

1 SB236
2 200482-2
3 By Senator Melson
4 RFD: Judiciary
5 First Read: 04-APR-19

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4 ENGROSSED

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7 A BILL
8 TO BE ENTITLED
9 AN ACT

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

1 Law; to make conforming changes to Leni's Law; to repeal
2 Leni's Law at a later date; to require reporting to the
3 Legislature; and in connection therewith would have as its
4 purpose or effect the requirement of a new or increased
5 expenditure of local funds within the meaning of Amendment 621
6 of the Constitution of Alabama of 1901, now appearing as
7 Section 111.05 of the Official Recompilation of the
8 Constitution of Alabama of 1901, as amended.

9 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

10 Section 1. Sections 13A-12-213, 13A-12-214,
11 13A-12-214.2, 13A-12-214.3, and 20-2-214, Code of Alabama
12 1975, are amended to read as follows:

13 "§13A-12-213.

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

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

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

24 "(b) Commencing on the effective date of the act
25 adding this subsection, a person has not committed the crime
26 of unlawful possession of marijuana if the person is in
27 possession of a valid medical cannabis card issued pursuant to

1 Chapter 2A of Title 20, unless there is reasonable cause to
2 believe that the information contained on the medical cannabis
3 card is false or falsified, the medical cannabis card has been
4 obtained by means of fraud, or the person is otherwise in
5 violation of Chapter 32 of Title 2 or a rule adopted pursuant
6 to that chapter.

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

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

13 "§13A-12-214.

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

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

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

3 "§13A-12-214.2.

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

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

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

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

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

1 "(4) UAB DEPARTMENT. The Department of Neurology at
2 the University of Alabama at Birmingham, its successors, or
3 any subdivisions.

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

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

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

25 "(f) A prescription for the possession or use of
26 cannabidiol (CBD) as authorized by this section shall be
27 provided exclusively by the UAB Department for a debilitating

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

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

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

24 "(i) The UAB Department and any UAB School of
25 Medicine affiliated pediatric training entity, including any
26 authorized physician, nurse, attendant or agent thereof, shall
27 not be subject to prosecution for the unlawful possession,

1 use, or distribution of marijuana under the laws of this state
2 for its activities arising directly out of or directly related
3 to the department's research and development activities in
4 pursuit of medical benefits and uses of cannabidiol (CBD), as
5 long as the prescription, treatment or use of cannabidiol
6 (CBD) is provided only to individuals diagnosed with a
7 debilitating epileptic condition.

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

14 "(k) This section is repealed ~~July 1, 2019~~ January
15 1, 2021.

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

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

26 "§13A-12-214.3.

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

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

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

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

21 "(3) In addition to the affirmative defense provided
22 in Section 13A-12-214.2, in a prosecution for the unlawful
23 possession of marijuana in the second degree under Section
24 13A-12-214, it is an affirmative and complete defense that the
25 defendant used or possessed CBD if the defendant satisfies
26 either of the following:

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

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

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

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

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

20 "(b) The Legislature finds and declares the
21 following:

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

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

5 "§20-2-214.

6 "(a) The following persons or entities shall be
7 permitted access to the information in the controlled
8 substances database, subject to the limitations indicated
9 below:

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

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

1 whom the practitioner exercises professional oversight and
2 direction pursuant to an approved collaborative practice
3 agreement, a current patient of the practitioner, and
4 individuals seeking treatment from the practitioner.
5 Practitioners shall have no requirement or obligation under
6 this article to access or check the information in the
7 controlled substances database prior to prescribing,
8 dispensing, or administering medications or as part of their
9 professional practice. However, the applicable licensing
10 boards, in their discretion, may impose such a requirement or
11 obligation by regulations.

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

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

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

1 "~~(5)~~(6) A licensed assistant to physician approved
2 by the department who is authorized to prescribe, administer,
3 or dispense pursuant to a Qualified Alabama Controlled
4 Substances Registration Certificate; provided, however, that
5 access shall be limited to information concerning a current
6 patient of the assistant to the physician or an individual
7 seeking treatment from the assistant to physician.

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

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

23 "~~(8)~~(9) Employees of the department and consultants
24 engaged by the department to operate the controlled substances
25 database; provided, however, that access shall be limited to
26 operating and administering the database, conducting
27 departmental research when approved by the Information Release

1 Review Committee, and implementing a research request
2 authorized under subsection (b).

3 "~~(9)~~(10) The prescription drug monitoring program of
4 any of the other states or territories of the United States,
5 if recognized by the Alliance for Prescription Drug Monitoring
6 Programs under procedures developed, certified, or approved by
7 the United States Department of Justice or the Integrated
8 Justice Information Systems Institute or successor entity
9 subject to or consistent with limitations for access
10 prescribed by this chapter for the Alabama Prescription Drug
11 Monitoring Program.

12 "~~(10)~~(11) Authorized representatives of the Alabama
13 Medicaid Agency; provided, however, that access shall be
14 limited to inquiries concerning possible misuse or abuse of
15 controlled substances by Medicaid recipients.

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

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

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

4 Section 2. Chapter 2A commencing with Section
5 20-2A-1, is added to Title 20, Code of Alabama 1975, to read
6 as follows:

7 Article 1. General Provisions.

8 §20-2A-1.

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

11 §20-2A-2.

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

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

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

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

25 (4) DISPENSARY. A licensed, enclosed, secure
26 building that may include attached storage units, where
27 cannabis and related supplies are maintained, stored, and sold

1 to patients and caregivers, which is not physically connected
2 to a cannabis cultivation, processing, or manufacturing
3 facility.

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

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

12 (7) PATIENT REGISTRY. A documented, electronic, and
13 integrated system for receiving physician certifications and
14 patient registrations and issuing medical cannabis cards.

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

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

23 (10) QUALIFIED PHYSICIAN. A physician who holds an
24 active license to practice medicine under Chapter 24 of Title
25 34 who meets the qualifications under Section 20-2A-20.

26 (11) QUALIFYING CONDITION. Any of the following
27 conditions diagnosed by a qualified physician who may

1 recommend the use of cannabis to treat the symptoms associated
2 with the condition:

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

18 §20-2A-3.

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

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

24 (c) This chapter supersedes state criminal and civil
25 laws pertaining to the acquisition, possession, use,
26 cultivation, manufacturing, processing, research and
27 development, and sale of medical cannabis. The acquisition,

1 possession, use, cultivation, manufacturing, processing,
2 research and development, or sale of medical cannabis in
3 compliance with this chapter, and as approved by the
4 commission, does not constitute a violation of Article 5 of
5 Chapter 12 of Title 13A, or any other law to the contrary.

6 §20-2A-4.

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

15 §20-2A-5.

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

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

26 (c) A designated caregiver must be 19 years of age
27 or older, a resident of this state, have no ownership interest

1 in or contract or employment relationship with a licensed
2 dispensary, and either be designated by a qualified patient as
3 the caregiver or be the parent or legal guardian of a minor
4 diagnosed with a qualifying condition. A designated caregiver
5 may lawfully acquire and possess cannabis, but not use
6 cannabis under this chapter without the caregiver actually
7 being diagnosed with a qualifying condition and issued a
8 medical cannabis card as a qualified patient.

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

15 §20-2A-6.

16 This chapter does not do any of the following:

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

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

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

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

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

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

21 §20-2A-7.

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

25 (1) Three members appointed by the Governor, one of
26 whom is a physician licensed to practice medicine in this
27 state, certified in the specialty of neurology; one of whom is

1 a physician licensed to practice medicine in this state with a
2 practice that involves pain management; and one of whom is a
3 licensed pharmacist. The initial terms shall be four, three,
4 and two years, respectively.

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

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

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

25 (b) A member may not have any interest, financial or
26 otherwise, direct or indirect, in any dispensary, cultivator,
27 or manufacturer licensed as such in this state. Any current

1 public official, candidate for public office, current public
2 employee, or registered lobbyist may not serve as a member.

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

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

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

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

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

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

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

20 a. Expeditiously create and publish an application
21 form for medical cannabis cards.

22 b. Establish a website for public access and
23 information.

24 c. Review, approve, or deny fast track license
25 applications.

26 d. Adopt rules pursuant to the Alabama
27 Administrative Procedure Act to implement this chapter.

1 (2) After adopting initial rules, issuing the fast
2 track licenses, establishing a patient registry, and
3 publishing the patient medical cannabis card application forms
4 and procedures, the commission may reduce meetings to one per
5 month or vote on a schedule appropriate for meeting all
6 obligations under this chapter regarding patient medical
7 cannabis cards.

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

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

1 decisions rendered shall be kept on file at the commission's
2 main office and shall be available for public inspection.

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

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

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

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

25 (1) Be under the immediate supervision of the
26 director.

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

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

3 (4) Has experience and training in agricultural
4 inspections.

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

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

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

20 §20-2A-8.

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

1 cannabis license in this state. A member or employee of the
2 commission or his or her family member may not have an
3 interest of any kind in any building, fixture, or premises
4 occupied by any person licensed under this chapter; and may
5 not own any stock or have any interest of any kind, direct or
6 indirect, pecuniary or otherwise, by a loan, mortgage, gift,
7 or guarantee of payment of a loan, in any dispensary,
8 cultivator, or manufacturer licensed under this chapter.

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

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

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

20 (e) A violation of this section is a Class C
21 misdemeanor.

22 Article 2. Medical Cannabis Patient Registry and
23 Medical Cannabis Cards.

24 §20-2A-20.

25 Before being approved as a qualified physician, and
26 before each license renewal, a physician must successfully
27 complete 10 hours of continuing medical education that

1 addresses cannabis treatment for medical conditions and
2 encompasses the requirements of this chapter and any rules
3 adopted pursuant to this chapter. Any course and examination,
4 if applicable, shall be administered at least annually and may
5 be offered in a distance learning format, including an
6 electronic, online format that is available upon request. The
7 commission may contract with a third party or the Board of
8 Medical Examiners to administer this section, provided the
9 commission approves any course material and examination. The
10 price of the training may not exceed five hundred dollars
11 (\$500).

12 §20-2A-21.

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

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

19 (2) Diagnoses the patient with at least one
20 qualifying condition.

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

25 (4) Reviews the patient's controlled drug
26 prescription history in the controlled substance prescription

1 database established under Article 10 of Chapter 2 of this
2 title.

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

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

17 a. The federal and state classification of cannabis
18 as a Schedule I controlled substance.

19 b. The approval and oversight status of cannabis by
20 the Food and Drug Administration.

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

23 d. The potential for addiction.

24 e. The potential effect that cannabis may have on a
25 patient's coordination, motor skills, and cognition, including
26 a warning against operating heavy machinery, operating a motor

1 vehicle, or engaging in activities that require a person to be
2 alert or respond quickly.

3 f. The potential side effects of cannabis use.

4 g. The risks, benefits, and drug interactions of
5 cannabis.

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

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

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

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

23 (e) Before a qualified physician may reissue a
24 physician certification, he or she shall do all of the
25 following:

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

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

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

11 a. An adverse drug interaction with any prescription
12 or nonprescription medication.

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

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

18 (g) A qualified physician shall deactivate the
19 registration of a qualified patient and the patient's
20 caregiver in the following circumstances:

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

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

26 (3) When the physician-patient relationship is
27 terminated.

1 (h) The commission may monitor physician
2 certification and patient registration in the patient registry
3 for practices that could facilitate unlawful diversion or
4 misuse of cannabis and shall recommend disciplinary action to
5 the Board of Medical Examiners as appropriate. Monitoring may
6 include reviewing the medical records of patients, in
7 accordance with state and federal law, on whose behalf a
8 qualified physician issued physician certifications, in order
9 to ascertain whether the patients were diagnosed with the
10 qualifying condition specified by the qualified physician on
11 the physician certification.

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

18 §20-2A-22.

19 (a) In order to commence, use, and maintain a
20 reliable patient registry system, by no later than July 31,
21 2020, the commission shall do all of the following:

22 (1) Establish and administer an integrated,
23 electronic patient registry system that does all of the
24 following:

25 a. Receives physician certifications from qualified
26 physicians in the registry database.

1 b. Includes in the registry database for each
2 qualified patient registrant the names of the qualified
3 patient and the patient's designated caregiver, if applicable,
4 and information relating to the physician certification,
5 including the name of the qualified physician, the diagnosed
6 qualifying condition or conditions, and the type and quantity
7 of cannabis product recommended by the qualified physician.

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

10 d. Tracks the medical cannabis card application
11 process through issuance or denial.

12 e. Tracks medical cannabis cards that are denied,
13 issued, revoked, suspended, or reinstated.

14 f. Provides access as further provided in subsection
15 (b).

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

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

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

26 (1) Law enforcement agencies in order to verify that
27 an individual in possession of a medical cannabis card is

1 lawfully in possession of the card and to avoid counterfeiting
2 of cards.

3 (2) Health care practitioners licensed to prescribe
4 prescription drugs in order to ensure proper care for patients
5 before medications are prescribed that may interact with
6 medical cannabis.

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

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

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

21 §20-2A-23.

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

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

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

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

8 b. The names of each qualified patient for whom the
9 caregiver provides care, including a confirmation of the
10 caregiver relationship in writing from each qualified patient,
11 unless the caregiver is the legal guardian of a minor.

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

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

16 (5) Any other information deemed relevant by the
17 commission.

18 (b) The commission shall issue a medical cannabis
19 card to an individual once the commission has received a
20 completed application and fee from the applicant and a
21 physician certification has been registered by a qualified
22 physician through the patient registry system.

23 (c) Medical cannabis cards shall be resistant to
24 counterfeiting and tampering and, at a minimum, shall include
25 all of the following:

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

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

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

5 (4) The expiration date of the card.

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

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

12 (f) The commission, through a procedure adopted by
13 rule, shall notify the qualified physician who issued a
14 physician certification and registered a qualified patient in
15 the patient registry, that the qualified patient has been
16 issued a medical cannabis card.

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

19 (1) Provides misleading, incorrect, false, or
20 fraudulent information to the commission.

21 (2) Falsifies, alters, or otherwise modifies a
22 medical cannabis card.

23 (3) Violates the requirements of this chapter or any
24 rule adopted under this chapter.

25 §20-2A-24.

26 (a) When a qualified patient has a designated
27 caregiver, only the designated caregiver is authorized to

1 purchase cannabis; a patient with a designated caregiver may
2 not purchase cannabis.

3 (b) A caregiver may receive compensation from the
4 qualified patient or other entity for any services provided to
5 the qualified patient.

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

8 Article 3. Cultivation, Processing, and Dispensing
9 of Medical Cannabis.

10 §20-2A-40.

11 (a) All of the cultivation, processing,
12 transportation, packaging, and dispensing and selling of any
13 form or derivative of medical cannabis is subject to licensing
14 and regulation under this article.

15 (b) The commission shall consult with the Department
16 of Agriculture and Industries when adopting rules relating to
17 the cultivation and processing of cannabis, and the department
18 shall provide assistance and advice to the commission as
19 needed. The commission shall bear the administrative costs
20 incurred by the department pursuant to this subsection.

21 §20-2A-41.

22 This state hereby preemptively regulates medical
23 cannabis from seed to sale to use and shall reasonably
24 regulate and control all aspects of the medical cannabis
25 industry to meet the stated intent of this chapter. Any county
26 or municipality seeking to ban the cultivation, processing,
27 manufacture, or sale of medical cannabis within its

1 jurisdiction is authorized to do so by a two-thirds vote of
2 the local governing body; provided, that the vote occurs no
3 later than July 31, 2020.

4 §20-2A-42.

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

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

22 §20-2A-43.

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

25 (1) Determining the various types of licenses and
26 the activities and functions that may be conducted by a
27 licensee and the area of operation of a licensee.

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

3 (3) The number of licenses the commission will issue
4 and locations of facilities, based on market demand for
5 stand-alone dispensaries, stand-alone cultivation, and
6 stand-alone processing or manufacturing facilities, and for
7 similar vertically integrated operations, and taking into
8 account the racial and economic makeup of the state, the
9 unemployment rate, the need for agricultural and other
10 business opportunities in communities, access to health care,
11 infrastructure, and other factors the commission deems
12 relevant in providing the greatest benefits to the residents
13 of this state.

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

18 (5) Standards and procedures for the revocation,
19 suspension, and nonrenewal of licenses.

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

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

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

5 (9) Any other measures necessary to protect health,
6 safety, and welfare.

7 (b) When applying for a license under this article,
8 an applicant shall submit the following information to the
9 commission:

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

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

16 a. Identification of each individual with a
17 financial interest in the applicant.

18 b. Identification of each business entity with a
19 financial interest in the applicant.

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

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

26 e. A summary of projected tenant improvements,
27 production schedule, products, production capacity, standard

1 operating procedures, target customer base, and projected open
2 date.

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

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

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

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

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

26 (7) Any other information the commission deems
27 appropriate.

1 (c) When determining whether to issue or deny a
2 license under this section, the commission shall consider the
3 applicant's business plan as it relates to all of the
4 following:

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

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

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

16 §20-2A-44.

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

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

26 §20-2A-45.

1 In order to ensure that all cannabis products sold
2 in the state maintain product quality to protect the health
3 and welfare of state residents, the commission shall procure
4 and use a secure, online system for seed-to-sale tracking of
5 all medical cannabis in the state in order to ensure that
6 medical cannabis may not be produced from, obtained from, sold
7 to, or transferred to, any location outside of this state.

8 §20-2A-46.

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

12 §20-2A-47.

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

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

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

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

24 (4) Revenues and expenses of card issuance and
25 business licensing.

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

1 (6) Relevant scientific research.

2 (7) Applicable tax revenue.

3 (8) The commission's operating budget.

4 (9) Any other information available to the
5 commission that would inform public officials of how this
6 chapter affects the public.

7 §20-2A-48.

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

14 (1) Cannabinoid potency.

15 (2) Terpene profiles.

16 (3) Heavy metals.

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

19 (5) Microbials, including pathogenic microbials.

20 (6) Mycotoxins.

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

23 (8) Residual solvents.

24 §20-2A-49.

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

27 Expenditures from the Medical Cannabis Fund may be made only

1 by the commission to implement and administer this chapter.
2 Specifically, the Medical Cannabis Fund includes all of the
3 following:

4 (1) Fees collected by the commission.

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

7 (3) Any moneys appropriated by the Legislature for
8 the initial operation of the commission.

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

14 Section 3. (a) A county or municipality may tax the
15 sale of medical cannabis in accordance with Article 1,
16 commencing with Section 40-23-1, of Chapter 23 of Title 40,
17 Code of Alabama 1975; provided, that the tax may not exceed
18 2.1 percent of the gross proceeds of the sales.

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

26 (c) (1) Commencing January 1, 2021, there is levied
27 an annual privilege tax on every person doing business under

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

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

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

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

10 (d) The Department of Revenue shall adopt rules to
11 implement this section.

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

20 Section 5. This act shall become effective
21 immediately following its passage and approval by the
22 Governor, or its otherwise becoming law.

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Senate

Read for the first time and referred to the Senate committee on Judiciary.....	04-APR-19
Read for the second time and placed on the calen- dar with 1 substitute and.....	25-APR-19
Read for the third time and passed as amended	09-MAY-19

Patrick Harris,
Secretary.