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It's Time to Move On: Litigation Regarding Alabama Medical Cannabis Commission Needs to Come to a Head

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Maybe it was inevitable. Anyone who has seen another state award competitive licenses for a limited number of cannabis operators knew well that Alabama's process would result in litigation. That was not an indictment of Alabama or those appointed to select licensees; rather, it was the natural next step of a hard-fought contest in which applicants expended substantial time and money to prevail. But recent events in Alabama's medical cannabis selection process are unique.

There is a famous <u>scene</u> in the film *Whiplash* where the wonderful J.K. Simmons (who won a well-deserved Oscar for his performance) encounters an up-and-coming drummer played marvelously by the fabulous Miles Teller. In the scene, Simmons berates and assaults Teller for failing to play the drums at Simmons' preferred tempo (sometimes "rushing" the tempo and sometimes "dragging"), eventually bringing Teller to tears. It's heartbreaking and terrifying, one of those scenes you don't want to watch but can't avert your eyes.

I have been observing and participating in some form in the Alabama Medical Cannabis program since its inception more than four years ago when it was a little piece of legislation that very few believed had any chance of seeing the light of day, much less the signature of an Alabama governor. During that time, there have been many fits and starts and ups and downs. But my experience over the past few weeks is the first time I've felt a little like the Teller character, wondering if the program was rushing or dragging – and feeling heartbreak, anxiety, and confusion. So where do we stand now? How did we get here? And where do we go from here?

How Did We Get Here?

To determine where we are, we need to know where we came from. Ah, the salad days of 2021. The sky was the limit. Patients were going to finally access medicine they had sought for years. Operators saw opportunities to help (and make a dime at the same time). Lawyers, including the author, were in high demand, and the conversations were cutting edge and exciting. Heady times, indeed.

And for a while, things seemed on track. The newly established Alabama Medical Cannabis Commission (AMCC) was appointed on time and meetings were scheduled. Almost immediately, though, it became clear that this road would not be without its bumps. First, commissioners began talking about moving up the timeline for awarding licenses. Although the statute authorizing a medical

program called for applications to be accepted in September 2022, the AMCC began discussing the possibility of accepting applications as early as the first quarter of 2022. While this was exciting to many would-be patients and operators, many seasoned cannabis industry operators were concerned that the AMCC's potential revised timeline was overly optimistic.

By starting too soon, the commission risked rolling out a half-baked program that did not meet the goals of providing safe, available, and effective medicine to Alabamians and increased the likelihood of litigation based on mistakes that were bound to happen if the process was rushed.

In the end, the commission decided to stick with the September 2022 date in the statute. Sort of. Would-be applicants were required to request applications in September and October, and applications were due on December 30, 2022. Over the course of the next six months, applicants worked with the AMCC to get applications ready to be scored so that licenses could be awarded.

The Initial Award of Medical Cannabis Licenses

For would-be licensees, June 12, 2023, was judgment day – the day the commission would award licenses to 21 applicants. When the <u>announcement</u> was made, there were understandably those who were satisfied and those who were dissatisfied. Many, in fact most, of the wealthiest and savviest Alabamians who had dedicated a great deal of time, resources, and effort to obtaining a license were not awarded licenses. Was that a feature of the process or a flaw? On the one hand, it is easy to see value in awarding licenses to capable operators who may not have the luxury of tens of millions of dollars in personal assets to put towards a medical cannabis operation. On the other hand, those deeper pockets arguably can afford the type of expertise it takes to operate a high-level facility and can also afford to withstand what is almost certainly to be a multi-year loss in profits as capital expenditures are incurred and the patient base grows.

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