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**Section 20-2A-1**

**Short title.**

This chapter shall be known and may be cited as the Darren Wesley 'Ato' Hall Compassion Act.

*(Act 2021-450, §1.)*

**Section 20-2A-2**

**Legislative findings.**

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 medical 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 medical 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 will not only benefit patients by providing relief for pain and other debilitating symptoms, but also provide opportunities for patients with these debilitating conditions to function and have a better quality of life and 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

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will genuinely benefit from using cannabis for a medical use in a manner that makes the employee a productive employee.

(7) The State of Alabama, therefore, wishes to create a health care market for medical cannabis. Notwithstanding any medical benefit of cannabis or cannabis derivatives, the recreational use of marijuana remains a significant threat to public health and safety. Allowing the cultivation, processing, dispensing, and use of cannabis for medical use without appropriate safeguards to prevent unlawful diversion for recreational use would pose a risk to public health and safety.

(8) The power to regulate intrastate commerce is vested in the several states under the Ninth and Tenth Amendments to the United States Constitution.

(9) The Ninth Amendment to the United States Constitution guarantees to the people rights not granted in the United States Constitution and reserves to the people of Alabama certain rights as they were understood at the time Alabama was admitted into statehood in 1819, and the guarantee of these rights is a matter of contract between the State of Alabama and its people and the United States as of the time that the compact with the United States was agreed upon and adopted by Alabama and the United States in 1819.

(10) It is the intent of the Legislature to create within Alabama a wholly intrastate system for the cultivation, processing, and distribution of medical cannabis in the interest of protecting its own residents from the danger that recreational cannabis poses.

(11) Requiring licensees to prove a history of residency within the state for a period of time is directly related to avoiding an influx of companies engaged in the recreational production of marijuana; the state has a substantial interest in protecting its residents from the dangers of recreational marijuana.

(12) Requiring that licensed cultivators, processors, transporters, and dispensaries of cannabis for medical use possess the requisite skill, expertise, resources, and capital to conduct operations as proposed in their business plans, and favoring those applicants who already possess the requisite skill, expertise, resources, and capital, promotes the goals of stability in licensing and reduces the risks of unlawful diversion and misuse. A lengthy base of agronomic experience

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will help achieve those goals, as will past experience participating in an agronomic supply chain.

(13) Ensuring that all cultivation, processing, transportation, and dispensing operations remain intrastate in nature reduces the risk of exposing licensees to the potential penalties of federal law based on the activities of their licensed operations.

(14) There is a pattern in states that have legalized the use of medical cannabis or medical marijuana; frequently, in the years following authorization of medical use, recreational marijuana is subsequently authorized. It is the intent of the Legislature to avoid a shift from medical cannabis usage to recreational marijuana usage. Therefore, safeguards to adequately protect the residents of this state are essential.

***(Act 2021-450, §1.)***

**Section 20-2A-3**

**Definitions.**

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

(1) APPLICANT. The entity or individual seeking a license under Article 4.

(2) BOARD. The State Board of Medical Examiners.

(3) 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.

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



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(5) CULTIVATOR. An entity licensed by the commission under Section 20-2A-62 authorized to grow cannabis pursuant to Article 4.

(6) 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.

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

(8) DISPENSARY. An entity licensed by the commission under Section 20-2A-64 authorized to dispense and sell medical cannabis at dispensing sites to registered qualified patients and registered caregivers pursuant to Article 4.

(9) DISPENSING SITE. A site operated by a dispensary licensee or an integrated facility licensee pursuant to Article 4.

(10) ECONOMIC INTEREST. The rights to either the capital or profit interests of an applicant or licensee or, if the applicant or licensee is a corporation, the rights to some portion of all classes of outstanding stock in the corporation.

(11) FACILITY or MEDICAL CANNABIS FACILITY. Any facility, or land associated with a facility, of a licensee.

(12) INTEGRATED FACILITY. An entity licensed under Section 20-2A-67 authorized to perform the functions of a cultivator, processor, secure transporter, and dispensary pursuant to Article 4.

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

(14) 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. Oral tablet, capsule, or tincture.

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2. Non-sugarcoated gelatinous cube, gelatinous rectangular cuboid, or lozenge in a cube or rectangular cuboid shape.

3. Gel, oil, cream, or other topical preparation.

4. Suppository.

5. Transdermal patch.

6. Nebulizer.

7. Liquid or oil 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, combustion, or vaping.

3. A food product that has medical cannabis baked, mixed, or otherwise infused into the product, such as cookies or candies.

(15) MEDICAL CANNABIS CARD. A valid card issued pursuant to Section 20-2A-36.

(16) MEDICAL USE or USE OF MEDICAL CANNABIS or USE MEDICAL CANNABIS. 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.

(17) 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.

(18) 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.

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

(20) PROCESSOR. An entity licensed by the commission under Section 20-2A-63 authorized to purchase cannabis from a cultivator and extract derivatives from the cannabis to produce a medical cannabis product or products for sale and transfer in packaged and labeled form to a dispensing site pursuant to Article 4.

(21) QUALIFYING MEDICAL CONDITION. Any of the following conditions or symptoms of conditions, but only after documentation indicates that conventional medical treatment or therapy has failed unless current medical treatment indicates that use of medical cannabis is the standard of care:

- a. Autism Sprectrum Disorder (ASD).
- b. Cancer-related cachexia, nausea or vomiting, weight loss, or chronic pain.
- c. Crohn's Disease.
- d. Depression.
- e. Epilepsy or a condition causing seizures.
- f. HIV/AIDS-related nausea or weight loss.
- g. Panic disorder.
- h. Parkinson's disease.
- i. Persistent nausea that is not significantly responsive to traditional treatment, except for nausea related to pregnancy, cannabis-induced cyclical vomiting syndrome, or cannabinoid hyperemesis syndrome.
- j. Post Traumatic Stress Disorder (PTSD).
- k. Sickle Cell Anemia.
- l. Spasticity associated with a motor neuron disease, including Amyotrophic Lateral Sclerosis.

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

n. A terminal illness.

o. Tourette's Syndrome.

p. A condition causing chronic or intractable pain in which conventional therapeutic intervention and opiate therapy is contraindicated or has proved ineffective.

(22) 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.

(23) REGISTERED CERTIFYING PHYSICIAN. A physician authorized by the State Board of Medical Examiners to certify patients for the use of medical cannabis under this chapter.

(24) 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 with the assistance of a registered caregiver.

(25) SECURE TRANSPORTER. An entity licensed by the commission under Section 20-2A-65 authorized to transport cannabis or medical cannabis from one licensed facility or site to another licensed facility or site.

(26) STATE TESTING LABORATORY. An entity licensed under Section 20-2A-66 authorized to test cannabis and medical cannabis to ensure the product meets safety qualifications required under this chapter.

(27) 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.

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(28) 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.

*(Act 2021-450, §1; Act 2024-342, §1.)*

**Section 20-2A-4**

**Relation to other laws.**

This chapter supersedes state criminal and civil laws pertaining to the recommending, 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.

*(Act 2021-450, §1.)*

**Section 20-2A-5**

**Data Security.**

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.

*(Act 2021-450, §1.)*

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**Section 20-2A-6**

**Application of chapter; authorized use of medical cannabis construed for medical, employment, and child welfare purposes.**

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

(1) Require an insurer, organization for managed care, health benefit plan, or any individual or entity providing coverage for a medical or health care service to pay for or to reimburse any other individual or entity for costs associated with the use of medical cannabis.

(2) Require any employer to permit, accommodate, or allow the use of medical cannabis, or to modify any job or working conditions of any employee who engages in the use of medical cannabis or for any reason seeks to engage in the use of medical cannabis.

(3) Prohibit any employer from refusing to hire, discharging, disciplining, or otherwise taking an adverse employment action against an individual with respect to hiring, discharging, tenure, terms, conditions, or privileges of employment as a result, in whole or in part, of that individual's use of medical cannabis, regardless of the individual's impairment or lack of impairment resulting from the use of medical cannabis.

(4) Prohibit or limit the ability of any employer from establishing or enforcing a drug testing policy, including, but not limited to, a policy that prohibits the use of medical cannabis in the workplace 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) Prohibit or limit any employer from adopting an employment policy requiring its employees to notify the employer if an employee possesses a medical cannabis card.

(6) Interfere with, impair, or impede, 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.

(7) Permit, authorize, or establish any individual's right to commence or undertake any legal action against an employer for refusing to hire, discharging, disciplining, or otherwise taking

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an adverse employment action against an individual with respect to hiring, discharging, tenure, terms, conditions, or privileges of employment due to the individual's use of medical cannabis.

(8) Require a government medical assistance program, employer, property and casualty insurer, or private health insurer to reimburse an individual for costs associated with the use of medical cannabis.

(9) Affect, alter, or otherwise impact the workers' compensation premium discount available to employers who establish a drug-free workplace policy certified by the Department of Labor, Workers' Compensation Division, in accordance with Article 13, commencing with Section 25-5-330, of Chapter 5 of Title 25.

(10) Affect, alter, or otherwise impact an employer's right to deny, or establish legal defenses to, the payment of workers' compensation benefits to an employee on the basis of a positive drug test or refusal to submit to or cooperate with a drug test, as provided under Section 25-5-51.

(11) Affect, alter, or supersede any obligation or condition imposed on a parolee, probationer, or an individual participating in a pretrial diversion program or other court-ordered substance abuse rehabilitation program.

(b) For the purpose of obtaining needed 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 such needed medical care.

(c) An individual who is discharged from employment because of that individual's use of medical cannabis, or refusal to submit to or cooperate with a drug test, shall be legally conclusively presumed to have been discharged for misconduct if the conditions of paragraph (3)a. of Section 25-4-78 are otherwise met.

(d) Nothing in this chapter shall prohibit the Department of Human Resources from considering a parent or caretaker's use of

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medical cannabis as a factor for determining the welfare of a child in any of the following circumstances:

- (1) There is evidence of child abuse or neglect.
- (2) The best interest of a child is determined for custody purposes.
- (3) A background check is performed for a prospective foster, adoptive, or kinship caretaker.

**(Act 2021-450, §1.)**

**Section 20-2A-7**

**Possession of marijuana by registered qualified patient; liability of registered certifying physician; arrest or prosecution for conduct pursuant to chapter; violations of criminal law.**

(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 who acts in good faith compliance with this chapter regarding the dosage established under this chapter and the applicable administrative rules established pursuant to this chapter shall be immune from civil and criminal prosecution and is not subject to arrest, prosecution, or penalty in any manner and may not be denied any right or privilege, including, but not limited to, protection from civil penalty 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 medical 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 from disciplining a physician. Nothing in this chapter shall modify, amend, repeal, or supersede any provision of Section 6-5-333, the Alabama Medical Liability Act of 1987, commencing with Section 6-5-540, or the Alabama Medical Liability Act of 1996,



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commencing with Section 6-5-548, or any amendment to any of these laws or judicial interpretation of these laws.

(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, assisted living 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.

**(Act 2021-450, §1.)**

**Section 20-2A-8**

**Diversion of medical cannabis or medical cannabis products; prohibited conduct.**

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

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

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(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 property of a K-12 school or day care or child care facility, 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.

**(Act 2021-450, §1.)**

**Section 20-2A-9**

**Annual written report.**

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.

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- (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, including all of the following:
  - a. Any suggestions to ensure that veterans, women, and minorities are not unfairly discriminated against in obtaining licenses under Article 4.
  - b. Changes to reflect changes in federal law or regulation.
  - c. Changes based on additional medical or scientific research.

**(Act 2021-450, §1.)**

**Section 20-2A-10**

**Medical Cannabis Commission Fund.**

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

- (1) Tax proceeds collected pursuant to subsections (a) and (b) of Section 20-2A-80, less an amount sufficient to cover the cost of administration of the tax levies imposed under subsections (a) and (b) of Section 20-2A-80, which shall be retained by the Department of Revenue.

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(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) Amounts in the Medical Cannabis Commission Fund shall be budgeted and allotted in accordance with Sections 41-4-80 through 41-4-96 and Sections 41-19-1 through 41-19-12, but shall not be limited by the fiscal year appropriation cap.

(c) Beginning October 1, 2025, any funds in the Medical Cannabis Commission Fund in excess of actual expenses from the previous fiscal year shall be distributed, less 10 percent, as follows:

(1) 60 percent shall be transferred to the General Fund.

(2) 30 percent shall be transferred to the Medical Cannabis Research Fund established pursuant to subsection (f) of Section 20-2A-120.

***(Act 2021-450, §1.)***

**Section 20-2A-11**

**Possession of lawfully obtained medical cannabis card.**

The possession of a medical cannabis card lawfully obtained pursuant to this chapter does not infringe on the cardholder's state or federal constitutional rights.

***(Act 2021-450, §1.)***

**Section 20-2A-12**

**Severability.**

The provisions of this chapter are severable. If any part of this chapter is declared invalid or unconstitutional, the declaration shall not affect the part that remains.

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*(Act 2021-450, §1.)*

**Section 20-2A-13**

**Ineligibility to receive compensation due to impairment of employee by medical cannabis.**

An employee who is injured or killed under circumstances that might otherwise make the employee or the employee's dependents eligible to receive worker's compensation benefits under Chapter 5 of Title 25 is, along with the employee's dependents, ineligible to receive compensation as defined in Section 25-5-1, if the injury or death occurred due to the employee's impairment by medical cannabis, which shall be conclusively presumed in the event of a positive drug test conducted and evaluated pursuant to standards adopted for drug testing by the U.S. Department of Transportation in 49 C.F.R. Part 40, as provided under Section 25-5-51, or if the employee refuses to submit to or cooperate with a blood or urine test, as provided by that section.

*(Act 2021-450, §3.)*

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**Section 20-2A-20**

**Creation; composition; qualifications; compensation; meetings; officers and employees.**

(a) The Alabama Medical Cannabis Commission is established. The commission shall consist of the following members, with initial members appointed not later than July 1, 2021:

(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. 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; one of whom is licensed to practice law in this state who specializes in health law; and one of whom is a biochemist. 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 Representative, 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 Commissioner of Agriculture and Industries who is experienced in agricultural production or agronomic or other horticultural practices. The initial term shall be two years.

(6) One member appointed by the State Health Officer. The initial term shall be four years.

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(7) One member appointed by the Attorney General, who shall be a nonvoting advisory member. The initial term shall be three years.

(8) One member appointed by the Secretary of the Alabama State Law Enforcement Agency, who shall be a nonvoting advisory member. The initial term shall be one year.

(b) Each commission member appointed to the commission is subject to confirmation by the Senate during the legislative session in which the appointment is made or, if the appointment is made when the Legislature is not in session, during the next special or regular session. An appointee may serve in the position pending confirmation by the Senate. Each member of the committee shall serve after the expiration of his or her term until his or her successor is appointed.

(c) A member may not be an owner, shareholder, director, board member, or otherwise have an economic interest in an applicant or license issued under Article 4. Any current public official, candidate for public office, current public employee, or registered lobbyist may not serve as a member.

(d) 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.

(e) 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.

(f) The commission shall elect from the membership one member to serve as chair and one member to serve as vice-chair.

(g) While serving on business of the commission, members who are not public officials or public employees 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.

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(h) 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 voting 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.

(i) (1) The commission may employ a director to serve at the pleasure of the commission. The director's salary shall be fixed by the commission and shall not be subject to Section 36-6-6. 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 employment. 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.



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(3) If the director is licensed to practice law in this state, he or she shall act and serve as hearing officer when designated by the commission and shall perform such duties as the regular hearing officer.

(j) The commission may employ 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.

(k) Each member of the commission shall be entitled to the immunity provided by Section 36-1-12.

(l) 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.

(m) The commission may employ 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.

(n) 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.

(o) All employees of the commission shall not be subject to the state Merit System Act.

(p) The commission shall be subject to the Alabama Administrative Procedure Act.

**(Act 2021-450, §1.)**

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**Section 20-2A-21**

**Commission members prohibited from certain economic interests.**

(a) A member of the commission and any individual employed by the commission may not be an owner, shareholder, director, or board member of, or otherwise have any economic interest in, a licensee. In addition, a member or employee of the commission may not have any family member who is employed by a licensee. 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 licensee.

(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 former member of the commission, for a period of two years after leaving service as a member of the commission, may not be an owner, shareholder, director, board member, or otherwise have an economic interest in an applicant or license issued under Article 4.

(f) In addition to any violation of Chapter 25 of Title 36, a violation of this section is a Class C misdemeanor.

**(Act 2021-450, §1.)**

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**Section 20-2A-22**

**Implementation of chapter; administration and enforcement.**

(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 by 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.

***(Act 2021-450, §1.)***

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**Section 20-2A-30**

**Registered qualified patient; registered caregiver.**

(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 who is the patient's parent or legal guardian.

(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 is a registered caregiver if he or she meets all of the following conditions:

a. Is registered with the commission.

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

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c. Is at least 21 years of age, unless he or she is the parent or legal guardian of, and caregiver for, a registered qualified patient.

d. Is the parent, legal guardian, grandparent, spouse, or an individual with power of attorney for health care of a registered qualified patient.

(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.

***(Act 2021-450, §1.)***

**Section 20-2A-31**

**Registered certifying physician - Requirements.**

(a) In order for a physician to qualify as a registered certifying physician, he or she must meet the following requirements:

(1) Hold an active license to practice medicine under Chapter 24 of Title 34.

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(2) Complete a four-hour course related to medical cannabis and complete a subsequent examination, both of which shall be offered by a multi-specialty statewide professional organization of physicians in this state that is recognized to accredit intrastate organizations to provide AMA PRA category 1 credits. The course must be administered at least annually and may be offered in a distance learning format, including an electronic online format upon request. The price of the course may not exceed five hundred dollars (\$500). Every two years thereafter, in order to requalify, a certifying physician must complete a two-hour refresher course offered by an entity described in this subdivision.

(3) Pay an initial registration fee established by the board, not to exceed three hundred dollars (\$300).

(4) Meet any additional qualifications established by rule by the board.

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

(c) The board, by rule, may establish requirements for registered certifying physicians to remain qualified, grounds for revoking registration, and a process for renewing registration of qualified certifying physicians, including payment of an annual registration renewal fee, not to exceed two hundred dollars (\$200).

**(Act 2021-450, §1.)**

**Section 20-2A-32**

**Registered certifying physician - Prohibited conduct.**

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

(1) Except for the limited purpose of performing a medical cannabis-related study, accept, solicit, or offer any form of

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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 examination, medical consultation, or other treatment, including, but not limited to, any third party reimbursement for the same.

(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 State of Alabama to certify patients for medical cannabis use under the Alabama Compassion Act."

**(Act 2021-450, §1.)**

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**Section 20-2A-33**

**Physician certifications of patients; rulemaking authority; patient registry information.**

(a) In order to certify a patient, a registered certifying physician must diagnose the patient with at least one qualifying medical condition or confirm that the patient has been medically diagnosed with at least one qualifying medical condition.

(b) Not later than December 1, 2021, the board shall adopt rules for the issuance of physician certifications for patients to use medical cannabis as recommended by a registered certifying physician. The rules shall include, but not be limited to, all of the following:

(1) Requirements for patient examination and the establishment of a physician-patient relationship.

(2) Requirements for relevant information to be included in the patient's medical record.

(3) Requirements for review of the patient's controlled drug prescription history in the controlled substance prescription database established under Article 10 of Chapter 2 of this title.

(4) Requirements for review of the patient registry.

(5) Requirements for obtaining the voluntary and informed written consent from the patient to use medical cannabis, or from the patient's designated caregiver to assist the patient with the use of medical cannabis, on a form created by the board and accessible at no charge on its website. The form shall include, but not be limited to, 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.



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- 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 an individual to be alert or respond quickly.
  - f. The potential side effects of cannabis use.
  - g. The risks, benefits, and drug interactions of cannabis.
  - h. A statement that the use of medical cannabis could result in termination from employment without recourse and that costs may not be covered by insurance or government programs.
  - i. 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 (c) of Section 20-2A-35.
- (6) Requirements for the issuance and reissuance of physician certifications by certifying physicians, the permissible length of duration of a physician certification, and the process and circumstances under which a physician certification may be deactivated, as well as stipulations for timely updating of physician certifications on the patient registry.
- (c) At the time of physician certification, the registered certifying physician shall enter electronically in the patient registry, in a manner determined by rule by the board, relevant information necessary to appropriately identify the patient; the respective qualifying medical condition or conditions of the patient; the daily dosage and type of medical cannabis recommended for medical use; and any other information the board, 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 board, but in no event may a physician certification exceed 12 months in duration.

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(f) (1) 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, which may not exceed the limits set forth in subdivision (2).

(2) The maximum daily dosage may not exceed 50 mg of delta-9-tetrahydrocannabinol; provided, however, the maximum daily dosage may be increased under either of the following circumstances:

a. A registered certifying physician may increase a patient's daily dosage if, after 90 days of continuous care under the physician during which time the patient was using medical cannabis, the physician determines that a higher daily dosage is medically appropriate, provided the maximum daily dosage under this paragraph may not exceed 75 mg of delta-9-tetrahydrocannabinol.

b. A registered certifying physician may increase a patient's daily dosage if the patient has been diagnosed with a terminal illness, provided, if the recommended daily dosage exceeds 75 mg of delta-9-tetrahydrocannabinol, the physician shall notify the patient that the patient's driver's license will be suspended.

(g) A registered certifying physician may not lawfully recommend the use of medical cannabis with a potency greater than three percent tetrahydrocannabinol to any minor for any qualifying medical condition. A minor may not legally use medical cannabis with a potency greater than three percent tetrahydrocannabinol, whether or not the minor has a valid medical cannabis card. A parent or legal guardian of a minor who holds a medical cannabis card may not legally possess medical cannabis with a potency greater than three percent tetrahydrocannabinol, unless the parent or guardian holds a valid medical cannabis card for his or her own qualifying medical condition.

**(Act 2021-450, §1.)**

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**Section 20-2A-34**

**Suspension of driver's license.**

Any person who is recommended a daily dosage of medical cannabis that exceeds 75 mg of delta-9-tetrahydrocannabinol under paragraph (f)(2)b. of Section 20-2A-33, shall automatically have his or her driver's license suspended, regardless of whether he or she holds a valid medical cannabis card under this chapter.

*(Act 2021-450, §6.)*

**Section 20-2A-35**

**Alabama Medical Cannabis Patient Registry System.**

(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, 2022, the commission shall 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:

- (1) Receives and records physician certifications.
- (2) Receives and tracks qualified patient registration and issuance of medical cannabis cards.
- (3) Receives and tracks designated caregiver registration and issuance of medical cannabis cards.
- (4) 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.
- (5) Verifies that a medical cannabis card is current and valid and has not been suspended, revoked, or denied.

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(6) Tracks purchases of medical cannabis at dispensaries by date, time, amount, and type.

(7) Determines whether a particular sale of medical cannabis transaction exceeds the permissible limit.

(8) Tracks medical cannabis cards that are denied, revoked, or suspended.

(9) Interfaces as necessary with the statewide seed-to-sale tracking system established under Article 4.

(10) 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.

(5) The State Board of Medical Examiners.

(6) Licensed pharmacists.

(c) The commission may monitor 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 as appropriate.

**(Act 2021-450, §1.)**

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**Section 20-2A-36**

**Registration requirements; medical cannabis card.**

(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.
- (5) The following statement: "This card is only valid in the State of Alabama".

(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

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or stolen. The commission, by rule, shall determine the process and fee for replacing a lost or stolen card, including a process for invalidating the lost or stolen card.

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

***(Act 2021-450, §1.)***

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**Article 4: Cultivation, Processing, and Dispensing of Medical Cannabis**

**Section 20-2A-50**

**Licensing and regulation of medical cannabis.**

(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 to integrated facilities, as well as to independent entities in the following categories: Cultivator, processor, dispensary, secure transporter, and testing laboratory.

(b) The commission shall license, regulate, and enforce all aspects of medical cannabis under this article. The commission may seek and shall receive the cooperation of the Department of Agriculture and Industries in the regulation and enforcement of this article. The department may recover from the commission the department's costs of cooperation.

***(Act 2021-450, §1; Act 2024-342, §1.)***

**Section 20-2A-51**

**License quantities; operation of dispensing sites.**

(a) Where the commission is authorized under this article to determine the number of licenses of a specific license category the commission will grant, or increase the number of licenses of a specific license category to grant, the commission shall consider the population of the state, the number of active registered qualified patients, market demand, 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 and taking into account the racial and economic makeup of the state.

(b) The commission 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

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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. For purposes of this subsection, minority group means individuals of African American, Native American, Asian, or Hispanic descent.

(c) (1) 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).

(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.

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

***(Act 2021-450, §1; Act 2024-342, §1.)***

**Section 20-2A-52**

**Oversight of medical cannabis facility operations; inspections and audits of licensees; criminal background checks.**

(a) The commission 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.



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(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 and examine 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 of an individual who holds a license, while that individual is present in a medical cannabis facility of the 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.

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

(b) The commission shall adopt rules addressing the frequency of conducting periodic inspections and audits of respective licensees.

(c) The commission may enter into one or more memoranda of understanding with law enforcement agencies to assist with enforcement of this article.

(d) The commission 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.

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

(f) Nothing in this article shall affect the authority of the Alabama Department of Environmental Management to administer and enforce any existing law over which the Alabama Department of Environmental Management has jurisdiction.

***(Act 2021-450, §1; Act 2024-342, §1.)***

**Section 20-2A-53**

**License application requirements.**

(a) The commission 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, 2022. 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.

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(2) Require a minimum of two million dollars (\$2,000,000) of liability and casualty insurance and establish minimum levels of other financial guarantees, if appropriate, 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 remain 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) and not more than fifty thousand dollars (\$50,000), depending on the category of license.

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

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

(11) In compliance with Chapters 27 and 30 of Title 22, 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.

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(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.

***(Act 2021-450, §1; Act 2024-342, §1.)***

**Section 20-2A-54**

**Statewide seed-to-sale tracking system.**

(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:

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(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 licensees and with regard to integrated facility licensees, among facilities of the licensee.

(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 statewide seed-to-sale tracking 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.

**(Act 2021-450, §1.)**

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**Section 20-2A-55**

**License application procedures.**

(a) Beginning September 1, 2022, a person may apply to the commission for a license for an integrated facility or for a license in one of the following independent categories: 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) With regard to each business entity that has any ownership interest in the applicant, all of the following:

a. The identity of every individual having an indirect or direct ownership interest in that business entity. For purposes of this paragraph, if the business entity is a trust, the application shall disclose the names and addresses of all trustees and 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.

b.1. The identity of all of the following other entities, if the other entities are directly or indirectly involved in the cannabis industry, including, but not limited to, the cultivation, processing, packaging, labeling, testing, transporting, or sale of cannabis:

(i) Any subsidiary, affiliate, conglomerate, parent, or other entity that shares common ownership, directly or indirectly, with the business entity.

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(ii) Any partnership of which the business entity is a partner.

(iii) Any limited liability company of which the business entity is a member or manager.

2. This paragraph shall be construed broadly to ensure the broadest disclosure and greatest transparency reasonably possible.

(3)a. With regard to each individual having any ownership interest in the applicant, the identity of all of the following entities, if the entities are directly or indirectly involved in the cannabis industry, including, but not limited to, the cultivation, processing, packaging, labeling, testing, transporting, or sale of cannabis:

1. Any business entity of which the individual or his or her spouse, parent, or child has any equity interest.

2. Any partnership of which the individual or his or her spouse, parent, or child has any equity interest.

3. Any limited liability company of which the individual or his or her spouse, parent, or child is a member or manager.

b. This subdivision shall be construed broadly to ensure the broadest disclosure and greatest transparency reasonably possible.

(4) Whether an owner, director, board member, or individual with a controlling interest in the applicant has been indicted for, charged with, arrested for, convicted of, pled guilty or nolo contendere to, or 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.

(5) 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,

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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.

(6) 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.

(7) 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.

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

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

(10) Records indicating that a majority of ownership is attributable to an individual or individuals with proof of residence in this state for a continuous period of no less than 15 years preceding the application date.

(11) For an applicant seeking an integrated facility license or a cultivator license, records indicating that a majority of ownership is attributable to an individual or individuals, or an entity or entities, with cumulative business experience in the field of commercial horticulture or agronomic production for a period of at least 15 years.

(b) Each owner, shareholder, director, board member, and individual with an economic interest in an applicant shall submit 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



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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 economic interest in any other license under this article.

(f) A nonrefundable application fee of two thousand five hundred dollars (\$2,500) shall be paid at the time of filing to defray the costs associated with the background investigation conducted by the commission. 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, unless so ordered by a court of competent jurisdiction according to the Rules of Civil Procedure.

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(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.

*(Act 2021-450, §1.)*

**Section 20-2A-56**

**Notice and comment period; license ineligibility; issuance or denial; fee; expiration and renewal.**

(a) Before issuing any license under this article, the commission shall provide notice and a 30-day period during which members of the public may submit written comments regarding an applicant. The commission shall consider all comments received during the 30-day period. The commission may hold a public hearing as it deems necessary, at which the applicant may present its business plan for the operation of its facilities and allow further comments or questions from the public. The hearing shall be conducted in a manner that allows members of the public to participate remotely by virtual means.

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

(1) An owner, director, board member, or individual with a controlling interest in 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; provided, however, the commission shall not consider any conviction overturned on appeal or any charge that has been expunged pursuant to Chapter 27 of Title 15.

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

(3) An owner, director, board member, or individual with an economic interest in the applicant is a member of the commission.

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

(5) The applicant cannot provide records described in subdivision (a) (10) of Section 20-2A-55.

(6) For an applicant seeking an integrated facility license or a cultivator license, the applicant cannot provide records described in subdivision (a) (11) of Section 20-2A-55.

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

(c) 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 maintain required financial guarantees.

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

(4) Whether an owner, director, board member, or individual with a controlling interest in the applicant has been indicted for, charged with, arrested for, convicted of, pled guilty or nolo contendere to, or 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.

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(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 proposed medical cannabis facilities 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 or requirements established under this article or by rules applicable to the license category.

(d) The commission shall review all applications for licenses and shall determine whether to grant or deny a license not more than 60 days after the date a license application was submitted, or if an applicant was notified of a deficiency under subsection (g) of Section 20-2A-55, the commission shall grant or deny a license not more than 60 days after the deficiency was corrected.

(e) After denial of 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.

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

(g) A license shall be issued 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.

(h) 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.

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

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

(k) 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.

**(Act 2021-450, §1.)**

**Section 20-2A-57**

**Suspension, revocation, etc., of license.**

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

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(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 five thousand dollars (\$5,000) against an individual and up to twenty-five thousand dollars (\$25,000) 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 registered qualified patients, registered caregivers, 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

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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.

(f) Any person aggrieved by an action of the commission under this article, within 30 days after receiving notice of the action, may appeal the action to the circuit court in the county where the commission is located.

***(Act 2021-450, §1; Act 2024-342, §1.)***

**Section 20-2A-58**

**Exclusivity of license; transfer request.**

(a) Each license is exclusive to the licensee. A license, and any interest in or rights under a license, and any ownership interest or other beneficial interest in a licensed entity, may not be sold, transferred, assigned, conveyed, or otherwise disposed of in any manner, in whole or in part, voluntarily or involuntarily, directly or indirectly, except upon application to and approval of the commission.

(b) A nonrefundable application fee of two thousand five hundred dollars (\$2,500) shall be paid to the commission at the time of filing any transfer request under subsection (a).

(c) The attempted transfer, sale, or other conveyance of an interest or right in a license, or transfer of an ownership interest or other beneficial interest in a licensed entity, without the approval of the commission, shall be grounds for suspension or revocation of the license or for other sanction considered appropriate by the commission.

***(Act 2021-450, §1.)***

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**Section 20-2A-59**

**Criminal background check of prospective officers, employees, etc.**

(a) The commission, prior to appointment, employment, or service for a licensee, shall require all officers, employees, contractors, and other individuals performing work of any character who would have access to cannabis, a medical cannabis facility, or related equipment or supplies, to submit to a state and national criminal background check. The commission shall determine the manner in which fingerprints of the individuals shall be submitted to the Alabama State Law Enforcement Agency along with a sufficient fee required to perform the criminal background check by the agency and the Federal Bureau of Investigation. Notwithstanding any state law to the contrary, all records related to any criminal background check conducted pursuant to this subsection shall be accessible and made available, upon request, by the commission.

(b) If the criminal background check of a prospective officer, employee, or contractor indicates a pending charge or conviction within the past five years for a controlled substance-related felony or a controlled substance-related misdemeanor, a licensee may not appoint, hire, or contract with the prospective officer, employee, or contractor without written permission of the commission; provided, however, a licensee shall not consider any conviction overturned on appeal or any charge that has been expunged pursuant to Chapter 27 of Title 15.

(c) 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.

***(Act 2021-450, §1; Act 2024-342, §1.)***

**Section 20-2A-60**

**Third-party inventory control and tracking system.**

(a) Except as otherwise provided in subsection (b), a licensee shall adopt and use a third-party inventory control and tracking



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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.

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- (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 a 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.

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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.

***(Act 2021-450, §1.)***

**Section 20-2A-61**

**Advertisement and display restrictions.**

(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.

***(Act 2021-450, §1.)***

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**Section 20-2A-62**

**Cultivator licensing.**

(a) (1) A cultivator license authorizes all of the following:

- a. The cultivation of cannabis.
- b. The sale or transfer of cannabis to a processor.
- 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.

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

(b) The commission shall issue no more than 12 cultivator licenses.

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

- (1) Demonstrate the ability to secure and maintain cultivation facilities.
- (2) Demonstrate the ability to obtain and use an inventory control and tracking system as required under Section 20-2A-60.
- (3) Demonstrate the ability to commence cultivation of cannabis within 60 days of application approval notification.
- (4) Demonstrate the ability to destroy unused or waste cannabis in accordance with rules adopted by the department.
- (5) Demonstrate the financial stability to provide proper testing of individual lots and batches.

(d) A licensed cultivator shall comply with all of the following, in accordance with rules adopted by the commission:

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

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

(3) All employees may not have any conviction within the past 10 years for a controlled substance-related felony or a controlled substance-related misdemeanor other than a conviction that was overturned on appeal or a charge that was expunged pursuant to Chapter 27 of Title 15.

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

(e) A cultivator shall be subject to inspection by the commission.

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

(g) Nothing in this section shall be construed to prohibit the hydroponic growing of cannabis.

***(Act 2021-450, §1; Act 2024-342, §1.)***

**Section 20-2A-63**

**Processor licensing.**

(a) (1) A processor license authorizes all of the following:

- a. The purchase or transfer of cannabis from a cultivator.
- b. The processing of cannabis into medical cannabis which shall include properly packaging and labeling medical cannabis products, in accordance with this section.
- c. The sale or transfer of medical cannabis to a dispensary.

(2) A processor license authorizes the processor to transfer medical cannabis only by means of a secure transporter.

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(b) The commission shall issue no more than four processor licenses.

(c) (1) All medical cannabis products must be medical grade product, manufactured using documented good quality practices, and meet Good Manufacturing Practices, such that the product is shown to meet intended levels of purity and be reliably free of toxins and contaminants. Medical cannabis products may not contain any additives other than pharmaceutical grade excipients.

(2) The commission shall be responsible for enforcing Good Manufacturing Practices.

(d) 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:

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

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

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

(4) 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.

(e) 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, tamper-evident containers.

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(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. Cannabinoids content and potency.
- d. The universal state symbol printed in color at least one-half inch by one-half inch in size.
- (f) The commission shall establish one universal flavor for all gelatinous cube, cuboid, and lozenge medical cannabis products.
- (g) The following statement shall be included on each label, if space permits, or as an insert within the package: "WARNING: This product may make you drowsy or dizzy. Do not drink alcohol with this product. Use care when operating a vehicle or other machinery. Taking this product with medication may lead to harmful side effects or complications. Consult your physician before taking this product with any medication. Women who are breastfeeding, pregnant, or plan to become pregnant should discuss medical cannabis use with their physicians."
- (h) 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.
- (i) 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.
- (j) The commission shall determine what information from the label shall be entered into the statewide seed-to-sale tracking system.

**(Act 2021-450, §1; Act 2024-342, §1.)**

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**Section 20-2A-64**

**Dispensary licensing.**

(a) (1) A dispensary license authorizes all of the following:

- a. The purchase or transfer of medical cannabis from a processor.
- b. If a cultivator contracted with a processor to process its cannabis into medical cannabis on the cultivator's behalf, the purchase or transfer of medical cannabis from the cultivator.
- c. The purchase or transfer of medical cannabis from an integrated facility.
- d. The dispensing and sale of medical cannabis only to a registered qualified patient or registered caregiver.

(2) A dispensary license authorizes the dispensary to transfer medical cannabis only by means of a secure transporter, including transport between its dispensing sites.

(b) The commission shall issue no more than four dispensary licenses.

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

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

(1) Each dispensing site must be located at least one thousand feet from any school, day care, or child care facility.

(2) Each dispensing site must be equipped with surveillance cameras that are focused on each point of entry and that operate on a continuous basis. The dispensary must maintain surveillance records for a minimum of 60 days following the date of recording.



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

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

(5) Only allow dispensing of medical cannabis by certified dispensers, as provided in subsection (e).

(6) Not allow the use of medical cannabis products on the premises.

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

(e) (1) As used in this subsection, certified dispenser means an employee of a dispensary who dispenses medical cannabis to a registered qualified patient or registered caregiver and who has been trained and certified by the commission.

(2) The commission shall establish and administer a training program for dispensers that addresses proper dispensing procedures, including the requirements of this subsection, and other topics relating to public health and safety and preventing abuse and diversion of medical cannabis. The commission shall certify trained dispensers and may require, as a qualification to remain certified, periodic training.

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

a. Before dispensing medical cannabis, inquire of the patient registry to confirm that 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.

b. Enter into the patient registry the date, time, amount, and type of medical cannabis dispensed.

c. Comply with any additional requirements established by the commission by rule.

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(4) The commission shall adopt rules to implement this subsection.

(f) A licensee may operate up to three dispensing sites, each of which must be located in a different county from any other dispensing site; provided, however, the commission may authorize a licensee to operate a greater number of dispensing sites if, at least one year after the date when the maximum number of total dispensing sites authorized under this section and Section 20-2A-67 are operating, the commission determines that the patient pool has reached a sufficient level to justify an additional dispensing site in an underserved or unserved area of the state. Notwithstanding the foregoing, a licensee may not operate any dispensing site in the unincorporated area of a county or in a municipality that has not adopted a resolution or ordinance authorizing the operation of dispensing sites under subsection (c) of Section 20-2A-51.

***(Act 2021-450, §1.)***

**Section 20-2A-65**

**Secure transporter licensing.**

(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.

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(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.

***(Act 2021-450, §1.)***

**Section 20-2A-66**

**State testing laboratory licensing.**

(a) A 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 a 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 0.5 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, including, but not limited to, all of the following:

- a. Total THC (THC+THCA).
- b. Total CBD (CBD+CBDA).
- c. THC/CBD ratio, if applicable.
- d. Percent of THC relative to original plant material (w/w).

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(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) A 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 and shown to meet the requirements for a testing laboratory in international standard ISO/IEC 17025, with the licensee's scope of accreditation demonstrating testing capabilities in the categories of cannabinoids, pesticides, toxins, metals, and microbiological bacteria.

(e) To be eligible for a 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,

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residual pesticides and growth inhibitors, and residual solvents.

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

**(Act 2021-450, §1.)**

**Section 20-2A-67**

**Integrated facility licensing.**

(a) An integrated facility license authorizes all of the following:

(1) The cultivation of cannabis.

(2) The processing of cannabis into medical cannabis, including proper packaging and labeling of medical cannabis products.

(3) The dispensing and sale of medical cannabis only to a registered qualified patient or registered caregiver.

(4) The transport of cannabis or medical cannabis between its facilities.

(5) The sale or transfer of medical cannabis to a dispensary.

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(b) The commission may issue no more than five integrated facility licenses.

(c) An integrated facility licensee shall have the same authorizations granted to, and shall comply with all requirements for, cultivators, processors, secure transporters, and dispensaries, in addition to any other authorizations or requirements under this section or as established by rule by the commission.

(d) An applicant for an integrated facility license shall provide all of the following:

(1) A letter of commitment or other acknowledgement, as determined by commission rule, of the applicant's ability to secure a performance bond issued by a surety insurance company approved by the commission in the amount of two million dollars (\$2,000,000).

(2) Proof of at least two hundred fifty thousand dollars (\$250,000) in liquid assets.

(3) Proof that the applicant has the financial ability to maintain operations for not less than two years following the date of application.

(e) At the time a license is issued under this section, the commission shall ensure that the licensee has secured a performance bond as provided in subdivision (1) of subsection (d).

(f) A licensee may operate up to five dispensing sites, each of which must be located in a different county from any other dispensing site that the licensee operates; provided, however, the commission may authorize a licensee to operate a greater number of dispensing sites if, at least one year after the date when the maximum number of total dispensing sites authorized under this section and Section 20-2A-64 are operating, the commission determines that the patient pool has reached a sufficient level to justify an additional dispensing site in an underserved or unserved area of the state. Notwithstanding the foregoing, a licensee may not operate any dispensing site in the unincorporated area of a county or in a municipality that has not adopted a resolution or ordinance authorizing the operation of dispensing sites under subsection (c) of Section 20-2A-51.

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This subsection shall not be construed to limit wholesale distribution from integrated facility licensees to dispensary licensees.

*(Act 2021-450, §1.)*

**Section 20-2A-68**

**Licenses as revocable privileges.**

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.

*(Act 2021-450, §1.)*

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**Article 5: Taxation**

**Section 20-2A-80**

**Tax on retail sales of medical cannabis; annual medical cannabis privilege tax.**

(a) Commencing January 1, 2022, 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, 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.

(b) (1) Commencing January 1, 2022, there is levied an annual privilege tax on every person doing business under this chapter in Alabama. The tax shall accrue as of January 1 of every taxable year, or in the case of a taxpayer licensed under this chapter, 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 this chapter. The tax shall be levied upon the taxpayer's 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, 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, or the manner in which the income would be apportioned if the taxpayer were subject to the income tax.

(2) The amount of tax due shall be computed in the same manner and at the same rate of tax as prescribed in Section 40-14A-22, for purposes of determining the annual privilege tax levied by Chapter 14A of Title 40.

(3) 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.

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



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(5) The annual medical cannabis privilege tax shall be reported on forms and in the manner as prescribed by rule by the Department of Revenue. The failure to receive a form from the Department of Revenue 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 of Revenue may compute and assess additional tax, penalty, and interest against a taxpayer as provided in this chapter.

(c) The Department of Revenue shall adopt rules to implement this section.

***(Act 2021-450, §2.)***

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**Section 20-2A-100**

**Creation, composition; board of directors; purposes; annual report; Medical Cannabis Research Fund.**

(a) As used in this section, cannabis, medical cannabis, and use of medical cannabis shall have the same meanings as defined in Section 20-2A-3.

(b) There is established the Consortium for Medical Cannabis Research for the purpose of awarding grants to entities for research relating to cannabis and medical cannabis. The initial member institutions shall consist of the HudsonAlpha Institute for Biotechnology, the Southern Research Institute, and public and private four-year colleges and universities within the state designated not later than January 1, 2022, by the Alabama Commission on Higher Education. Membership in the consortium may be increased or decreased by rules established by the board of directors of the consortium.

(c) The management of the consortium shall be vested in a board of directors, composed of the President of HudsonAlpha Institute for Biotechnology, the Chief Executive Officer of the Southern Research Institute, and the presidents of each member college and university. The board of directors shall determine the overall program and general policies of the consortium in conformance with the purposes set forth in subsection (d). The board may elect or appoint officers as it deems desirable, who may or may not be members of the board, to have responsibilities and to exercise authority as the board may prescribe.

(d) The purposes of the consortium are as follows:

(1) Award grants to public or private entities to conduct rigorous research relating to cannabis, the cannabis industry, medical cannabis, and the use of medical cannabis and its impact.

(2) Monitor research conducted pursuant to grant awards and require accountability by entities awarded grants.

(3) Encourage dialog among interested entities.

(4) Effectively disseminate research findings and outcomes.

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(e) By February 15 of each year, the board of directors shall issue a report to the Governor, the President Pro Tempore of the Senate, the Speaker of the House of Representatives, and the Attorney General on research projects, research findings, community outreach initiatives, and future plans for the consortium.

(f) There is created a special account in the State Treasury to be known as the Medical Cannabis Research Fund. Expenditures from the Medical Cannabis Research Fund shall be made to fund grants awarded by the consortium in accordance with this section and to otherwise implement and administer this section. Amounts in the Medical Cannabis Research Fund shall be budgeted and allotted in accordance with Sections 41-4-80 through 41-4-96 and Sections 41-19-1 through 41-19-12.

***(Act 2021-450, §4.)***