



Alabama Compassion Act Bill Summary

Alabama's SB 46 will allow registered patients to use and safely access medical cannabis preparations, making it the 36th medical cannabis state.

On February 24, 2021, the Alabama Senate approved the bill in a 20-10 vote. The House of Representatives followed suit, approving a modified version of the bill in a 68-34 vote on May 6, 2021, and the Senate swiftly concurred with the House's changes to the details. Gov. Kay Ivey signed the bill into law on May 17, 2021.

Qualifying for the Program

- To legally use and access medical cannabis, patients must apply for and receive a medical cannabis card. To qualify, they must have a qualifying condition and a physician's certification. A fee of up to \$65 will apply.
 - The qualifying conditions are autism; cancer-related pain, nausea, or weight loss; Crohn's; epilepsy; HIV/AIDS-related nausea; persistent nausea that has not significantly responded to other treatments, with exceptions; PTSD; sickle cell anemia; panic disorder; depression; Tourette's; Parkinson's disease; spasticity related to multiple sclerosis, a motor neuron disease, or spinal cord injury; terminal illness; or a condition causing intractable or chronic pain "in which conventional therapeutic intervention and opiate therapy is contraindicated or has proved ineffective."
- Patients under 19 would need a parent or guardian to pick up their cannabis.

Legal Protections

- Qualifying patients, caregivers, and medical cannabis establishments and their staff are not subject to criminal or civil penalty for actions authorized by the bill.
- Patients could possess up to 70 daily doses of cannabis.
- Patients generally could not be denied organ transplants or other medical care on the basis of medical cannabis.

Physicians' Role and Regulation

- To certify patients, physicians must be authorized to do so by the State Board of Medical Examiners. They must meet qualifications the board establishes and pay a fee of up to \$300 to certify patients.
- Certifying physicians must complete a four-hour medical cannabis continuing medical education

course and complete an exam. The courses can charge up to \$500. A two-hour refresher is required every two years.

- The board will develop rules for certifications including requirements for the patient-physician relationship, detailed requirements for informed consent, and how long a certification may be valid, which may not exceed one year.
 - Certifying physicians must specify daily dosage and type. This would likely require participating doctors to run afoul of federal law. If this is not revised, it would likely dramatically depress participation.
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Caregivers

- Patients may designate caregivers pick up their cannabis for them. Caregivers must be at least 21 years old, unless they are the patient's parent or guardian.
 - The commission may limit the number of patients caregivers may assist.
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Limitations and Penalties

- The commission will also determine the maximum daily dosage of THC that can be recommended for each qualifying condition. In most cases, it may not exceed 50 milligrams.
 - Minors cannot use — or be recommended — more than 3% THC.
 - Raw plant, smoking, vaporization, candies, and baked goods are not allowed. Pills, gelatin cubes, lozenges, oils, suppositories, nebulizers, and patches are.
 - Employers could still drug test and prohibit employees from using cannabis.
 - Patients could not undertake any task while under the influence of cannabis that would be negligent. Cannabis is banned at correctional facilities and schools.
 - Health insurance would not have to reimburse for medical cannabis costs.
 - Diversion of medical cannabis would be a new class B felony.
 - Cannabis could not be possessed in a vehicle unless it is in its original package, sealed, and reasonably inaccessible while the vehicle is moving.
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Regulatory Authority

- An appointed 14-member Alabama Medical Cannabis Commission is charged with implementation of most of the licensing and regulation. The Department of Agriculture and Industries will play a significant role in regulating cultivation.
 - The bill envisions the commission employing a director, an assistant director, one or more inspection officers, and other staff. It will retain legal counsel to advise on best practices of other states.
 - The commission will create an electronic registry system and issue ID cards.
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Medical Cannabis Establishment Licensing

- The Medical Cannabis Commission will license:
 - No more than 12 cultivation licenses
 - No more than four processors
 - No more than four dispensaries, which may have up to three locations in different counties than other sites; starting one year post-licensing, more dispensing sites can be approved if the patient pool warrants them.
 - Secure transporters
 - Testing laboratories
 - Up to five integrated facility licenses, which may grow, process, transport, and dispense cannabis. Each may have up to five dispensing sites, in different counties. The commission can increase the number of sites to meet demand.
 - Ownership interests cannot be transferred without regulators' approval.
 - The commission will consider applicants' business plans in licensing, including their ability to conduct the activities that are proposed, their expertise and history in business, and the planned location.
 - Depending on the business type, either at least one-fourth or one-fifth of all licenses are to be awarded to businesses with at least 51% ownership by individuals of African American, Native American, Asian, or Hispanic descent.
 - Localities must opt in to hosting medical cannabis businesses.
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Medical Cannabis Regulation

- Regulators will craft rules to ensure the safety, security, and integrity of medical cannabis facilities. Rules also include quality control standards, chain of custody standards, storage requirements, advertising restrictions, and qualifications for licensees. Products must be in child-resistant packaging and must be designed to minimize appeal to children. Regulators must develop a uniform flavor for cannabis products.
 - Each business must have at least \$2 million in liability and casualty insurance, in addition to other financial requirements imposed by the commission.
 - Regulators will conduct background checks on those with controlling interests in applicants for licenses, perform inspections, conduct audits, and may take disciplinary action, including levying fines and revoking or suspending licenses.
 - Seed-to-sale tracking and robust laboratory testing are mandated. Licensees must have tracking that includes the ability to do batch recalls.
 - Dispensaries cannot locate within 1,000 feet of schools, day cares, and child care facilities.
 - Majority ownership in each of the three of the integrated licenses and all cultivator licenses must be by residents of Alabama for at least 15 years. An integrated registry will track physician certifications, ID cards, daily dosage, and the types of cannabis recommended. It will also track purchases by date, time, and amount and ensure patients don't exceed their limits.
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Reporting

- Each year, the commission would report to the legislature on patient data; program revenues and expenses; developments in other states' cannabis laws; scientific research; diversity in license applicants; comments from physicians; and suggested legislative tweaks, including to

ensure participation by veterans, women, and minorities in medical cannabis businesses.

Timeline

- Rules must be adopted in time to allow applications to start being filed by September 1, 2022. Applications will be granted or denied within 60 days or, if a deficiency is identified, the applicant may have 60 days to cure it.
 - There is no specific time frame for patient applications to be processed, and there is no temporary protection while they wait for the ID to be processed.
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Taxation, Fees, and Revenue Distribution

- The commission will charge non-refundable application fees of \$2,500.
 - The commission will set licensing fees between \$10,000 and \$50,000.
 - A 9% gross proceeds tax will be levied on medical cannabis retail sales.
 - An annual privilege tax is levied on those doing business under the law.
 - After regulatory costs, 60% of the remaining revenue would be distributed into the General Fund, and 30% would fund medical cannabis research.
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