Alabama’s Compassion Act —SB 165 — would allow registered patients to use and safely access medical cannabis preparations, making it the 34th medical cannabis state. On March 12, the Alabama Senate passed the bill in a 22-11 vote, sending it to the House for consideration.

Here are key elements of the bill, as amended on the Senate floor:

Qualifying for the Program

- To qualify for a medical cannabis card, patients must have a qualifying condition and a physician’s certification. A fee of up to $65 will apply.
  - The qualifying conditions are anxiety or panic disorder; autism; cancer-related pain, nausea, or weight loss; Crohn’s; epilepsy; fibromyalgia; HIV/AIDS-related nausea; persistent nausea unrelated to pregnancy; PTSD; Tourette’s; spasticity related to a motor neuron disease, multiple sclerosis, or spinal cord injury; terminal illness; menopause; premenstrual syndrome; intractable or chronic pain “in which conventional therapeutic intervention and opiate therapy is contraindicated or has proved ineffective;” and any other condition added by rule.
  - Patients only qualify if “documentation indicates that conventional medical treatment or therapy has failed unless current medical treatment indicates that use of medical cannabis is the standard of care.”
  - 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 who are registered in other medical cannabis states may apply for a temporary medical cannabis card, which is valid for no longer than 60 days.
- Patients could possess up to 70 daily doses of cannabis. Daily dosage cannot exceed 75 milligrams of THC per day.
- 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.

Certifying physicians must complete a four-hour medical cannabis continuing medical education course. A two-hour refresher is required every two years.

The board will develop rules for certifications including requirements for the patient-physician relationship, requirements for informed consent, and how long a certification may be valid, which may not exceed one year.

Certifying physicians must specify 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.)

### Caregivers

- Patients may designate caregivers pick up their cannabis for them. Caregivers must register and be Alabama residents who are at least 19 years old.
- The commission may limit the number of patients caregivers may assist.

### Limitations and Penalties

- 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, day cares, childcare facilities, and K-12 schools.
- Health insurance would not have to reimburse for medical cannabis costs.
- Diversion of medical cannabis would be a new class B felony.

### Regulatory Authority

- An appointed eight-member Alabama Medical Cannabis Commission is charged with implementation of most of the licensing and regulation. The Department of Agriculture and Industries will regulate cultivation.
- Commission members are appointed by each the governor, lieutenant governor, Senate president, the House speaker, and the Commissioner of Agriculture and Industries. It will include three physicians, one pharmacist, one biochemist, and individuals with expertise in agriculture.
- The bill envisions the commission employing a director, an assistant director, one or more inspection officers, staff, and legal counsel. The commission will retain legal counsel to advise on best practices of other states.
- Ethics provisions bar commissioners, staff, and their close family from financial interest or employment by a medical cannabis business.
- The commission will create an electronic registry system and issue ID cards.

### Medical Cannabis Establishment Licensing
The Medical Cannabis Commission will license:

- At least four cultivators
- No more than four processors
- No more than four dispensaries, which may have up to three locations each. After all dispensaries are operational, more can be licensed if they are needed.
- Secure transporters
- Testing laboratories
- No more than five integrated facility licenses, which may grow, process, transport, and dispense cannabis. Each may have up to five dispensing sites, a number that the commission can increase 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.

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 rules, storage requirements, and advertising restrictions. Products must be in child-resistant packaging and must be designed to minimize appeal to children.
- 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.
- The commission will also determine the maximum daily dosage of THC that can be recommended for each qualifying condition, but the maximum dosage cannot exceed 75 milligrams of THC per day.
- Dispensaries cannot locate within 1,000 feet of schools.
- Dispensary staff must be trained and certified by the commission.
- Majority ownership in the integrated licenses and cultivator licenses must be by residents of Alabama for at least eight years.
- At least one-quarter of licenses — except one-fifth of integrated licenses — must be awarded to business entities that have majority minority ownership.
- Raw plant, smoking, vaporization, candies, and baked goods are not allowed. Pills, gelatin cubes, lozenges, oils, suppositories, nebulizers, and patches are.
- 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.

Reporting

- Each year, the commission would report 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, 2021. 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.

**Taxation, Fees, and Revenue Distribution**

- Applicants must pay a $2,500 non-refundable application fee, or a greater fee if the commission determines the costs of processing exceed that amount.
- Annual licensing fees will be set by the commission, but must be 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.
  - Creates a Consortium for Medical Cannabis Research, initially composed of Alabama's four-year colleges. It will award research grants on cannabis, the cannabis industry, and the impact of medical cannabis use.

[1] The definitions portion of the bill says the Department of Agriculture and Industries will license cultivators, but most other areas indicate it will be the commission.