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3 MELSON SUBSTITUTE FOR SB236
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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 CARE Act.

13 This bill would exempt from the crime of
14 unlawful possession of marijuana a person with a
15 qualifying condition who has a valid medical
16 cannabis card for the medical use of cannabis.

17 Carly's Law authorizes the University of
18 Alabama at Birmingham to conduct research on the
19 use of cannabidiol (CBD) in specified circumstances
20 and provides a defense against unlawful possession
21 of marijuana under the research program. The law
22 expires July 1, 2019.

23 This bill would extend Carly's Law until
24 January 1, 2021.

25 Leni's Law provides a defense against
26 unlawful possession of marijuana for an individual

1 in possession of CBD if the person has a qualifying
2 condition.

3 This bill would revise Leni's Law to make
4 conforming changes to the substantive provisions of
5 the law, and repeal the law November 1, 2020.

6 This bill would authorize residents of this
7 state diagnosed with a qualifying condition and
8 designated caregivers to be registered and obtain a
9 medical cannabis card, thereby authorizing the
10 patient to use cannabis for medical use.

11 This bill would establish the Alabama
12 Medical Cannabis Commission and provide for its
13 membership.

14 This bill would require the Alabama Medical
15 Cannabis Commission to establish and administer a
16 patient registry system that registers patients
17 with certain qualifying conditions, to issue
18 medical cannabis cards, to issue licenses for the
19 cultivation, processing, transportation,
20 manufacturing, packaging, dispensing, and sale of
21 cannabis, to adopt rules, and to generally
22 regulate, administer, and enforce a medical
23 cannabis program in the state.

24 This bill would authorize the Department of
25 Agriculture and Industries to inspect licensed
26 facilities under the program.

1 This bill would impose sales taxes and
2 privilege taxes.

3 This bill would establish a Medical Cannabis
4 Fund within the General Fund and provide that all
5 tax proceeds and license fees deposited in the fund
6 that exceed the costs of the Medical Cannabis
7 Commission to administer the program would be
8 deposited in the General Fund.

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

22 The purpose or effect of this bill would be
23 to require a new or increased expenditure of local
24 funds within the meaning of the amendment. However,
25 the bill does not require approval of a local
26 governmental entity or enactment by a 2/3 vote to

1 become effective because it comes within one of the
2 specified exceptions contained in the amendment.

3
4 A BILL
5 TO BE ENTITLED
6 AN ACT

7
8 Relating to the medical use of marijuana; to amend
9 Sections 13A-12-213, 13A-12-214, 13A-12-214.2, 13A-12-214.3,
10 and 20-2-214, Code of Alabama 1975, and to add a new Chapter
11 2A to Title 20, Code of Alabama 1975; to create the CARE Act;
12 to exempt from the crime of unlawful possession or use of
13 marijuana a resident diagnosed with a qualifying condition who
14 has a valid medical cannabis card for the medical use of
15 cannabis; to establish the Alabama Medical Cannabis Commission
16 and provide for its membership and duties; to provide for a
17 patient registry system of qualified patients and designated
18 caregivers and provide for issuance of medical cannabis cards
19 to registrants; to license the cultivation, processing,
20 transportation, manufacturing, packaging, dispensing, and sale
21 of cannabis; to authorize the Department of Agriculture and
22 Industries to inspect licensed facilities; to impose taxes; to
23 create a Medical Cannabis Fund and provide for its proceeds
24 and expenditures; to provide definitions; to extend Carly's
25 Law; to make conforming changes to Leni's Law; to repeal
26 Leni's Law at a later date; to require reporting to the
27 Legislature; and in connection therewith would have as its

1 purpose or effect the requirement of a new or increased
2 expenditure of local funds within the meaning of Amendment 621
3 of the Constitution of Alabama of 1901, now appearing as
4 Section 111.05 of the Official ReCompilation of the
5 Constitution of Alabama of 1901, as amended.

6 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

7 Section 1. Sections 13A-12-213, 13A-12-214,
8 13A-12-214.2, 13A-12-214.3, and 20-2-214, Code of Alabama
9 1975, are amended to read as follows:

10 "§13A-12-213.

11 "(a) A person commits the crime of unlawful
12 possession of ~~marihuana~~ marijuana in the first degree if,
13 except as otherwise authorized:

14 "(1) He or she possesses ~~marihuana~~ marijuana for
15 other than personal use; or

16 "(2) He or she possesses ~~marihuana~~ marijuana for his
17 or her personal use only after having been previously
18 convicted of unlawful possession of ~~marihuana~~ marijuana in the
19 second degree or unlawful possession of ~~marihuana~~ marijuana
20 for his or her personal use only.

21 "(b) Commencing on the effective date of the act
22 adding this subsection, a person has not committed the crime
23 of unlawful possession of marijuana if the person is in
24 possession of a valid medical cannabis card issued pursuant to
25 Chapter 2A of Title 20, unless there is reasonable cause to
26 believe that the information contained on the medical cannabis
27 card is false or falsified, the medical cannabis card has been

1 obtained by means of fraud, or the person is otherwise in
2 violation of Chapter 32 of Title 2 or a rule adopted pursuant
3 to that chapter.

4 "~~(b)~~ (c) Unlawful possession of ~~marihuana~~ marijuana
5 in the first degree pursuant to subdivision (1) of subsection
6 (a) is a Class C felony.

7 "~~(c)~~ (d) Unlawful possession of ~~marihuana~~ marijuana
8 in the first degree pursuant to subdivision (2) of subsection
9 (a) is a Class D felony.

10 "§13A-12-214.

11 "(a) A person commits the crime of unlawful
12 possession of ~~marihuana~~ marijuana in the second degree if,
13 except as otherwise authorized, he possesses ~~marihuana~~
14 marijuana for his personal use only.

15 "(b) Commencing on the effective date of the act
16 adding this subsection, a person has not committed the crime
17 of unlawful possession of marijuana if the person is in
18 possession of a valid medical cannabis card issued pursuant to
19 Chapter 2A of Title 20, unless there is reasonable cause to
20 believe that the information contained on the medical cannabis
21 card is false or falsified, the medical cannabis card has been
22 obtained by means of fraud, or the person is otherwise in
23 violation of Chapter 2A of Title 20 or a rule adopted pursuant
24 to that chapter.

25 "~~(b)~~ (c) Unlawful possession of ~~marihuana~~ marijuana
26 in the second degree is a Class A misdemeanor.

27 "§13A-12-214.2.

1 "(a) This section shall be known and may be cited as
2 "Carly's Law."

3 "(b) As used in this section, the following words
4 shall have the following meanings:

5 "(1) AUTHORIZED BY THE UAB DEPARTMENT. Authorized by
6 the UAB Department means that Cannabidiol (CBD) has been
7 prescribed by a health care practitioner employed by or on
8 behalf of the UAB Department.

9 "(2) CANNABIDIOL (CBD). [13956-29-1]. A
10 (nonpsychoactive) cannabinoid found in the plant Cannabis
11 sativa L. or any other preparation thereof that is essentially
12 free from plant material, and has a THC level of no more than
13 3 percent. Also known as (synonyms):
14 2-[(1R,6R)-3-Methyl-6-(1-methylethenyl)-2-cyclohexen-1-yl]-5-p
15 entyl-1,3-benzenediol;
16 trans-(-)-2-p-mentha-1,8-dien-3-yl-5-pentylresorcinol;
17 (-)-Cannabidiol; (-)-trans-Cannabidiol; Cannabidiol (7CI);
18 D1(2)-trans-Cannabidiol.

19 "(3) DEBILITATING EPILEPTIC CONDITION. Epilepsy or
20 other neurological disorder, or the treatment of epilepsy or
21 other neurological disorder that, as diagnosed by a
22 board-certified neurologist under the employment or authority
23 of the UAB Department, produces serious, debilitating, or
24 life-threatening seizures.

25 "(4) UAB DEPARTMENT. The Department of Neurology at
26 the University of Alabama at Birmingham, its successors, or
27 any subdivisions.

1 "(c) In a prosecution for the unlawful possession of
2 marijuana under the laws of this state, it is an affirmative
3 and complete defense to the prosecution that the defendant has
4 a debilitating epileptic condition and used or possessed
5 cannabidiol (CBD) pursuant to a prescription authorized by the
6 UAB Department.

7 "(d) In a prosecution for the unlawful possession of
8 marijuana under the laws of this state, it is an affirmative
9 and complete defense to the prosecution that the defendant
10 possessed cannabidiol (CBD) because he or she is the parent or
11 caretaker of an individual who has a debilitating epileptic
12 condition and who has a prescription for the possession and
13 use of cannabidiol (CBD) as authorized by the UAB Department,
14 and where the parent or caretaker's possession of the CBD is
15 on behalf of and otherwise for the prescribed person's use
16 only.

17 "(e) An agency of this state or a political
18 subdivision thereof, including any law enforcement agency, may
19 not initiate proceedings to remove a child from the home of a
20 parent based solely upon the parent's or child's possession or
21 use of cannabidiol (CBD) as authorized by this section.

22 "(f) A prescription for the possession or use of
23 cannabidiol (CBD) as authorized by this section shall be
24 provided exclusively by the UAB Department for a debilitating
25 epileptic condition. Health care practitioners of the UAB
26 Department shall be the sole authorized source of any
27 prescription for the use of cannabidiol (CBD), and shall be

1 the sole authorized source to use cannabidiol (CBD) in or as a
2 part of the treatment of a person diagnosed with a
3 debilitating epileptic condition. A health care practitioner
4 of the UAB Department shall have the sole authority to
5 determine the use or amount of cannabidiol (CBD), if any, in
6 the treatment of an individual diagnosed with a debilitating
7 epileptic condition.

8 "(g) The UAB Department and any UAB School of
9 Medicine affiliated pediatric training entity, including any
10 authorized physician, nurse, attendant, or agent thereof,
11 shall not be subject to prosecution for the unlawful
12 possession, use, distribution, or prescription of marijuana
13 under the laws of this state for its activities arising
14 directly out of or directly related to the prescription or use
15 of cannabidiol (CBD) in the treatment of individuals diagnosed
16 with a debilitating epileptic condition.

17 "(h) The UAB Department will establish a research
18 and development study purposed to determine medical uses and
19 benefits of cannabidiol (CBD) for individuals with
20 debilitating epileptic conditions.

21 "(i) The UAB Department and any UAB School of
22 Medicine affiliated pediatric training entity, including any
23 authorized physician, nurse, attendant or agent thereof, shall
24 not be subject to prosecution for the unlawful possession,
25 use, or distribution of marijuana under the laws of this state
26 for its activities arising directly out of or directly related
27 to the department's research and development activities in

1 pursuit of medical benefits and uses of cannabidiol (CBD), as
2 long as the prescription, treatment or use of cannabidiol
3 (CBD) is provided only to individuals diagnosed with a
4 debilitating epileptic condition.

5 "(j) Pursuant to the filing requirements of Rule
6 15.3 of the Alabama Rules of Criminal Procedure, the defendant
7 shall produce a valid prescription, certification of a
8 debilitating epileptic condition, and the name of the
9 prescribing health care professional authorized by the UAB
10 Department.

11 "(k) This section is repealed ~~July 1, 2019~~ January
12 1, 2021.

13 "(l) The Alabama Medical Cannabis Commission created
14 pursuant to Section 2-2A-7, added by Section 2 of the act
15 adding this amendatory language, may recommend to the
16 Legislature other potential studies that universities in the
17 state may wish to conduct regarding the medical use of
18 cannabidiol (CBD).

19 "~~(l)~~ (m) Nothing in this section shall be construed
20 to allow or accommodate the prescription, testing, medical
21 use, or possession of any other form of Cannabis other than
22 that defined by this section.

23 "§13A-12-214.3.

24 "(a) (1) This section shall be known and may be cited
25 as Leni's Law.

26 "(2) For the purposes of this section, the following
27 terms shall have the following meanings:

1 "a. CANNABIDIOL (CBD). [13956-29-1]. A
2 (nonpsychoactive) cannabinoid found in the plant Cannabis
3 sativa L. or any other preparation thereof that is free from
4 plant material, and has a THC level
5 (delta-9-tetrahydrocannabinol) of no more than three percent
6 relative to CBD according to the rules adopted by the Alabama
7 Department of Forensic Sciences. Also known as (synonyms):
8 2-[(1R,6R)-3-Methyl-6-(1-methylethenyl)-2-cyclohexen-1-yl]-5-p
9 entyl-1,3-benzenediol;
10 trans-(-)-2-p-mentha-1,8-dien-3-yl-5-pentylresorcinol;
11 (-)-Cannabidiol; (-)-trans-Cannabidiol; Cannabidiol (7CI);
12 D1(2)-tran-Cannabidiol and that is tested by a independent
13 third-party laboratory.

14 "b. DEBILITATING MEDICAL CONDITION. A chronic or
15 debilitating disease or medical condition including one that
16 produces seizures for which a person is under treatment.

17 "(3) In addition to the affirmative defense provided
18 in Section 13A-12-214.2, in a prosecution for the unlawful
19 possession of marijuana in the second degree under Section
20 13A-12-214, it is an affirmative and complete defense that the
21 defendant used or possessed CBD if the defendant satisfies
22 either of the following:

23 "a. He or she has a debilitating medical condition.

24 "b. He or she is the parent or legal guardian of a
25 minor who has a debilitating medical condition, and the CBD is
26 being used by the minor.

1 "(4) An agency of this state or a political
2 subdivision thereof, including any law enforcement agency, may
3 not initiate proceedings to remove a child from the home of a
4 parent or guardian, nor initiate any child protection action
5 or proceedings, based solely upon the parent's or child's
6 possession or use of CBD as allowed by this section.

7 "(5) Nothing in this section shall be construed to
8 require the various individual or group insurance
9 organizations providing protection, indemnity, or insurance
10 against hospital, medical, or surgical expenses, or health
11 maintenance organizations to provide payment or reimbursement
12 for prescriptions of CBD.

13 "(6) Nothing in this section shall be construed to
14 allow or accommodate the prescription, testing, medical use,
15 or possession of any other form of Cannabis other than that
16 defined in this section.

17 "(b) The Legislature finds and declares the
18 following:

19 "(1) This section is intended to authorize only the
20 limited use of nonpsychoactive CBD as defined in this section
21 only for ~~specified~~ debilitating medical conditions ~~that~~
22 ~~produce seizures,~~ and is not intended as a generalized
23 authorization of medical marijuana.

24 "(2) It is the intent of the Legislature to maintain
25 existing criminal prohibitions of marijuana, except as
26 expressly provided in ~~existing~~ law or as expressly provided in
27 this section.

1 "§20-2-214.

2 "(a) The following persons or entities shall be
3 permitted access to the information in the controlled
4 substances database, subject to the limitations indicated
5 below:

6 "(1) Authorized representatives of the certifying
7 boards; provided, however, that access shall be limited to
8 information concerning the licensees of the certifying board,
9 however, authorized representatives from the Board of Medical
10 Examiners may access the database to inquire about certified
11 registered nurse practitioners (CRNPs), or certified nurse
12 midwives (CNMs) that hold a Qualified Alabama Controlled
13 Substances Registration Certificate (QACSC).

14 "(2) A licensed practitioner approved by the
15 department who has authority to prescribe, dispense, or
16 administer controlled substances. The licensed practitioner's
17 access shall be limited to information concerning himself or
18 herself, registrants who possess a Qualified Alabama
19 Controlled Substances Registration Certificate over whom the
20 practitioner exercises physician supervision or with whom they
21 have a joint practice agreement, a certified registered nurse
22 practitioner and a certified nurse midwife with a Qualified
23 Alabama Controlled Substances Registration Certificate over
24 whom the practitioner exercises professional oversight and
25 direction pursuant to an approved collaborative practice
26 agreement, a current patient of the practitioner, and
27 individuals seeking treatment from the practitioner.

1 Practitioners shall have no requirement or obligation under
2 this article to access or check the information in the
3 controlled substances database prior to prescribing,
4 dispensing, or administering medications or as part of their
5 professional practice. However, the applicable licensing
6 boards, in their discretion, may impose such a requirement or
7 obligation by regulations.

8 "(3) A qualified physician concerning a qualified
9 patient, as those terms are defined in Section 2-2A-1, and
10 where access is made pursuant to Section 2-2A-21.

11 ~~"(3)~~ (4) A licensed physician approved by the
12 department who has authority to prescribe, dispense, or
13 administer controlled substances may designate up to two
14 employees who may access the database on the physician's
15 behalf.

16 ~~"(4)~~ (5) A licensed certified registered nurse
17 practitioner or a licensed certified nurse midwife approved by
18 the department who is authorized to prescribe, administer, or
19 dispense pursuant to a Qualified Alabama Controlled Substances
20 Registration Certificate; provided, however, that access shall
21 be limited to information concerning a current or prospective
22 patient of the certified registered nurse practitioner or
23 certified nurse midwife.

24 ~~"(5)~~ (6) A licensed assistant to physician approved
25 by the department who is authorized to prescribe, administer,
26 or dispense pursuant to a Qualified Alabama Controlled
27 Substances Registration Certificate; provided, however, that

1 access shall be limited to information concerning a current
2 patient of the assistant to the physician or an individual
3 seeking treatment from the assistant to physician.

4 "~~(6)~~(7) A licensed pharmacist approved by the
5 department, provided, however, that access is limited to
6 information related to the patient or prescribing practitioner
7 designated on a controlled substance prescription that a
8 pharmacist has been asked to fill. Pharmacists shall have no
9 requirement or obligation to access or check the information
10 in the controlled substances database prior to dispensing or
11 administering medications or as part of their professional
12 practices.

13 "~~(7)~~(8) State and local law enforcement authorities
14 as authorized under Section 20-2-91, and federal law
15 enforcement authorities authorized to access prescription
16 information upon application to the department accompanied by
17 a declaration that probable cause exists for the use of the
18 requested information.

19 "~~(8)~~(9) Employees of the department and consultants
20 engaged by the department to operate the controlled substances
21 database; provided, however, that access shall be limited to
22 operating and administering the database, conducting
23 departmental research when approved by the Information Release
24 Review Committee, and implementing a research request
25 authorized under subsection (b).

26 "~~(9)~~(10) The prescription drug monitoring program of
27 any of the other states or territories of the United States,

1 if recognized by the Alliance for Prescription Drug Monitoring
2 Programs under procedures developed, certified, or approved by
3 the United States Department of Justice or the Integrated
4 Justice Information Systems Institute or successor entity
5 subject to or consistent with limitations for access
6 prescribed by this chapter for the Alabama Prescription Drug
7 Monitoring Program.

8 "~~(10)~~ (11) Authorized representatives of the Alabama
9 Medicaid Agency; provided, however, that access shall be
10 limited to inquiries concerning possible misuse or abuse of
11 controlled substances by Medicaid recipients.

12 "(b) Subject to the approval of the Information
13 Release Review Committee, the department may release or
14 publish de-identified aggregate statewide and regional
15 information for statistical, research, or educational
16 purposes.

17 "(1) Prior to being released or published, all
18 information that identifies, or could reasonably be used to
19 identify, a patient, a prescriber, a dispenser, or any other
20 person who is the subject of the information, shall be
21 removed, and at a minimum, such de-identification of the
22 information shall comply with 45 C.F.R. §164.514(b) (2), as
23 amended.

24 "(2) Release of information shall be made pursuant
25 to a written data use agreement between the requesting
26 individual or entity and the department."

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

4 Article 1. General Provisions.

5 §20-2A-1.

6 This chapter shall be known and may be cited as the
7 Compassionate Access, Research Expansion Act or CARE Act.

8 §20-2A-2.

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

11 (1) CANNABIS. All parts of any plant of the genus
12 cannabis, whether growing or not, including the seeds,
13 extractions of any kind from any part of the plant, and every
14 compound, derivative, mixture, product, or preparation of the
15 plant.

16 (2) CAREGIVER. A resident of this state who meets
17 the requirements of subsection (c) of Section 20-2A-5 and has
18 agreed to assist with the medical use of cannabis of another
19 individual with, or by applying for, a medical cannabis card.

20 (3) COMMISSION. The Alabama Medical Cannabis
21 Commission created pursuant to Section 20-2A-7.

22 (4) DISPENSARY. A licensed, enclosed, secure
23 building that may include attached storage units, where
24 cannabis and related supplies are maintained, stored, and sold
25 to patients and caregivers, which is not physically connected
26 to a cannabis cultivation, processing, or manufacturing
27 facility.

1 (5) MEDICAL CANNABIS CARD. A valid card issued
2 pursuant to this chapter or a valid card from another state
3 that has legalized the use of medical cannabis.

4 (6) MEDICAL USE. The acquisition, possession, use,
5 delivery, transfer, or administration of cannabis authorized
6 by this chapter. The term does not include possession, use, or
7 administration of cannabis that was not purchased or acquired
8 from a licensed dispensary.

9 (7) PATIENT REGISTRY. A documented, electronic, and
10 integrated system for receiving physician certifications and
11 patient registrations and issuing medical cannabis cards.

12 (8) PHYSICIAN CERTIFICATION. A qualified physician's
13 authorization for a qualified patient to use cannabis for
14 medical use.

15 (9) QUALIFIED PATIENT. A resident of this state who
16 has been diagnosed by a qualified physician with a qualifying
17 condition, who receives a physician certification, and who
18 otherwise meets the requirements to obtain a medical cannabis
19 card.

20 (10) QUALIFIED PHYSICIAN. A physician who holds an
21 active license to practice medicine under Chapter 24 of Title
22 34 who meets the qualifications under Section 20-2A-20.

23 (11) QUALIFYING CONDITION. Any of the following
24 conditions diagnosed by a qualified physician who may
25 recommend the use of cannabis to treat the symptoms associated
26 with the condition:

27 a. Autism Spectrum Disorder (ASD).

- 1 b. Epilepsy.
2 c. Cancer.
3 d. Degenerative or pervasive neurological disorders.
4 e. Glaucoma.
5 f. HIV/AIDS.
6 g. Multiple sclerosis.
7 h. Muscle disorders, including those associated with
8 muscle spasms.
9 i. Opioid addiction.
10 j. Pain syndromes or pain associated with other
11 medical conditions.
12 k. Post Traumatic Stress Disorder (PTSD).
13 l. Any additional conditions approved by the
14 commission by rule.

15 §20-2A-3.

16 (a) The Alabama Medical Cannabis Commission shall
17 implement this chapter by making medical grade cannabis grown
18 in Alabama available to qualified patients.

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

21 (c) This chapter supersedes state criminal and civil
22 laws pertaining to the acquisition, possession, use,
23 cultivation, manufacturing, processing, research and
24 development, and sale of medical cannabis. The acquisition,
25 possession, use, cultivation, manufacturing, processing,
26 research and development, or sale of medical cannabis in
27 compliance with this chapter, and as approved by the

1 commission, does not constitute a violation of Article 5 of
2 Chapter 12 of Title 13A, or any other law to the contrary.

3 §20-2A-4.

4 All data related to the implementation of this
5 chapter, including, but not limited to, application forms,
6 licensing information, physician certifications, registration
7 of medical cannabis card holders and caregivers, compliance,
8 and the status of cannabis research programs must be
9 maintained in a secure system developed or procured by the
10 commission. Data may not be sold, and patient information
11 shall remain confidential and not be transferred or sold.

12 §20-2A-5.

13 (a) An individual may not acquire, possess, or use a
14 medical cannabis product without a valid medical cannabis card
15 issued pursuant to this chapter, except as provided in
16 subsection (d). A medical cannabis card may only be issued to
17 a qualified patient or designated caregiver.

18 (b) A qualified patient must be 19 years of age or
19 older; a resident of this state; and be diagnosed with a
20 qualifying condition by a qualified physician. If a qualified
21 patient is under 19 years of age, only a caregiver may
22 purchase or administer cannabis to the qualified patient.

23 (c) A designated caregiver must be 19 years of age
24 or older, a resident of this state, have no ownership interest
25 in or contract or employment relationship with a licensed
26 dispensary, and either be designated by a qualified patient as
27 the caregiver or be the parent or legal guardian of a minor

1 diagnosed with a qualifying condition. A designated caregiver
2 may lawfully acquire and possess cannabis, but not use
3 cannabis under this chapter without the caregiver actually
4 being diagnosed with a qualifying condition and issued a
5 medical cannabis card as a qualified patient.

6 (d) This state shall recognize and give reciprocity
7 to medical cannabis cards issued in other states. A cardholder
8 from another state is allowed temporary access to dispensaries
9 in this state under the conditions authorized by the
10 commission in accordance with rules adopted pursuant to the
11 Alabama Administrative Procedure Act.

12 §20-2A-6.

13 This chapter does not do any of the following:

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

18 (2) Require any employer to permit or accommodate an
19 employee's use or possession of medical cannabis, to allow the
20 medical use of cannabis in the workplace, or to modify the job
21 or working conditions of an individual who engages in the
22 medical use of cannabis that are based upon the reasonable
23 business purposes of the employer.

24 (3) Prohibit an employer from refusing to hire,
25 discharging, disciplining, or otherwise taking an adverse
26 employment action against an individual with respect to hire,

1 tenure, terms, conditions, or privileges of employment because
2 of that individual's use or possession of medical cannabis.

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

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

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

18 §20-2A-7.

19 (a) There is created the Alabama Medical Cannabis
20 Commission. Members of the commission shall be as follows,
21 with initial members appointed not later than August 30, 2019:

22 (1) Three members appointed by the Governor, one of
23 whom is a physician licensed to practice medicine in this
24 state, certified in the specialty of neurology; one of whom is
25 a physician licensed to practice medicine in this state with a
26 practice that involves pain management; and one of whom is a

1 licensed pharmacist. The initial terms shall be four, three,
2 and two years, respectively.

3 (2) Three members appointed by the President Pro
4 Tempore of the Senate, one of whom is a physician licensed to
5 practice medicine in this state, certified in the specialty of
6 oncology; one of whom is a general physician licensed to
7 practice medicine in this state and practices in a rural,
8 underserved community; and one of whom has experience in
9 multiple crop development and agricultural practices. The
10 initial terms shall be one, four, and three years,
11 respectively.

12 (3) Three members appointed by the Speaker of the
13 House of Representatives, one of whom is a physician licensed
14 to practice medicine in this state, certified in the specialty
15 of psychiatry; one of whom has a background and experience in
16 mental health or substance abuse; and one of whom has
17 professional experience in agricultural systems management.
18 Initial terms shall be two, one, and four years, respectively.

19 (4) Two members appointed by the Attorney General,
20 one of whom has experience advocating for patients in a health
21 care setting. Initial terms shall be three and two years,
22 respectively.

23 (b) A member may not have any interest, financial or
24 otherwise, direct or indirect, in any dispensary, cultivator,
25 or manufacturer licensed as such in this state. Any current
26 public official, candidate for public office, current public
27 employee, or registered lobbyist may not serve as a member.

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

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

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

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

21 (g) Except as provided in subsection (h), the
22 commission shall meet each month and hold other meetings for
23 any period of time as may be necessary for the commission to
24 transact and perform its official duties and functions. A
25 majority of members of the commission constitutes a quorum for
26 the transaction of any business, or in the performance of any
27 duty, power, or function of the commission, and the

1 concurrence of a majority of those present and voting in any
2 matter within its duties is required for a determination of
3 matters within its jurisdiction. The commission may hold a
4 special meeting at any time it deems necessary and advisable
5 in the performance of its official duties. A special meeting
6 may be called by the chair, or upon the written request of two
7 or more members. All members shall be duly notified by the
8 commission director of the time and place of any regular or
9 special meeting at least five days in advance of any meeting.
10 The chair is responsible for setting and keeping a meeting
11 schedule that ensures the commission meets the requirements of
12 this chapter. Members may not miss more than three meetings in
13 one calendar year.

14 (h) (1) The commission shall hold a minimum of two
15 regularly scheduled meetings each month in the first 12 months
16 commencing no later than November 1, 2019, in order to do all
17 of the following:

18 a. Expeditiously create and publish an application
19 form for medical cannabis cards.

20 b. Establish a website for public access and
21 information.

22 c. Review, approve, or deny fast track license
23 applications.

24 d. Adopt rules pursuant to the Alabama
25 Administrative Procedure Act to implement this chapter.

26 (2) After adopting initial rules, issuing the fast
27 track licenses, establishing a patient registry, and

1 publishing the patient medical cannabis card application forms
2 and procedures, the commission may reduce meetings to one per
3 month or vote on a schedule appropriate for meeting all
4 obligations under this chapter regarding patient medical
5 cannabis cards.

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

19 (2) The director shall maintain all records of the
20 commission and also serve as secretary of the commission. The
21 director shall prepare and keep the minutes of all meetings
22 held by the commission, including a record of all business
23 transacted and decisions rendered by the commission. A copy of
24 the record of the minutes and business transacted and
25 decisions rendered shall be kept on file at the commission's
26 main office and shall be available for public inspection.

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

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

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

19 (l) The commission, in consultation with the
20 Department of Agriculture and Industries, shall appoint a
21 chief inspection and enforcement officer who meets all of the
22 following qualifications and requirements:

23 (1) Be under the immediate supervision of the
24 director.

25 (2) Be at least 30 years of age.

26 (3) Has been a citizen and resident of this state
27 for at least five years prior to appointment.

1 (4) Has experience and training in agricultural
2 inspections.

3 (m) The chief inspection and enforcement officer
4 shall be reimbursed for travel expenses in a manner similar to
5 state employees.

6 (n) The director, assistant director, and chief
7 inspection and enforcement officer shall be reimbursed for
8 actual travel expenses as other state employees are paid, when
9 approved by the chair. The director, chief inspection and
10 enforcement officer, and all other inspection and enforcement
11 personnel shall be employed on a full-time basis only.

12 (o) The commission shall retain legal counsel
13 familiar with the requirements of this chapter and medical
14 cannabis licensing and best practices in other states in order
15 to assist the commission and staff with establishing a
16 functional program and achieving compliance with applicable
17 laws.

18 §20-2A-8.

19 (a) A member of the commission and any individual
20 employed by the commission may not have any interest,
21 financial or otherwise, either direct or indirect, in any
22 dispensary, cultivator, or manufacturer licensed under this
23 chapter. In addition, a member or employee of the commission
24 may not have any family member who is employed by any
25 dispensary, cultivator, or manufacturer or who holds any
26 cannabis license in this state. A member or employee of the
27 commission or his or her family member may not have an

1 interest of any kind in any building, fixture, or premises
2 occupied by any person licensed under this chapter; and may
3 not own any stock or have any interest of any kind, direct or
4 indirect, pecuniary or otherwise, by a loan, mortgage, gift,
5 or guarantee of payment of a loan, in any dispensary,
6 cultivator, or manufacturer licensed under this chapter.

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

11 (c) Any individual violating this section shall be
12 terminated from employment or position, and as a consequence,
13 the individual shall forfeit any pay or compensation which
14 might be due.

15 (d) For purposes of this section, family member
16 includes a spouse, child, parent, or sibling, by blood or
17 marriage.

18 (e) A violation of this section is a Class C
19 misdemeanor.

20 Article 2. Medical Cannabis Patient Registry and
21 Medical Cannabis Cards.

22 §20-2A-20.

23 Before being approved as a qualified physician, and
24 before each license renewal, a physician must successfully
25 complete 10 hours of continuing medical education that
26 addresses cannabis treatment for medical conditions and
27 encompasses the requirements of this chapter and any rules

1 adopted pursuant to this chapter. Any course and examination,
2 if applicable, shall be administered at least annually and may
3 be offered in a distance learning format, including an
4 electronic, online format that is available upon request. The
5 commission may contract with a third party or the Board of
6 Medical Examiners to administer this section, provided the
7 commission approves any course material and examination. The
8 price of the training may not exceed five hundred dollars
9 (\$500).

10 §20-2A-21.

11 (a) A qualified physician may issue a physician
12 certification only if the qualified physician does all of the
13 following:

14 (1) Conducts a physical examination while physically
15 present in the same room as the patient and a full assessment
16 of the medical history of the patient.

17 (2) Diagnoses the patient with at least one
18 qualifying condition.

19 (3) Determines that the medical use of cannabis
20 would likely outweigh the potential health risks for the
21 patient and documents that determination in the patient's
22 medical record.

23 (4) Reviews the patient's controlled drug
24 prescription history in the controlled substance prescription
25 database established under Article 10 of Chapter 2 of this
26 title.

1 (5) Reviews the patient registry and confirms that
2 the patient does not have an active physician certification
3 from another qualified physician.

4 (6) Obtains the voluntary and informed written
5 consent of the patient to use cannabis for medical use each
6 time the qualified physician issues a physician certification
7 for the patient, which shall be maintained in the patient's
8 medical record. The patient, or the patient's parent or legal
9 guardian if the patient is a minor, must sign the informed
10 consent acknowledging that the qualified physician has
11 sufficiently explained its content. The qualified physician
12 shall use a standardized informed consent form adopted by rule
13 by the commission, that must include, at a minimum,
14 information relating to all of the following:

15 a. The federal and state classification of cannabis
16 as a Schedule I controlled substance.

17 b. The approval and oversight status of cannabis by
18 the Food and Drug Administration.

19 c. The current state of research on the efficacy of
20 cannabis to treat the qualifying condition or conditions.

21 d. The potential for addiction.

22 e. The potential effect that cannabis may have on a
23 patient's coordination, motor skills, and cognition, including
24 a warning against operating heavy machinery, operating a motor
25 vehicle, or engaging in activities that require a person to be
26 alert or respond quickly.

27 f. The potential side effects of cannabis use.

1 g. The risks, benefits, and drug interactions of
2 cannabis.

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

8 (b) If medically appropriate, the qualified
9 physician issuing a physician certification shall refer the
10 qualified patient to a physician certified in a speciality
11 relevant to the diagnosis of a qualifying condition.

12 (c) As the issuer of a physician certification, the
13 qualified physician shall register electronically the named
14 qualified patient in the patient registry in a manner
15 determined by the commission.

16 (d) When registering a qualified patient under
17 subsection (c), a qualified physician may limit the cannabis
18 that a qualified patient may obtain from a dispensary based on
19 quantity, type, or dosage.

20 (e) Before a qualified physician may reissue a
21 physician certification, he or she shall do all of the
22 following:

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

1 (2) Determine that, over a period of not less than
2 six months, the qualified patient's health or the symptoms of
3 the qualifying condition have significantly improved.

4 (3) Identify and document in the qualified patient's
5 medical records whether the qualified patient experienced
6 either of the following related to the medical use of
7 cannabis:

8 a. An adverse drug interaction with any prescription
9 or nonprescription medication.

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

12 (f) A qualified physician shall update the patient
13 registry within seven days after any change is made to the
14 original physician certification to reflect the change.

15 (g) A qualified physician shall deactivate the
16 registration of a qualified patient and the patient's
17 caregiver in the following circumstances:

18 (1) When the qualified physician no longer
19 recommends cannabis for medical use for the patient.

20 (2) If there is clear evidence, in accordance with
21 rules adopted by the commission, that a patient may be
22 diverting or misusing cannabis.

23 (3) When the physician-patient relationship is
24 terminated.

25 (h) The commission may monitor physician
26 certification and patient registration in the patient registry
27 for practices that could facilitate unlawful diversion or

1 misuse of cannabis and shall recommend disciplinary action to
2 the Board of Medical Examiners as appropriate. Monitoring may
3 include reviewing the medical records of patients, in
4 accordance with state and federal law, on whose behalf a
5 qualified physician issued physician certifications, in order
6 to ascertain whether the patients were diagnosed with the
7 qualifying condition specified by the qualified physician on
8 the physician certification.

9 (i) The commission shall adopt rules to implement
10 this section which shall include criteria for reissuing
11 physician certifications and may include guidelines on dosage,
12 quantities, and types of cannabis products that may be
13 recommended by qualified physicians for a particular
14 qualifying condition.

15 §20-2A-22.

16 (a) In order to commence, use, and maintain a
17 reliable patient registry system, by no later than July 31,
18 2020, the commission shall do all of the following:

19 (1) Establish and administer an integrated,
20 electronic patient registry system that does all of the
21 following:

22 a. Receives physician certifications from qualified
23 physicians in the registry database.

24 b. Includes in the registry database for each
25 qualified patient registrant the names of the qualified
26 patient and the patient's designated caregiver, if applicable,
27 and information relating to the physician certification,

1 including the name of the qualified physician, the diagnosed
2 qualifying condition or conditions, and the type and quantity
3 of cannabis product recommended by the qualified physician.

4 c. Provides a procedure for keeping the information
5 on a qualified patient up-to-date.

6 d. Tracks the medical cannabis card application
7 process through issuance or denial.

8 e. Tracks medical cannabis cards that are denied,
9 issued, revoked, suspended, or reinstated.

10 f. Provides access as further provided in subsection
11 (b).

12 (2) Adopt rules to implement this section that
13 include criteria by which medical cannabis cards may be
14 revoked, suspended, and renewed. The rules may not prohibit
15 the issuance or use of a medical cannabis card based on an
16 arrest for any felony or misdemeanor, unless the arrest is for
17 a violation of this chapter.

18 (3) Begin issuing medical cannabis card requests
19 that meet the requirements of this chapter.

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

22 (1) Law enforcement agencies in order to verify that
23 an individual in possession of a medical cannabis card is
24 lawfully in possession of the card and to avoid counterfeiting
25 of cards.

26 (2) Health care practitioners licensed to prescribe
27 prescription drugs in order to ensure proper care for patients

1 before medications are prescribed that may interact with
2 medical cannabis.

3 (3) Licensed dispensaries in order to verify that an
4 individual in possession of a medical cannabis card is
5 lawfully in possession of the card and to determine whether
6 there are any specific recommendations or limits on quantity,
7 type, or dosage of cannabis products that the cardholder may
8 receive.

9 (c) No later than July 31, 2020, the commission
10 shall ensure that a process is available, as part of the
11 patient registry system, for qualified physicians to register
12 a physician certification, report any change in the status of
13 a qualifying condition, or deactivate a physician
14 certification.

15 (d) A medical cannabis cardholder must be locatable
16 in the registry system with adequate identifying information.

17 §20-2A-23.

18 (a) The commission shall develop an application form
19 to be completed by qualified patients and designated
20 caregivers in order to be placed on the patient registry and
21 issued a medical cannabis card. The application form shall
22 include all of the following:

23 (1) Proof that the applicant is 19 years of age or
24 older and a resident of this state by means of state-issued
25 photo identification.

26 (2) For an applicant who is a designated caregiver,
27 both of the following:

1 a. Proof that the caregiver meets the qualifications
2 in subsection (c) of Section 20-2A-5.

3 b. The names of each qualified patient for whom the
4 caregiver provides care, including a confirmation of the
5 caregiver relationship in writing from each qualified patient,
6 unless the caregiver is the legal guardian of a minor.

7 (3) A full-face, passport-type, color photograph
8 taken within 90 days immediately preceding registration.

9 (4) An application fee of sixty-five dollars (\$65),
10 or other amount as determined by the commission.

11 (5) Any other information deemed relevant by the
12 commission.

13 (b) The commission shall issue a medical cannabis
14 card to an individual once the commission has received a
15 completed application and fee from the applicant and a
16 physician certification has been registered by a qualified
17 physician through the patient registry system.

18 (c) Medical cannabis cards shall be resistant to
19 counterfeiting and tampering and, at a minimum, shall include
20 all of the following:

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

23 (2) A photograph of the qualified patient or
24 caregiver, as applicable.

25 (3) Identification of the cardholder as a qualified
26 patient or a caregiver.

27 (4) The expiration date of the card.

1 (d) A medical cannabis card expires two years from
2 the date of issuance.

3 (e) Medical cannabis cards may be renewed in
4 accordance with rules adopted by the commission and upon
5 payment of a renewal fee of sixty-five dollars (\$65), or other
6 amount as determined by the commission.

7 (f) The commission, through a procedure adopted by
8 rule, shall notify the qualified physician who issued a
9 physician certification and registered a qualified patient in
10 the patient registry, that the qualified patient has been
11 issued a medical cannabis card.

12 (g) The commission may suspend or revoke a medical
13 cannabis card if the cardholder does any of the following:

14 (1) Provides misleading, incorrect, false, or
15 fraudulent information to the commission.

16 (2) Falsifies, alters, or otherwise modifies a
17 medical cannabis card.

18 (3) Violates the requirements of this chapter or any
19 rule adopted under this chapter.

20 §20-2A-24.

21 (a) When a qualified patient has a designated
22 caregiver, only the designated caregiver is authorized to
23 purchase cannabis; a patient with a designated caregiver may
24 not purchase cannabis.

25 (b) A caregiver may receive compensation from the
26 qualified patient or other entity for any services provided to
27 the qualified patient.

1 (c) A caregiver may not provide care to more than 10
2 qualified patients at any given time.

3 Article 3. Cultivation, Processing, and Dispensing
4 of Medical Cannabis.

5 §20-2A-40.

6 (a) All of the cultivation, processing,
7 transportation, packaging, and dispensing and selling of any
8 form or derivative of medical cannabis is subject to licensing
9 and regulation under this article.

10 (b) The commission shall consult with the Department
11 of Agriculture and Industries when adopting rules relating to
12 the cultivation and processing of cannabis, and the department
13 shall provide assistance and advice to the commission as
14 needed. The commission shall bear the administrative costs
15 incurred by the department pursuant to this subsection.

16 §20-2A-41.

17 This state hereby preemptively regulates medical
18 cannabis from seed to sale to use and shall reasonably
19 regulate and control all aspects of the medical cannabis
20 industry to meet the stated intent of this chapter. Any county
21 or municipality seeking to ban the cultivation, processing,
22 manufacture, or sale of medical cannabis within its
23 jurisdiction is authorized to do so by a two-thirds vote of
24 the local governing body; provided, that the vote occurs no
25 later than July 31, 2020.

26 §20-2A-42.

1 (a) In order to facilitate an initial level of
2 medical grade cannabis product availability and avoid a
3 program delay dependent on rulemaking, the commission may
4 review and issue approved provisional fast track licenses for
5 the cultivation, processing, transportation, manufacturing,
6 packaging, and dispensing and selling of medical cannabis, in
7 an expedited manner, before the commission has adopted a final
8 regulatory program as provided in Section 20-2A-43. Any fast
9 track licenses issued by the commission shall be done in a
10 manner that provides access to medical cannabis throughout
11 rural and urban populations, taking into account the racial
12 and economic makeup of the state. A provisional fast track
13 license shall not be finally approved or denied until an
14 on-site inspection of all facilities operated by the fast
15 track licensee has been conducted.

16 (b) The commission shall issue a final approval or
17 denial of a fast track license not later than January 1, 2021.

18 §20-2A-43.

19 (a) Not later than July 1, 2021, the commission
20 shall adopt rules that provide for all of the following:

21 (1) Determining the various types of licenses and
22 the activities and functions that may be conducted by a
23 licensee and the area of operation of a licensee.

24 (2) Qualifications and requirements for licensees,
25 as further provided in subsection (b).

26 (3) The number of licenses the commission will issue
27 and locations of facilities, based on market demand for

1 stand-alone dispensaries, stand-alone cultivation, and
2 stand-alone processing or manufacturing facilities, and for
3 similar vertically integrated operations, and taking into
4 account the racial and economic makeup of the state, the
5 unemployment rate, the need for agricultural and other
6 business opportunities in communities, access to health care,
7 infrastructure, and other factors the commission deems
8 relevant in providing the greatest benefits to the residents
9 of this state.

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

14 (5) Standards and procedures for the revocation,
15 suspension, and nonrenewal of licenses.

16 (6) Standards and procedures for the renewal of
17 licenses, which shall include, but not be limited to, payment
18 of a renewal fee and an additional criminal background check.

19 (7) Standards and procedures for the transfer of
20 licenses. Any transfer of a license or change of ownership
21 shall comply with the requirements of a new licensee,
22 including approval by the commission and payment of the
23 license fee.

24 (8) Measures or standards to ensure any cannabis
25 product remains secure at all times, including, but not
26 limited to, requirements that licensed facilities remain
27 securely enclosed and locked as appropriate.

1 (9) Any other measures necessary to protect health,
2 safety, and welfare.

3 (b) When applying for a license under this article,
4 an applicant shall submit the following information to the
5 commission:

6 (1) Proof of residence. The applicant's majority
7 ownership must be attributable to an individual with proof of
8 residency in this state for a continuous period of no less
9 than five years preceding the application date.

10 (2) A detailed business and operations plan that
11 includes, at a minimum, all of the following:

12 a. Identification of each individual with a
13 financial interest in the applicant.

14 b. Identification of each business entity with a
15 financial interest in the applicant.

16 c. A proposed location with street address, which
17 may not be within a 1,000 foot radius of any pre-kindergarten,
18 elementary, or secondary school.

19 d. A full list of activities such as cultivation,
20 processing, packaging, transporting, or dispensing and
21 selling, to be undertaken by the applicant.

22 e. A summary of projected tenant improvements,
23 production schedule, products, production capacity, standard
24 operating procedures, target customer base, and projected open
25 date.

1 f. Identification of all corporate officers and
2 summaries of the business experience for each individual
3 expected to be responsible for facility operations.

4 (3) Payment of a license fee. The commission may
5 alter the fee, by rule, based on guidelines that consider the
6 geographical area or other factors the commission deems
7 relevant in making sure that licensees are representative of
8 the racial and economic makeup of this state; provided,
9 however, a license fee for a stand-alone facility shall be no
10 less than ten thousand dollars (\$10,000).

11 (4) Payment of a non-refundable application fee to
12 cover the administrative costs of processing a license
13 application.

14 (5) A criminal background check. All owners,
15 officers, board members, and managers of the applicant, shall
16 pass a Federal Bureau of Investigation Level 2 background
17 screening process, which shall be documented on the
18 application materials prior to final review and approval.

19 (6) An attestation statement and signature from a
20 responsible corporate officer of an applicant affirming that
21 the contents of any application are true and correct under
22 penalty of perjury to the best of the officer's personal
23 knowledge.

24 (7) Any other information the commission deems
25 appropriate.

26 (c) When determining whether to issue or deny a
27 license under this section, the commission shall consider the

1 applicant's business plan as it relates to all of the
2 following:

3 (1) The applicant's ability to capitalize and
4 conduct operations as proposed in its business plan, including
5 business experience in related fields such as agriculture,
6 real estate, development, manufacturing, or retail sales.

7 (2) The applicant's history of business activities
8 as it applies to the entity and the individuals who are the
9 entity's owners, officers, and managers.

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

14 §20-2A-44.

15 (a) A licensed dispensary shall be required by the
16 commission to inspect a medical cannabis card before
17 dispensing any cannabis product.

18 (b) The commission, by rule, shall establish
19 guidelines and standards to ensure that cannabis is only
20 dispensed to individuals holding a valid medical cannabis card
21 and dispensed in accordance with the physician certification
22 with regard to quantity, type, or dosage of cannabis products,
23 if applicable.

24 §20-2A-45.

25 In order to ensure that all cannabis products sold
26 in the state maintain product quality to protect the health
27 and welfare of state residents, the commission shall procure

1 and use a secure, online system for seed-to-sale tracking of
2 all medical cannabis in the state in order to ensure that
3 medical cannabis may not be produced from, obtained from, sold
4 to, or transferred to, any location outside of this state.

5 §20-2A-46.

6 The commission, by rule, may provide guidelines for
7 establishing a fair market value or base price on the retail
8 sale of cannabis products.

9 §20-2A-47.

10 The commission shall provide annual written reports,
11 with the first due no later than July 31, 2020, tracking
12 implementation of this chapter. The report shall be made
13 publicly available and posted on the commission's website. The
14 report shall include all of the following:

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

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

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

21 (4) Revenues and expenses of card issuance and
22 business licensing.

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

25 (6) Relevant scientific research.

26 (7) Applicable tax revenue.

27 (8) The commission's operating budget.

1 (9) Any other information available to the
2 commission that would inform public officials of how this
3 chapter affects the public.

4 §20-2A-48.

5 The commission, by rule, shall establish protocols
6 for product testing, which shall be conducted during
7 cultivation, processing, and dispensing to ensure that all
8 dispensed medical cannabis is consistently medical grade. The
9 protocols for testing shall include the following, as well as
10 a determination of corresponding tolerance limits:

11 (1) Cannabinoid potency.

12 (2) Terpene profiles.

13 (3) Heavy metals.

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

16 (5) Microbials, including pathogenic microbials.

17 (6) Mycotoxins.

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

20 (8) Residual solvents.

21 §20-2A-49.

22 (a) There is created a special account in the State
23 Treasury to be known as the Medical Cannabis Fund.

24 Expenditures from the Medical Cannabis Fund may be made only
25 by the commission to implement and administer this chapter.

26 Specifically, the Medical Cannabis Fund includes all of the
27 following:

1 (1) Fees collected by the commission.

2 (2) Tax proceeds collected pursuant to subsections
3 (b) and (c) of Section 3 of the act adding this language.

4 (3) Any moneys appropriated by the Legislature for
5 the initial operation of the commission.

6 (b) Upon a determination by the Legislature that the
7 commission has established sufficient revenues for the
8 administration of this chapter, the Legislature shall direct
9 the state Comptroller to transfer any excess balance that is
10 in the Medical Cannabis Fund to the General Fund.

11 Section 3. (a) A county or municipality may tax the
12 sale of medical cannabis in accordance with Article 1,
13 commencing with Section 40-23-1, of Chapter 23 of Title 40,
14 Code of Alabama 1975; provided, that the tax may not exceed
15 2.1 percent of the gross proceeds of the sales.

16 (b) Commencing January 1, 2020, there is levied, in
17 addition to all other taxes of every kind now imposed by law,
18 and shall be collected and remitted in accordance with Article
19 1, commencing with Section 40-23-1, of Chapter 23 of Title 40,
20 Code of Alabama 1975, a tax on the gross proceeds of the sales
21 of medical cannabis when sold at retail in this state at the
22 rate of nine percent of the gross proceeds of the sales.

23 (c) (1) Commencing January 1, 2021, there is levied
24 an annual privilege tax on every person doing business under
25 Chapter 2A of Title 20, Code of Alabama 1975, in Alabama. The
26 tax shall accrue as of January 1 of every taxable year, or in
27 the case of a taxpayer licensed under Chapter 2A of Title 20,

1 Code of Alabama 1975, during the year, or doing business in
2 this state for the first time, as of the date the taxpayer is
3 licensed to do business under Chapter 2A of Title 20, Code of
4 Alabama 1975. The rate of tax shall be 10 percent of the net
5 worth in Alabama for the taxable year. For purposes of this
6 subdivision, a taxpayer's net worth in Alabama shall be
7 determined by apportioning the taxpayer's net worth computed
8 under Section 40-14A-23, Code of Alabama 1975, in the same
9 manner as prescribed for apportioning income during the
10 determination period for purposes of the income tax levied by
11 Chapter 18 of Title 40, Code of Alabama 1975, or the manner in
12 which the income would be apportioned if the taxpayer were
13 subject to the income tax.

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

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

24 (4) The annual medical cannabis privilege tax shall
25 be reported on forms and in the manner as prescribed by rule
26 by the department. The failure to receive a form from the
27 department shall not relieve a taxpayer from liability for any

1 tax, penalty, or interest otherwise due. The tax due, as
2 reported, shall constitute an admitted liability for that
3 amount. The department may compute and assess additional tax,
4 penalty, and interest against a taxpayer as provided in
5 Chapter 2A of Title 40, Code of Alabama 1975.

6 (d) The Department of Revenue shall adopt rules to
7 implement this section.

8 Section 4. Although this bill would have as its
9 purpose or effect the requirement of a new or increased
10 expenditure of local funds, the bill is excluded from further
11 requirements and application under Amendment 621, now
12 appearing as Section 111.05 of the Official Recompilation of
13 the Constitution of Alabama of 1901, as amended, because the
14 bill defines a new crime or amends the definition of an
15 existing crime.

16 Section 5. This act shall become effective
17 immediately following its passage and approval by the
18 Governor, or its otherwise becoming law.