History: **New Rule:** Published _____ ; effective _____ .

538-X-5-.21 **Marketing and Advertising by Cultivators.**

Cultivators' duties with respect to advertising, except as specifically modified within this Chapter, shall be governed by Rule 538-X-4-.17 of Chapter 4 of these Rules.

Author: Justin C. Aday

Statutory Authority: Code of Alabama 1975, §20-2A-22, as amended.

History: **New Rule:** Published _____ ; effective _____ .

538-X-5-.22 **Relocation of Cultivator Facilities.**

Relocation of Cultivators' facilities shall be governed by Rule 538-X-4-.18 of Chapter 4 of these Rules.

Author: Justin C. Aday

Statutory Authority: Code of Alabama 1975, §20-2A-22, as amended.

History: **New Rule:** Published _____ ; effective _____ .

538-X-5-.23 **Material Change in Cultivators' Information.**

Material changes in the information previously provided to the Commission by a Cultivator shall be governed by Rule 538-X-4-.19 of Chapter 4 of these Rules.

Author: Justin C. Aday

Statutory Authority: Code of Alabama 1975, §20-2A-22, as amended.

History: **New Rule:** Published _____ ; effective _____ .

538-X-5-.24 **Temporary Licenses for Cultivators.**

Temporary licenses for Cultivators shall be governed by Rule 538-X-4-.20 of Chapter 4 of these Rules.

Author: Justin C. Aday

Statutory Authority: Code of Alabama 1975, §20-2A-22, as amended.

History: New Rule: Published _____ ; effective _____ .

538-X-5-.25 Surrender of Cultivator License; Cessation of Operations.

A Cultivator's surrender of license and/or cessation of operations shall be governed by Rule 538-X-4-.21 of Chapter 4 of these Rules.

Author: Justin C. Aday

Statutory Authority: Code of Alabama 1975, §20-2A-22, as amended.

History: New Rule: Published _____ ; effective _____ .

538-X-5-.26 Disciplinary Actions Against Cultivators.

Disciplinary actions against Cultivators shall be governed by Rule 538-X-4-.22 of Chapter 4 of these Rules.

Author: Justin C. Aday

Statutory Authority: Code of Alabama 1975, §20-2A-22, as amended.

History: New Rule: Published _____ ; effective _____ .

538-X-5-.27 Cultivator Appeals from Adverse Decisions by the Commission.

Cultivators' appeals from adverse decisions by the Commission shall be governed by Rule 538-X-4-.23 of Chapter 4 of these Rules.

Author: Justin C. Aday

Statutory Authority: Code of Alabama 1975, §20-2A-22, as amended.

History: New Rule: Published _____ ; effective _____ .