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8 SYNOPSIS: Under existing law, unlawful possession of
9 marijuana in the first degree is a Class C or Class
10 D felony, and unlawful possession of marijuana in
11 the second degree is a Class A misdemeanor.

12 This bill would create the Compassion Act.

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

19 This bill would establish the Alabama
20 Medical Cannabis Commission and provide for
21 commission membership.

22 This bill would require the Alabama Medical
23 Cannabis Commission to establish and administer a
24 patient registry system that registers patients
25 with qualifying medical conditions and their
26 designated caregivers, to issue medical cannabis
27 cards, to issue licenses for the cultivation,

1 processing, dispensing, transporting, and testing
2 of medical cannabis, to adopt rules, and to
3 generally regulate, administer, and enforce a
4 medical cannabis program in the state.

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

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

11 This bill would provide for sales taxes.

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

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

20 This bill would prohibit the ingestion of
21 any raw plant material, and would prohibit any
22 smokeable or vaping product.

23 This bill would provide certain legal
24 protections to employers.

25 This bill would prohibit the use of medical
26 cannabis in certain circumstances.

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

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

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

12 Amendment 621 of the Constitution of Alabama
13 of 1901, now appearing as Section 111.05 of the
14 Official Recompilation of the Constitution of
15 Alabama of 1901, as amended, prohibits a general
16 law whose purpose or effect would be to require a
17 new or increased expenditure of local funds from
18 becoming effective with regard to a local
19 governmental entity without enactment by a 2/3 vote
20 unless: it comes within one of a number of
21 specified exceptions; it is approved by the
22 affected entity; or the Legislature appropriates
23 funds, or provides a local source of revenue, to
24 the entity for the purpose.

25 The purpose or effect of this bill would be
26 to require a new or increased expenditure of local
27 funds within the meaning of the amendment. However,

the bill does not require approval of a local governmental entity or enactment by a 2/3 vote to become effective because it comes within one of the specified exceptions contained in the amendment.

A BILL

TO BE ENTITLED

AN ACT

Relating to the medical use of cannabis; to add a new Chapter 2A to Title 20, Code of Alabama 1975; to amend Section 13A-7-2, Code of Alabama 1975; to create the Compassion Act; to provide civil and criminal protections to certain residents diagnosed with a qualifying medical condition who have a valid medical cannabis card for the medical use of cannabis; to establish the Alabama Medical Cannabis Commission and provide for its membership and duties; to provide for a patient registry system of qualified patients and designated caregivers and provide for issuance of medical cannabis cards to registrants; to license and regulate the cultivation, processing, transporting, testing, and dispensing of medical cannabis; to prohibit certain types of medical cannabis products; to impose taxes; to provide certain legal protections for users of medical cannabis; to provide certain legal protections for employers; to prohibit workers' compensation benefits in certain circumstances where an employee uses medical cannabis; to amend the crime of trespass

in the first degree; and in connection therewith would have as its purpose or effect the requirement of a new or increased expenditure of local funds within the meaning of Amendment 621 of the Constitution of Alabama of 1901, now appearing as Section 111.05 of the Official Recompilation of the Constitution of Alabama of 1901, as amended.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

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

Article 1. General Provisions.

§20-2A-1.

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

§20-2A-2.

The Legislature finds all of the following:

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

(2) Medical research indicates that the administration of 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

1 if used in a controlled setting under the supervision of a
2 physician licensed in this state.

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

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

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

19 §20-2A-3.

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

22 (1) CANNABIS. a. Except as provided in paragraph b.,
23 all parts of any plant of the genus cannabis, whether growing
24 or not, including the seeds, extractions of any kind from any
25 part of the plant, and every compound, derivative, mixture,
26 product, or preparation of the plant.

b. The term does not include industrial hemp or hemp regulated under Article 11 of Chapter 8 of Title 2.

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

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

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

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

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

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

(8) INTEGRATED FACILITY. An entity licensed under Section 20-2A-67 that cultivates, processes, transports, and dispenses medical cannabis.

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

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

1. Lozenge, oral tablet, capsule, or tincture.
2. Gel, oil, or cream.
3. Suppository.
4. Patch.
5. 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.

(11) MEDICAL CANNABIS CARD. A valid card issued pursuant to this chapter.

(12) MEDICAL USE. The acquisition, possession, use, delivery, transfer, or administration of medical cannabis authorized by this chapter. The term does not include

1 possession, use, or administration of cannabis that was not
2 purchased or acquired from a licensed dispensary.

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

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

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

17 (16) PROCESSOR. A facility licensed under Section
18 20-2A-63 that purchases cannabis from a cultivator and
19 extracts derivatives from the cannabis to produce a medical
20 cannabis product or products for sale and transfer in packaged
21 and labeled form to a dispensary.

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

- 24 a. Autism Spectrum Disorder (ASD).
- 25 b. Cancer related cachexia, weight loss, or chronic
26 pain.
- 27 c. Crohn's Disease.

d. Epilepsy or a condition causing seizures.

e. Fibromyalgia.

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

g. Post Traumatic Stress Disorder (PTSD).

h. Spasticity associated with a motor neuron

disease, including Amyotrophic Lateral Sclerosis.

i. Spasticity associated with Multiple Sclerosis or cord injury.

j. A terminal illness in which the life expectancy is less than 6 months or less.

k. Any other medical condition added by the

commission, by rule, based on scientific evidence indicating efficacy in treating the condition or treating symptoms of the condition.

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

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

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

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

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

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

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

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

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

§20-2A-4.

This chapter supersedes state criminal and civil laws pertaining to the acquisition, possession, use, cultivation, manufacturing, processing, research and

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

§20-2A-5.

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

§20-2A-6.

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

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

(2) Require any employer to permit or accommodate an employee's possession or use of a medical cannabis product, to allow the use of medical cannabis in the workplace, or to modify the job or working conditions of an employee who

engages in the use of medical cannabis that are based upon the reasonable business purposes of the employer.

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

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

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

(6) Permit an individual to commence a cause of action against an employer for refusing to hire, discharging, disciplining, or otherwise taking an adverse employment action against an individual with respect to hire, tenure, terms, conditions, or privileges of employment related to use of medical cannabis.

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

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

§20-2A-7.

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

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

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

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

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

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

(e) Mere possession of, or application for, a medical cannabis card does not constitute probable cause or reasonable suspicion, nor shall it be used as the sole basis to support the search of the person, property, or home of the individual possessing or applying for the medical cannabis card. The possession of, or application for, a medical cannabis card does not preclude the existence of probable cause if probable cause exists on other grounds.

(f) Nothing in this chapter shall preclude the Alabama State Law Enforcement Agency or a local law enforcement agency from searching a licensee where there is probable cause to believe that a criminal law has been

violated and the search is conducted in conformity with constitutional and state law.

§20-2A-8.

(a) (1) An individual may not distribute, possess, manufacture, or use 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 the state testing laboratory.

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

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

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

(1) Undertaking any task under the influence of cannabis, when doing so would constitute negligence, professional malpractice, or professional misconduct, or violation of law.

(2) Possessing or using medical cannabis on any K-12 school property, in any correctional facility, or in a vehicle unless the medical cannabis is in its original package and is sealed and reasonably inaccessible while the vehicle is moving.

§20-2A-9.

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

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

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

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

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

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

(6) Relevant scientific research.

(7) Applicable tax revenue.

(8) The commission's operating budget.

(9) 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.

§20-2A-10.

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

(1) Tax proceeds collected pursuant to subsections

(b) and (c) of Section 2 of the act adding this language.

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

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

(b) Upon a determination by the Legislature that the commission has established sufficient revenues for the administration of this chapter, the Legislature shall direct the Comptroller to transfer any excess balance that is in the Medical Cannabis Fund to the General Fund, except that five

percent annually shall be set aside for research grants awarded to state institutions of higher education for empirical analysis relating to the diagnosis, treatment and potential prescribing of medical cannabis, to analyze results of the medical cannabis program established under this chapter, or any other area of inquiry on the subject of medical cannabis as determined by the commission. The commission shall adopt rules to implement the research grant program.

Article 2. Alabama Medical Cannabis Commission
§20-2A-20.

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

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

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

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

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

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

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

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

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

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

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

(g) The commission shall meet at least six times per year and hold other meetings for any period of time as may be necessary for the commission to transact and perform its official duties and functions. A majority of members of the commission shall constitute a quorum for the transaction of any business, or in the performance of any duty, power, or function of the commission, and the concurrence of a majority of those present and voting in any matter within its duties is required for a determination of matters within its jurisdiction. A special meeting may be called by the chair, or upon the written request of two or more members. All members shall be duly notified by the commission director of the time and place of any regular or special meeting at least thirty

1 days in advance of any meeting. Members may participate by
2 telephone, video conference, or by similar communications
3 equipment so that all individuals participating in the meeting
4 may hear each other at the same time. Participating by such
5 means shall constitute presence in person at a meeting for all
6 purposes. The chair shall be responsible for setting and
7 keeping a meeting schedule that ensures the commission meets
8 the requirements of this chapter. A member who misses more
9 than two meetings in one calendar year shall be subject to
10 removal by his or her appointing authority.

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

23 (2) The director shall maintain all records of the
24 commission and also serve as secretary of the commission. The
25 director shall prepare and keep the minutes of all meetings
26 held by the commission, including a record of all business
27 transacted and decisions rendered by the commission. A copy of

1 the record of the minutes and business transacted and
2 decisions rendered shall be kept on file at the commission's
3 main office and shall be available for public inspection.

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

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

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

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

(1) 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.

§20-2A-21.

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

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

(c) Any individual violating this section shall be terminated from employment or position, and as a consequence,

1 the individual shall forfeit any pay or compensation which
2 might be due.

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

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

8 §20-2A-22.

9 (a) The Alabama Medical Cannabis Commission shall
10 implement this chapter by making medical cannabis derived from
11 cannabis grown in Alabama available to registered qualified
12 patients and licensing facilities that process, transport,
13 test, or dispense medical cannabis.

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

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

18 §20-2A-30.

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

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

24 b. Is registered with the commission.

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

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

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

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

b. Is registered with the commission.

c. Has a qualified designated caregiver.

(2) A registered qualified patient descr

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

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

a. Is registered with the commission.

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

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

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

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

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

§20-2A-31.

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

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

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

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

3. Current medical cannabis studies.

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

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

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

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

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

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

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

§20-2A-32.

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

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

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

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

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

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

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

(7) Advertise in a dispensary.

(8) Advertise on the physician's website, brochures, or any other media that generally describe the scope of

1 practice of the physician, any statement that refers to the
2 physician as a "medical cannabis" or "medical marijuana"
3 physician or doctor, or otherwise advertises his or her status
4 as a registered certifying physician, other than the
5 following: "Dr. _____ is qualified by the Alabama Medical
6 Cannabis Commission to certify patients for medical cannabis
7 use under the Alabama Compassion Act."

8 §20-2A-33.

9 (a) (1) A registered certifying physician may certify
10 a patient if the physician has a bona fide physician-patient
11 relationship with a patient. For purposes of this section,
12 bona fide physician-patient relationship means a relationship
13 established at the private office of a physician, a hospital,
14 or other health care facility in which the registered
15 certifying physician has an ongoing responsibility for the
16 assessment, care, and treatment of a patient's qualifying
17 medical condition or a symptom of the patient's qualifying
18 medical condition, and the relationship was established at
19 least three months prior to physician certification.

20 (2) Notwithstanding subdivision (1), a certifying
21 physician may certify a patient within the initial three month
22 period of establishing a physician-patient relationship if the
23 registered certifying physician documents that the patient is
24 in need of immediate relief and obtains written documentation
25 from another licensed physician who previously treated the
26 patient which verifies that the patient is in need of
27 immediate relief. This documentation must be provided through

1 the patient registry at the time of certification in a manner
2 determined by rule by the commission.

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

5 (1) Conduct a physical examination while physically
6 present in the same room as the patient and a full assessment
7 of the medical history of the patient.

8 (2) Diagnose the patient with at least one
9 qualifying medical condition or confirm that the patient has
10 been medically diagnosed with a qualifying medical condition.

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

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

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

23 (6) Obtain the voluntary and informed written
24 consent of the patient to use medical cannabis, which shall be
25 maintained in the patient's medical record. The patient, or
26 the patient's parent or legal guardian if the patient is a
27 minor, shall sign the informed consent acknowledging that the

1 registered certifying physician has sufficiently explained its
2 content. The registered certifying physician shall use a
3 standardized informed consent form adopted by rule by the
4 commission that shall include, at a minimum, information
5 relating to all of the following:

6 a. The federal and state classification of cannabis
7 as a Schedule I controlled substance.

8 b. The approval and oversight status of cannabis by
9 the Food and Drug Administration.

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

13 d. The potential for addiction.

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

19 f. The potential side effects of cannabis use.

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

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

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

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

(2) The respective qualifying medical condition or conditions.

(3) The daily dosage and type of medical cannabis recommended for medical use.

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

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

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

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

(2) Determine that, over a period of not less than six months, medical cannabis has provided therapeutic or palliative benefit to the registered qualified patient.

(3) Identify and document in the registered qualified patient's medical records whether the registered

1 qualified patient experienced either of the following related
2 to the medical use of cannabis:

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

5 b. A reduction in the use of, or dependence on,
6 other types of controlled substances.

7 (f) A registered certifying physician shall update
8 the patient registry within seven days after any change is
9 made to the original physician certification.

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

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

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

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

21 (h) The commission may monitor physician
22 certifications and patient registrations in the patient
23 registry for practices that could facilitate unlawful
24 diversion or misuse of cannabis and shall recommend
25 disciplinary action to the Board of Medical Examiners as
26 appropriate. Monitoring may include reviewing the medical
27 records of patients, in accordance with state and federal law,

1 on whose behalf a registered certifying physician issued
2 physician certifications, in order to ascertain whether the
3 patients were diagnosed with the qualifying medical condition
4 or conditions specified by the registered certifying physician
5 on the physician certification.

6 (i) The commission, by rule, shall specify, by form
7 and tetrahydrocannabinol content, a maximum daily dosage of
8 medical cannabis that may be recommended by a registered
9 certifying physician for a particular qualifying medical
10 condition. The maximum daily dosage may not exceed 75 mg of
11 delta-9-tetrahydrocannabinol.

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

14 §20-2A-34.

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

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

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

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

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

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

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

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

g. Determines whether a particular sale of medical cannabis transaction exceeds the permissible limit.

h. Tracks medical cannabis cards that are denied, revoked, or suspended.

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

j. Provides access as further provided in subsection (b).

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

(1) State and local law enforcement agencies, provided the database may only be accessed upon probable cause or reasonable suspicion of a violation of a controlled substance law or of driving under the influence, and access is

1 strictly limited to information that is necessary to verify
2 that an individual is registered and possesses a valid and
3 current medical cannabis card and, if appropriate, to verify
4 that the amount and type of product in the individual's
5 possession complies with the daily dosage limit and type of
6 medical cannabis recommended.

7 (2) Health care practitioners licensed to prescribe
8 prescription drugs.

9 (3) Registered certifying physicians.

10 (4) Dispensaries.

11 §20-2A-35.

12 (a) Once certified, a patient and, if applicable,
13 the patient's designated caregiver, shall register in the
14 patient registry. The commission shall develop the application
15 and renewal process for patient and designated caregiver
16 registration, that shall include, but not be limited to, an
17 application form, relevant information that must be included
18 on the form, any additional requirements for eligibility the
19 commission deems necessary, and an application fee not to
20 exceed sixty-five dollars (\$65).

21 (b) If the certified patient or designated caregiver
22 meets the criteria for registration, the commission shall
23 place the patient or caregiver on the patient registry and
24 issue the patient or designated caregiver a medical cannabis
25 card. The commission shall determine the criteria for revoking
26 or suspending a medical cannabis card. Medical cannabis cards

1 shall be resistant to counterfeiting and tampering and, at a
2 minimum, shall include all of the following:

3 (1) The name, address, and date of birth of the
4 qualified patient or caregiver, as applicable.

5 (2) A photograph of the qualified patient or
6 caregiver, as applicable.

7 (3) Identification of the cardholder as a qualified
8 patient or a caregiver.

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

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

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

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

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

24 §20-2A-50.

25 (a) The state hereby preemptively regulates medical
26 cannabis from seed to sale and shall reasonably regulate and
27 control all aspects of the medical cannabis industry to meet

1 the intent of this chapter. All functions and activities
2 relating to the production of medical cannabis in the state
3 shall be licensed, and licenses shall be granted in the
4 following categories: Cultivator, processor, state testing
5 laboratory, dispensary, secure transporter, and integrated.

6 (b) The commission shall license and regulate all
7 aspects of medical cannabis excluding cultivation. The
8 Department of Agriculture and Industries shall license and
9 regulate the cultivation of cannabis.

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

24 (d) With regard to integrated licenses, the
25 commission and the department shall enter into a memorandum of
26 understanding relating to the sharing of regulatory and

1 licensing and enforcement authority over licensees with regard
2 to the cultivation function.

3 §20-2A-51.

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

11 §20-2A-52.

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

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

20 (2) Investigate all individuals employed by
21 licensees.

22 (3) At any time, through its investigators, agents,
23 or auditors, without a warrant and without notice to the
24 licensee, enter the premises, offices, facilities, or other
25 places of business of a licensee, if evidence of compliance or
26 noncompliance with this article or rules is likely to be found

1 and consistent with constitutional limitations, for the
2 following purposes:

3 a. To inspect and examine all premises of licensees.
4 b. To inspect, examine, and audit relevant records
5 of the licensee and, if the licensee fails to cooperate with
6 an investigation, impound, seize, assume physical control of,
7 or summarily remove from the premises all books, ledgers,
8 documents, writings, photocopies, correspondence, records, and
9 videotapes, including electronically stored records, money
10 receptacles, or equipment in which the records are stored.

11 c. To inspect the person, and inspect or examine
12 personal effects present in a licensee, of any holder of a
13 state operating license while that individual is present in a
14 licensee.

15 d. To investigate alleged violations of this
16 article.

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

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

24 (6) Eject, or exclude or authorize the ejection or
25 exclusion of, an individual from the premises of a licensee if
26 the individual violates this article, rules, or final orders
27 of the commission; provided, however, the propriety of the

1 ejection or exclusion is subject to a subsequent hearing by
2 the commission.

3 (7) Conduct periodic audits of licensees.

4 (8) Take disciplinary action as the commission
5 considers appropriate to prevent practices that violate this
6 article and rules.

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

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

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

18 §20-2A-53.

19 (a) The commission, and the department with regard
20 to cultivation, shall adopt rules as necessary to implement,
21 administer, and enforce this article in a timely manner that
22 allows persons to begin applying for a license by September 1,
23 2021. Rules must ensure safety, security, and integrity of the
24 operation of medical cannabis facilities, that do all of the
25 following for each category of license:

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

(2) Establish minimum levels of liability and casualty insurance or other financial guarantees that licensees must maintain.

(3) Establish qualifications and restrictions for individuals participating in or involved with operating medical cannabis facilities.

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

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

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

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

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

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

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

(11) Establish standards, procedures, and requirements for waste product storage and disposal and chemical storage.

(12) Establish standards, procedures, and requirements for securely and safely transporting medical cannabis between facilities.

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

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

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

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

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

§20-2A-54.

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

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

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

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

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

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

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

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

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

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

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

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

§20-2A-55.

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

(1) The name, business address, business telephone number, and Social Security number or if applicable, federal tax identification number, of the applicant.

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

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

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

(5) Whether an applicant has been indicted for, charged with, arrested for, or convicted of, pled guilty or nolo contendere to, forfeited bail concerning any criminal offense under the laws of any jurisdiction, either felony or controlled substance-related misdemeanor, not including

1 traffic violations, regardless of whether the offense has been
2 reversed on appeal or otherwise, including the date, the name
3 and location of the court, arresting agency, and prosecuting
4 agency, the case caption, the docket number, the offense, the
5 disposition, and the location and length of incarceration.

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

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

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

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

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

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

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

(d) An applicant shall provide written consent to the inspections, examinations, searches, and seizures provided for in subdivision (a)(3) of Section 20-2A-52 and to disclosure to the commission and its agents of otherwise confidential records, including tax records held by any federal, state, or local agency, or credit bureau or financial

1 institution, while applying for or holding a license.

2 Information the commission receives under this subsection is
3 exempt from disclosure under the Open Records Act.

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

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

25 (g) If the commission identifies a deficiency in an
26 application, the commission shall provide the applicant with a

reasonable period of time, as determined by the commission by rule but not more than 60 days, to correct the deficiency.

§20-2A-56.

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

(1) The applicant has been convicted of or released from incarceration for a felony under the laws of this state, any other state, or the United States within the past 10 years or has been convicted of a controlled substance-related felony within the past 10 years.

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

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

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

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

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

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

(1) The integrity, moral character, and reputation; personal and business probity; financial ability and experience; and responsibility or means to operate or maintain

1 a facility of the applicant and of any other individual that
2 meets either of the following:

3 a. Controls, directly or indirectly, the applicant.
4 b. Is controlled, directly or indirectly, by the
5 applicant or by a person who controls, directly or indirectly,
6 the applicant.

7 (2) The financial ability of the applicant to
8 purchase and maintain adequate minimum levels of liability and
9 casualty insurance or other financial guarantees.

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

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

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

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

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

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

(9) The applicant's ability to capitalize and conduct operations as proposed in its business plan, including business experience in related fields.

(10) The applicant's history of business activities as it applies to the specific license for which the applicant is seeking licensure.

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

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

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

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

1 limited to testimony and evidence submitted at the public
2 investigative hearing.

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

5 (f) A license shall be issued for a one-year period
6 and is renewable annually. Except as otherwise provided in
7 this article, the commission shall renew a license if both of
8 the following requirements are met:

9 (1) The licensee applies to the commission in a
10 timely manner on a renewal form provided by the commission
11 that requires information prescribed in rules and pays the
12 annual license fee.

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

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

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

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

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

§20-2A-57.

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

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

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

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

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

criminal prosecution that arises under this article or any other law of this state.

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

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

1 complete on the business day following the date of the
2 mailing.

3 (e) The commission may conduct investigative and
4 contested case hearings; issue subpoenas for the attendance of
5 witnesses; issue subpoenas duces tecum for the production of
6 books, ledgers, records, memoranda, electronically retrievable
7 data, and other pertinent documents; and administer oaths and
8 affirmations to witnesses as appropriate to exercise and
9 discharge the powers and duties of the commission under this
10 article.

11 §20-2A-58.

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

17 §20-2A-59.

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

25 (b) Each licensee shall enter all transactions,
26 current inventory, and other information into the statewide
27 seed-to-sale tracking system in accordance with rules adopted

1 by the commission and the Department of Agriculture and
2 Industries.

3 §20-2A-60.

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

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

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

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

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

24 (5) Tracking transportation of product.

25 (6) Performing complete batch recall tracking that
26 clearly identifies all of the following details relating to
27 the specific batch subject to the recall:

- a. Sold product.
- b. Product inventory that is finished and available for sale.
- c. Product that is in the process of transfer.
- d. Product being processed into another form.
- e. Postharvest raw product, such as product that is in the drying, trimming, or curing process.

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

(8) Reporting and tracking all inventory discrepancies.

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

(10) Reporting and tracking all sales and refunds.

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

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

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

(14) Providing information to cross-check that product sales are made to a registered qualified patient, or a

1 registered caregiver on behalf of a registered qualified
2 patient, and that the product received the required testing.

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

6 (16) Providing licensees with access only to the
7 information in the system that they are required to receive
8 before a sale, transfer, transport, or other activity
9 authorized under a license issued under this article.

10 (17) Securing the confidentiality of information in
11 the database by preventing access by a person who is not
12 authorized to access the statewide seed-to-sale tracking
13 system or is not authorized to access the particular
14 information.

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

- 17 a. Total daily sales.
- 18 b. Total cannabis plants in production.
- 19 c. Total cannabis plants destroyed.
- 20 d. Total inventory adjustments.

21 (b) If the statewide seed-to-sale tracking system is
22 capable of allowing a licensee to access or enter information
23 into the statewide seed-to-sale tracking system without use of
24 a third-party inventory control and tracking system, a
25 licensee may access or enter information into the statewide
26 seed-to-sale tracking system directly and the licensee is not

1 required to adopt and use a third-party inventory control and
2 tracking system.

3 §20-2A-61.

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

7 a. Advertise medical cannabis brand names or use
8 graphics related to cannabis or paraphernalia on the exterior
9 of the physical structure or vehicle.

10 b. Display medical cannabis products or
11 paraphernalia so as to be clearly visible from the exterior of
12 the physical structure or vehicle.

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

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

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

23 §20-2A-62.

24 (a) A cultivator license authorizes the cultivation
25 of cannabis and sale and transfer of cannabis to a processor.
26 A processor license authorizes the cultivator to transfer
27 cannabis only by means of a secure transporter.

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

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

(2) Demonstrate the ability to secure and maintain cultivation facilities or integrated facilities, as applicable.

(3) Demonstrate the ability to obtain and use an inventory control and tracking system as required under Section 20-2A-60.

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

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

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

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

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

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

(3) All employees may not have any conviction within the past 10 years for a controlled substance-related felony or a controlled substance-related misdemeanor.

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

(d) A cultivator shall be subject to inspection by the Alabama State Law Enforcement Agency.

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

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

§20-2A-63.

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

(b) All medical cannabis products must be medical grade product, manufactured using documented good quality practices, such that the product is shown to meet intended levels of purity and be reliably free of toxins and

1 contaminants. Medical cannabis products may not contain any
2 additives other than pharmaceutical grade excipients.

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

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

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

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

15 (4) Any product whose shape bears the likeness or
16 contains characteristics of a realistic or fictional human,
17 animal, or fruit, including artistic, caricature, or cartoon
18 rendering.

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

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

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

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

a. Lot and batch numbers.

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

c. Cannabinoids content and potency.

d. The universal state symbol printed in color at least one-half inch by one-half inch in size.

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

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

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

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

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

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

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

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

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

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

(4) Before selling or dispensing medical cannabis to a registered qualified patient or registered caregiver on behalf of a registered qualified patient, inquire of the patient registry to determine whether the patient or caregiver holds a valid, current, unexpired, and unrevoked medical cannabis card and that the dispensing of medical cannabis

1 conforms to the type and amount recommended in the physician
2 certification and will not exceed the 60-day daily dosage
3 purchasing limit.

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

7 (6) Not allow the use of medical cannabis product on
8 the premises.

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

11 §20-2A-65.

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

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

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

25 (2) A route plan and manifest shall be entered into
26 the statewide seed-to-sale tracking system, and a copy must be

1 carried in the transporting vehicle and presented to a law
2 enforcement officer upon request.

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

6 (4) A secure transporting vehicle may not bear
7 markings or other indication that it is carrying cannabis or
8 medical cannabis.

9 (c) A secure transporter is subject to
10 administrative inspection by a law enforcement officer at any
11 point during the transportation of cannabis or medical
12 cannabis to determine compliance with this article.

13 §20-2A-66.

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

17 (b) The commission, by rule, shall establish
18 protocols for product testing by the licensed state testing
19 laboratory, which shall be conducted during cultivation,
20 processing, and dispensing to ensure that all dispensed
21 medical cannabis is consistently high grade and maintains a
22 consistency with less than 0.5 percent variability among
23 batches of the same product. The protocols for testing shall
24 include the following, as well as a determination of
25 corresponding tolerance limits:

26 (1) Cannabinoid content and potency, including, but
27 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) .

(2) Terpene profiles.

(3) Heavy metals.

(4) Chemical contamination, such as residual solvents remaining after extraction and concentration.

(5) Microbials, including pathogenic microbials.

(6) Mycotoxins.

(7) Residual insecticides, fungicides, herbicides, and growth regulators used during cultivation.

(8) Residual solvents.

(c) The state testing laboratory license authorizes the licensee to do all of the following without using a secure transporter:

- (1) Take cannabis or medical cannabis from, test cannabis or medical cannabis for, and return cannabis or medical cannabis to only a respective licensed facility.
- (2) Collect a random sample of cannabis or medical cannabis at the premises of a cultivator, processor, or dispensary for testing.
- (d) The licensee shall be accredited 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

1 the categories of cannabinoids, pesticides, toxins, metals,
2 and microbiological bacteria.

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

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

9 (1) Perform tests to certify that cannabis and
10 medical cannabis is reasonably free of heavy metals, chemical
11 contamination, residual pesticides and growth inhibitors, and
12 residual solvents.

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

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

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

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

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

26 §20-2A-67.

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

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

§20-2A-68.

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

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

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

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

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

(3) The Department of Revenue may grant a reasonable extension of time for filing returns under rules adopted by

1 the department. No extension shall be for more than six
2 months.

3 (4) The annual medical cannabis privilege tax shall
4 be reported on forms and in the manner as prescribed by rule
5 by the department. The failure to receive a form from the
6 department shall not relieve a taxpayer from liability for any
7 tax, penalty, or interest otherwise due. The tax due, as
8 reported, shall constitute an admitted liability for that
9 amount. The department may compute and assess additional tax,
10 penalty, and interest against a taxpayer as provided in
11 Chapter 2A of Title 40, Code of Alabama 1975.

12 (d) The Department of Revenue shall adopt rules to
13 implement this section.

14 Section 3. An employee who is injured or killed
15 while using medical cannabis is ineligible to receive any
16 compensation under Chapter 5 of Title 25, Code of Alabama
17 1975, if the injury or death was caused by an action or
18 inaction of the employee, even if the employee was in full
19 compliance with Chapter 2A of Title 20, Code of Alabama 1975,
20 at the time of injury or death.

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

23 "§13A-7-2.

24 "(a) A person is guilty of criminal trespass in the
25 first degree if he knowingly enters or remains unlawfully in a
26 dwelling or on the premises of any cultivator or processor, as
27 those terms are defined in Section 20-2A-3, or on the premises

1 of any cultivation or processing operation that is part of an
2 integrated facility, as defined in Section 20-2A-3.

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

5 Section 5. Although this bill would have as its
6 purpose or effect the requirement of a new or increased
7 expenditure of local funds, the bill is excluded from further
8 requirements and application under Amendment 621, now
9 appearing as Section 111.05 of the Official Recompilation of
10 the Constitution of Alabama of 1901, as amended, because the
11 bill defines a new crime or amends the definition of an
12 existing crime.

13 Section 6. This act shall become effective
14 immediately following its passage and approval by the
15 Governor, or its otherwise becoming law.