

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2013

H.B. 1161
May 20, 2014
HOUSE PRINCIPAL CLERK

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HOUSE DRH40160-LH-219 (05/01)

Short Title: Legalize Medical Marijuana/Const Amendment. (Public)

Sponsors: Representative Alexander.

Referred to:

A BILL TO BE ENTITLED
AN ACT TO AMEND THE NORTH CAROLINA CONSTITUTION TO LEGALIZE THE
MEDICAL USE OF CANNABIS.

The General Assembly of North Carolina enacts:

SECTION 1. Article XIV of the North Carolina Constitution is amended by adding
a new section to read:

"Sec. 7. Medical cannabis protection act.

Modern medical research has discovered beneficial uses for cannabis in treating or
alleviating pain, nausea, and other symptoms associated with certain debilitating medical
conditions. Compassion dictates that State law should make a distinction between the medical
and nonmedical use of cannabis. Therefore, it shall be the policy of this State to protect patients
with debilitating medical conditions, and their physicians and caregivers, from prosecution,
criminal and other penalties, and property forfeiture by allowing, through a regulated system,
the medical use of cannabis to alleviate and treat debilitating medical conditions and their
symptoms and by further allowing, through a regulated system, the acquisition, possession,
cultivation, manufacture, delivery, transfer, or transportation of cannabis exclusively for
medical use. It is not the intent of this section to allow the use, acquisition, possession,
cultivation, manufacture, delivery, transfer, or transportation of cannabis for nonmedical
purposes.

The General Assembly shall enact legislation that may be necessary to implement and
enforce the provisions of this section."

SECTION 2. The amendment set out in Section 1 of this act shall be submitted to
the qualified voters of the State at a statewide general election to be held on November 4, 2014,
which election shall be conducted under the laws then governing elections in the State. Ballots,
voting systems, or both may be used in accordance with Chapter 163 of the General Statutes.
The question to be used in the voting systems and ballots shall be:

"[] FOR [] AGAINST

Constitutional amendment to allow, through a regulated system, the medical use of
cannabis to alleviate and treat debilitating medical conditions and their symptoms and to further
allow, through a regulated system, the acquisition, possession, cultivation, manufacture,
delivery, transfer, or transportation of cannabis exclusively for such medical use."

SECTION 3. If a majority of the votes cast on the question are in favor of the
amendment set out in Section 1 of this act, the State Board of Elections shall certify the
amendment to the Secretary of State, who shall enroll the amendment so certified among the
permanent records of that office. The amendment becomes effective December 1, 2014.



* D R H 4 0 1 6 0 - L H - 2 1 9 *

"Article 43.

"§ 90-730. Short title.

"§ 90-730.1. Legislative findings and purpose.

(1) Modern medical research has discovered beneficial uses for cannabis in treating or alleviating pain, nausea, and other symptoms associated with certain debilitating medical conditions, as found by the National Academy of Sciences' Institute of Medicine in March 1999.

(2) According to the United States Sentencing Commission and the Federal Bureau of Investigation, 99 out of every 100 cannabis arrests in the United States are made under State law, rather than under federal law. Consequently, changing State law will have the practical effect of protecting from arrest the vast majority of seriously ill people who have a medical need to use cannabis.

(3) The United States Department of Health and Human Services, through the Compassionate Investigational New Drug (IND) program, provides cannabis by prescription to a number of individuals for their use as medicine. The cannabis is grown at the federal cannabis research garden at the University of Mississippi and is processed and distributed by the Research Triangle Institute in Research Triangle Park, North Carolina. The patients receive the cannabis monthly in canisters of approximately 300 prerolled cigarettes. The dosage for patients in the IND program ranges from seven to nine grams per day. Since the inception of the program in 1978, individual patients in the IND program have received and consumed approximately 6.5 pounds of cannabis per year, thereby establishing a safe and effective dosage for a chronic daily-use patient to possess and consume. The IND program was closed to new applicants in 1991.

(4) In 1992, the United States Drug Enforcement Administration (DEA) published research in a report entitled "Cannabis Yields" stating that canopy cover, rather than the number of plants, is the most accurate indicator of a garden's yield. According to the DEA report, 250 square feet of mature garden canopy will typically yield six pounds of processed cannabis per year, a common amount for patients who use cannabis daily, and less than the amount prescribed and delivered to the IND patients by the federal government.

(5) Although federal law currently prohibits any use of cannabis outside of the IND program, the laws of Alaska, Arizona, California, Colorado, Connecticut, District of Columbia, Delaware, Hawaii, Illinois, Maine, Maryland, Massachusetts, Michigan, Montana, Nevada, New Hampshire, New Jersey, New Mexico, Oregon, Rhode Island, Vermont, and Washington permit the medical use and cultivation of cannabis. North Carolina joins in this effort for the health and welfare of its citizens.

(6) States are not required to enforce federal law or prosecute people for engaging in activities prohibited by federal law. Therefore, compliance with this Article does not put the State of North Carolina in violation of federal law.

- (7) Compassion dictates that State law should make a distinction between the medical and nonmedical use of cannabis. Hence, the purpose of this Article is to protect patients with debilitating medical conditions, and their physicians and caregivers, from arrest and prosecution, criminal and other penalties, and property forfeiture by allowing the beneficial use of medical cannabis in a regulated system for alleviating symptoms caused by debilitating medical conditions and their medical treatments.
- (8) This Article is intended to make only those changes to existing North Carolina laws that are necessary to protect patients and their doctors from criminal and civil penalties and is not intended to change current civil and criminal laws governing the use of cannabis for nonmedical purposes.
- (9) Based on data gathered from other states where medical cannabis has been regulated, this Article will result in approximately two hundred fifty million dollars (\$250,000,000) per year in revenues for the State within four years of implementation.
- (10) The General Assembly enacts this Article pursuant to its police power to enact legislation for the protection of the health of its citizens, as reserved to the state in the Tenth Amendment of the United States Constitution.

"§ 90-730.2. Definitions.

The following definitions apply in this Article:

- (1) "Adequate supply" has the following meanings:
- a. An amount of usable cannabis derived solely from an intrastate source that is possessed by a qualified patient, or collectively possessed by a qualified patient and the qualified patient's designated caregiver, in an amount that does not exceed what is reasonably necessary to assure the uninterrupted availability of cannabis for a period of three months, in any form recommended by the qualified patient's physician for the purpose of alleviating the symptoms or effects of the qualified patient's debilitating medical condition.
- b. For a qualified patient for whom a delivery method of inhalation of cannabis vapor or smoking is recommended by the qualified patient's physician, "adequate supply" means not more than 24 ounces of cannabis in a form usable for that purpose. The term also includes a garden cultivated by the qualified patient or the qualified patient's designated caregiver of not more than 250 square feet of total garden canopy of mature female cannabis plants, measured by the combined vegetative growth area, excluding any garden space devoted to cannabis plants that are not mature and female but that are cultivated for the purpose of maintaining the largest and most productive canopy of mature female cannabis plants allowed by this Article.
- c. For a qualified patient for whom a delivery method other than inhalation of cannabis vapor or smoking has been recommended by the patient's physician, "adequate supply" means a garden of cannabis cultivated by the qualified patient or the qualified patient's designated caregiver of a size reasonably necessary to assure the uninterrupted availability of cannabis for a period of three months, in a form recommended by the qualified patient's physician for the purpose of alleviating the symptoms or effects of the qualified patient's debilitating medical condition.
- (2) "Bona fide physician-patient relationship" means a physician and a patient have a treatment or counseling relationship in which the physician has

completed a full assessment of the patient's medical history and current medical condition, including an appropriate physical examination; and the physician is available or offers to provide follow-up care and treatment to the patient, including patient examinations, to determine the efficacy of the use of medical cannabis as a treatment for the patient's medical condition.

(3) "Cannabis" means marijuana as defined in G.S. 90-87(16).

(4) "Cannabis-infused product" means a product infused with cannabis that is intended for use or consumption other than by inhalation, smoking, or otherwise. The term includes edible products, ointments, and tinctures.

(5) "Canopy" means the foliage of growing plants.

(6) "Canopy cover" means the area shaded by the foliage of growing plants.

(7) "Debilitating medical condition" means any of the following:

a. Cancer, gliomas, glaucoma, positive status for human immunodeficiency virus (HIV), acquired immune deficiency syndrome (AIDS), hepatitis C, porphyria, amyotrophic lateral sclerosis (Lou Gehrig's disease or ALS), Alzheimer's disease, nail-patella syndrome, fibromyalgia, severe migraines, multiple sclerosis, celiac disease, Crohn's disease, diabetes mellitus, dystonia, gastrointestinal disorders, hypertension, incontinence, injury or disease to the spinal cord, spinal column, or vertebra, methicillin-resistant Staphylococcus aureus (MRSA), myelomalacia, osteoporosis, pruritus, rheumatoid arthritis, sleep apnea, Tourette's syndrome, or the treatment of such conditions.

b. A chronic or debilitating disease or medical condition or its treatment that produces one or more of the following: cachexia or wasting syndrome; severe pain; severe nausea; anorexia; seizures, including those characteristic of epilepsy; or severe and persistent muscle spasms, including those characteristic of multiple sclerosis (MS), amyotrophic lateral sclerosis (Lou Gehrig's disease or ALS), or Crohn's disease.

c. Any other serious medical or mental condition or its treatment approved by a physician or other practitioner authorized to prescribe or recommend a controlled substance classified in the schedules set forth in either the Controlled Substances Act (Article 5 of Chapter 90 of the General Statutes) or the federal Comprehensive Drug Abuse Prevention and Control Act of 1970, P.L. 91-513, 84 Stat. 1236 (Oct. 27, 1970).

(8) "Designated caregiver" means a person who is at least 21 years of age and who has agreed to assist with a qualified patient's medical use of cannabis.

(9) "Licensed medical cannabis center" means a person licensed pursuant to G.S. 90-730.6 to operate a business that sells cannabis and cannabis-infused products to registry identification cardholders and other licensed medical cannabis centers.

(10) "Licensed producer of cannabis-infused products" means a person licensed pursuant to G.S. 90-730.6 to operate a business producing cannabis-infused products.

(11) "Licensed producer of medical cannabis" means a person licensed pursuant to G.S. 90-730.6 to cultivate cannabis for sale to a licensed medical cannabis center.

(12) "Medical use of cannabis" means the acquisition, possession, cultivation, manufacture, use, internal possession, delivery, transfer, or transportation of

cannabis or paraphernalia relating to the administration of cannabis to treat or alleviate a qualified patient's medical condition or symptoms associated with the medical condition or its treatment.

(13) "Physician" means a person licensed under Article 1 of Chapter 90 of the General Statutes who is in good standing to practice medicine in this State.

(14) "Producer" includes a producer of medical cannabis and a producer of cannabis-infused products.

(15) "Qualified patient" means a person who has been diagnosed by a physician as having a debilitating medical condition.

(16) "Registry identification cardholder" means a qualified patient or a designated caregiver who holds a valid registry identification card issued by the North Carolina Department of Health and Human Services pursuant to G.S. 90-730.5.

(17) "Registry identification card" means a document issued by the North Carolina Department of Health and Human Services pursuant to G.S. 90-730.5 that identifies a person as a qualified patient or designated caregiver.

(18) "Regulated medical cannabis supply system" or "system" means the system established by the North Carolina Department of Agriculture and Consumer Services pursuant to G.S. 90-730.6 to provide a safe method for producing and distributing cannabis to registry identification cardholders and persons licensed to produce and distribute cannabis and cannabis-infused products to registry identification cardholders.

(19) "Usable cannabis" means the dried buds and mature female flowers of the plant of the genus Cannabis, and any mixture or preparation thereof, that are appropriate for medical use as provided in this Article.

(20) "Written certification" means a statement in a patient's medical records or a statement signed by a physician with whom the patient has a bona fide physician-patient relationship indicating that, in the physician's professional opinion, the patient has a debilitating medical condition and the potential health benefits of the medical use of cannabis would likely outweigh the health risks for the patient.

"§ 90-730.3. Protections for the medical use of cannabis.

(a) A qualified patient shall not be subject to arrest, prosecution, or penalty in any manner, or denied any right or privilege, including, but not limited to, civil penalty or disciplinary action by a business or occupational or professional licensing board or bureau, for the possession or purchase of cannabis for medical use by the qualified patient if the quantity of usable cannabis possessed or purchased does not exceed an adequate supply, as determined by the qualified patient's physician.

(b) A designated caregiver shall not be subject to arrest, prosecution, or penalty in any manner, or denied any right or privilege, including imposition of a civil penalty or disciplinary action by a business or occupational or professional licensing board or bureau, for the possession or purchase of cannabis for medical use by the qualified patient if the quantity of cannabis possessed or purchased does not exceed an adequate supply for the qualified patient, as determined by the qualified patient's physician.

(c) If usable cannabis is infused or added as an ingredient to food, salve, tincture, or any other preparation to be consumed or used by a qualified patient, the weight of the other ingredients that are not usable cannabis shall not be included for the purpose of determining whether a qualified patient is in possession of an amount of cannabis that exceeds the qualified patient's adequate supply.

- (d) Subsection (a) of this section does not apply to a qualified patient under 18 years of age, unless all of the following criteria are met:
- (1) The qualified patient's physician has explained the potential risks and benefits of the medical use of cannabis to the qualified patient and to a parent, guardian, or person having legal custody of the qualified patient.
 - (2) A parent, guardian, or person having legal custody of the qualified patient consents in writing to (i) allow the qualified patient's medical use of cannabis, (ii) serve as the qualified patient's designated caregiver, and (iii) control the dosage and frequency of the medical use of cannabis by the qualified patient.
- (e) A qualified patient or a designated caregiver shall be granted the full legal protections provided in this section as long as the qualified patient or designated caregiver is in possession of a registry identification card. If the qualified patient or designated caregiver is not in possession of a registry identification card, the individual shall be given an opportunity to produce the registry identification card before the initiation of any arrest, criminal charges, or other penalties.
- (f) A qualified patient or a designated caregiver is presumed to be engaged in the medical use of cannabis if the qualified patient or designated caregiver is in possession of a registry identification card and an amount of cannabis that does not exceed the qualified patient's adequate supply. This presumption may be rebutted only by evidence that the qualified patient or designated caregiver engaged in conduct related to cannabis for a purpose other than alleviating the qualified patient's debilitating medical condition or symptoms associated with the debilitating medical condition.
- (g) A designated caregiver may receive reimbursement for costs associated with assisting a qualified patient in the medical use of cannabis. Reimbursement for these costs does not constitute the sale of a controlled substance under Article 5 of Chapter 90 of the General Statutes.
- (h) A school, employer, or landlord shall not refuse to enroll, employ, lease, or otherwise penalize a qualified patient or a designated caregiver solely because of (i) the individual's status as a qualified patient or a designated caregiver or (ii) the presence of cannabis metabolites in the individual's bodily fluids.
- (i) For the purposes of medical care, including organ transplants, a qualified patient's authorized use of cannabis in accordance with this Article shall be treated in the same manner as the authorized use of any other medication used at the direction of a physician and shall not constitute the use of an illegal substance.
- (j) A licensed producer of medical cannabis shall not be subject to arrest, prosecution, or penalty in any manner, or denied any right or privilege, or subject to disciplinary action by a business or occupational or professional licensing board or bureau for producing, possessing, distributing, or dispensing cannabis in a manner consistent with this Article.
- (k) A physician shall not be subject to arrest, prosecution, or penalty in any manner, or denied any right or privilege, or subject to increased monitoring or disciplinary action by the North Carolina Medical Board or any other business or occupational or professional licensing board or bureau for either of the following:
- (1) Advising a patient about the risks and benefits of the medical use of cannabis or that the patient may benefit from the medical use of cannabis if, in the physician's medical judgment, the potential benefits of the medical use of cannabis would likely outweigh the health risks for that particular patient.
 - (2) Providing a patient with valid documentation, based upon the physician's assessment of the patient's medical history and current medical condition, that the potential benefits of the medical use of cannabis would likely outweigh the health risks for that particular patient.

(l) A physician shall not be subject to arrest, prosecution, or penalty in any manner, or denied any right or privilege, or subject to disciplinary action by a business or occupational or professional licensing board or bureau for discussing with a patient the benefits or health risks of the medical use of cannabis or the interaction of cannabis with other substances.

(m) State and local law enforcement officers shall not harm, neglect, injure, or destroy an individual's interest in or right to property that is possessed, owned, or used in connection with the medical use of cannabis, or acts incidental to the medical use of cannabis, while the property is in the possession of State or local law enforcement officials as a result of a seizure of the property in connection with the claimed medical use of cannabis. A person does not forfeit any right or interest in property seized in connection with the medical use of cannabis under any provision of State law providing for the forfeiture of property, unless the forfeiture is part of a sentence imposed upon the person as a result of a conviction of a criminal violation of this Article or entry of a plea of guilty to such violation. Cannabis, paraphernalia, or other property seized from a qualified patient, designated caregiver, or licensed producer of medical cannabis in connection with the claimed medical use or production for medical use of cannabis shall be returned immediately upon the determination by a court, prosecutor, or law enforcement officer that the qualified patient, designated caregiver, or licensed producer of medical cannabis is entitled to the protections of this Article. In making this determination, the court, a prosecutor, or a law enforcement officer shall consider as evidence the failure of law enforcement officers to actively investigate the case, a decision not to prosecute, the dismissal of charges, or acquittal.

(n) A person shall not be denied custody of, or visitation or parenting time with, a minor for conduct allowed under this Article.

(o) There is no presumption of neglect or child endangerment for conduct allowed under this Article.

(p) No person shall be subject to arrest or prosecution for constructive possession, conspiracy, aiding and abetting, being an accessory, or any other offense, for simply being in the presence or vicinity of the medical use of cannabis as permitted under this Article or for assisting a qualified patient with using or administering cannabis.

(q) Possession of or application for a registry identification card shall not alone constitute probable cause to search the person or the property of the person possessing or applying for a registry identification card or otherwise subject the person or the person's property to inspection by any government agency.

(r) If an individual being investigated by a law enforcement officer employed by a State-funded or locally funded law enforcement agency credibly asserts during the course of the investigation that the individual is a qualified patient or designated caregiver, neither the law enforcement officer nor the law enforcement agency shall provide any information, except as required by federal law or the United States Constitution, from any cannabis-related investigation of the individual to any law enforcement authority that does not recognize the protections of this Article. Any prosecution of the individual for a violation of this Article shall be conducted pursuant to the laws of this State.

(s) Cannabis produced and possessed under this Article is exempt from the Unauthorized Substances Tax set forth in Article 2D of Chapter 105 of the General Statutes, and no tax under that Article may be levied against any qualified patient, designated caregiver, licensed medical cannabis center, licensed producer of medical cannabis, or licensed producer of cannabis-infused products operating in accordance with this Article.

(t) Nothing in this Article shall be construed to extend the protections of this Article to any person, including a qualified patient, designated caregiver, or producer, to allow that person to acquire, possess, manufacture, produce, use, sell, distribute, dispense, or transport cannabis in a manner that is not consistent with this Article.

"§ 90-730.4. Prohibitions, restrictions, and limitations on medical use of cannabis.

(a) This Article does not permit any person to do any of the following:

- (1) Operate, navigate, or be in actual physical control of any motor vehicle, aircraft, or motorboat while impaired by cannabis. However, a qualified patient shall not be considered impaired solely due to the presence of cannabis metabolites in the individual's system.
- (2) Undertake any task under the influence of cannabis, when doing so would constitute negligence or professional malpractice.
- (3) Smoke cannabis in a school bus or other form of public transportation, on any school grounds, in any correctional facility, or in any public place in this State.

(b) A person who commits an act prohibited by subsection (a) of this section is subject to all penalties provided by law.

(c) Nothing in this Article shall be construed to require any of the following:

- (1) A government-sponsored medical assistance program or private health insurer to reimburse a person for costs associated with the medical use of cannabis.
- (2) An employer to accommodate the medical use of cannabis in any workplace.

(d) Fraudulent representation to a law enforcement official of any fact or circumstance relating to the medical use of cannabis to avoid arrest or prosecution is a Class 2 misdemeanor punishable by a fine of five hundred dollars (\$500.00) in addition to any other applicable penalties for making a false statement about the medical use of cannabis.

(e) A licensed producer of medical cannabis that sells, distributes, dispenses, or transfers cannabis to an individual other than a registry identification cardholder or to a person other than a person licensed pursuant to G.S. 90-730.6, or obtains or transports cannabis outside of North Carolina in violation of federal law, is subject to arrest, prosecution, and civil or criminal penalties pursuant to State law.

(f) Nothing in this Article shall be construed as a waiver of sovereign immunity by the State.

"§ 90-730.5. Registry identification cards for qualified patients and designated caregivers.

(a) As used in this section, "Department" means the North Carolina Department of Health and Human Services.

(b) The Department shall issue a registry identification card to any qualified patient or designated caregiver who meets the requirements of this section.

(c) The Department shall not issue or renew a registry identification card to a qualified patient under 18 years of age unless each of the following criteria is met:

- (1) The qualified patient's physician has explained the potential risks and benefits of the medical use of cannabis to the qualified patient and to a parent, guardian, or person having legal custody of the qualified patient.
- (2) A parent, guardian, or person having legal custody of the qualified patient consents in writing to (i) allow the qualified patient's medical use of cannabis, (ii) serve as one of the qualified patient's designated caregivers, and (iii) control the acquisition of the cannabis, the dosage, and the frequency of the medical use of cannabis by the qualified patient.

(d) The Department shall verify the information contained in a registry identification card application or renewal application submitted pursuant to this section and shall approve or deny an application or renewal application within 45 days after receipt. The Department may deny a registry identification card application or renewal application only if the applicant fails to provide the information required pursuant to this section or if the Department determines that the application or renewal application contains false information. If the Department fails to approve or deny a registration application or renewal application submitted pursuant to this section within 45 days after receipt, the application or renewal application shall be deemed

1 approved, and a copy of the application or renewal application together with proof of receipt by
2 the Department at least 45 days prior to the date this information is presented in lieu of a
3 registry identification card shall be deemed a valid registry identification card.

4 (e) The Department may issue a registry identification card to a maximum of two
5 designated caregivers named in a qualified patient's approved application.

6 (f) The Department shall issue a registry identification card to an applicant within five
7 days after approving an application or renewal. The application or renewal expires two years
8 after the date of issuance.

9 (g) Each registry identification card shall contain at least all of the following
10 information:

11 (1) The date of issuance.

12 (2) The date of expiration.

13 (3) A random registry identification number.

14 (4) A photograph of the registry identification cardholder.

15 (h) Persons issued registry identification cards shall be subject to the following:

16 (1) A qualified patient who has been issued a registry identification card shall
17 notify the Department of any change in the qualified patient's name, address,
18 or designated caregiver and submit a ten-dollar (\$10.00) fee to the
19 Department within 15 days after the change occurs. A qualified patient who
20 fails to notify the Department of any of these changes within the specified
21 time frame commits an infraction and is subject to a fine not to exceed more
22 than one hundred fifty dollars (\$150.00).

23 (2) A designated caregiver shall notify the Department of any change in name or
24 address and submit a ten-dollar (\$10.00) fee to the Department within 15
25 days after the change occurs. A designated caregiver who fails to notify the
26 Department of any of these changes within the specified time frame commits
27 an infraction and is subject to a fine not to exceed one hundred fifty dollars
28 (\$150.00).

29 (3) When a qualified patient or designated caregiver notifies the Department of
30 any change, as required by this subsection, the Department shall issue the
31 qualified patient and each designated caregiver a new registry identification
32 card within 10 days after receiving the updated information and the
33 ten-dollar (\$10.00) fee.

34 (4) When a qualified patient who possesses a registry identification card notifies
35 the Department of a change in designated caregiver, the Department shall
36 notify the designated caregiver of record of the change within 15 days after
37 receiving notification of the change. The protections afforded under this
38 Article to the designated caregiver of record shall expire 30 days after the
39 designated caregiver of record is notified by the Department of the change in
40 designated caregiver.

41 (5) If a qualified patient or a designated caregiver loses a registry identification
42 card, the cardholder shall notify the Department within 15 days after losing
43 the card. The notification shall include a ten-dollar (\$10.00) replacement fee
44 for a new card. Within five days after receiving notification of a lost registry
45 identification card, the Department shall issue the cardholder a new registry
46 identification card with a new random identification number.

47 (i) If the Department determines that a qualified patient or designated caregiver has
48 willfully violated any provision of this Article, the Department may suspend or revoke the
49 qualified patient's or designated caregiver's registry identification card.

(j) Applications and supporting information submitted by qualified patients, including information regarding their designated caregivers and physicians, are confidential and protected under the federal Health Insurance Portability and Accountability Act of 1996.

(k) The Department shall maintain a confidential list of the persons to whom the Department has issued registry identification cards. Individual names and other identifying information on the list shall be confidential, exempt from the provisions of Chapter 132 of the General Statutes, and not subject to disclosure, except to authorized employees of the Department as necessary to perform official duties of the Department.

(l) The Department shall verify to law enforcement personnel whether a registry identification card is valid solely by confirming the validity of the random registry identification number and the name of the person to whom the Department has assigned the random registry identification number.

(m) Any person, including an employee or official of the Department or another State agency or local government, who breaches the confidentiality of information obtained pursuant to this section is guilty of a Class 1 misdemeanor; however, any fine imposed for a violation under this subsection shall not exceed one thousand dollars (\$1,000).

(n) Nothing in this section shall be construed to prevent Department employees from notifying law enforcement officers about falsified or fraudulent information submitted to the Department by any individual in support of an application for a registry identification card.

(o) Article 4 of Chapter 150B of the General Statutes governs judicial review of an administrative decision made under this section.

"§ 90-730.6. Regulated medical cannabis supply system.

(a) As used in this section, "Department" means the North Carolina Department of Agriculture and Consumer Services.

(b) Not later than 120 days after the effective date of this act, the Department shall establish a medical cannabis supply system that (i) provides a safe, regulated supply of quality medical cannabis for use by qualified patients who hold valid registry identification cards and (ii) generates sufficient revenue for the Department to maintain and operate the system. The Department shall not use any appropriations from the General Fund to establish or operate the system. The system shall be funded by the fees authorized in this section.

(c) Medical Cannabis Center License. –

(1) No person shall establish or operate a medical cannabis center without first applying for a license to the Department and submitting the required information on application forms provided by the Department. The application form shall require at least all of the following:

- a. The applicant's name and any name the applicant will use in the operation of a medical cannabis center.
- b. The address of any property the applicant will use to possess, deliver, transport, dispense, or distribute cannabis.
- c. The name, address, and date of birth of each principal officer and board member of the medical cannabis center.
- d. The name, address, and date of birth of each employee of the medical cannabis center.
- e. For first-year licensees, a nonrefundable license fee in the amount of five thousand dollars (\$5,000).
- f. For licensees seeking license renewal, a nonrefundable renewal fee in an amount not less than five thousand dollars (\$5,000), as specified in rules adopted pursuant to subsection (s) of this section.
- g. Proof of North Carolina residency for each principal officer, board member, and employee of the medical cannabis center.

- 1 h. Any other information the Department considers necessary to ensure
2 compliance with the terms of this Article.
- 3 (2) Unless suspended or revoked, a medical cannabis center license is valid for a
4 period not to exceed 12 months from the date of issuance.
- 5 (3) A licensee shall apply for renewal, as necessary, at least 30 days prior to the
6 expiration of a current license.
- 7 (4) No later than 30 days after issuing or renewing a license under this
8 subsection, the Department shall issue a medical cannabis center registry
9 identification card to each director and employee listed on the application or
10 renewal form upon receipt of a ten-dollar (\$10.00) fee per cardholder.
- 11 (5) A licensee shall notify the Department of any change in the information
12 submitted on the license application or renewal form within 30 days after the
13 change.
- 14 (6) A medical cannabis center licensee may do all of the following:
- 15 a. Sell cannabis, cannabis-infused products, cannabis plants, cannabis
16 seeds, cultivation equipment, and related supplies and educational
17 materials only to registry identification cardholders.
- 18 b. Contract with a producer to sell live plants on the premises of the
19 medical cannabis center to registry identification cardholders.
- 20 c. Assist registry identification cardholders with other products and
21 services, including equipment, supplies, and educational materials.
- 22 (7) A medical cannabis center licensee shall not cultivate cannabis unless
23 separately licensed as a producer of medical cannabis under subsection (c) of
24 this section.
- 25 (8) A medical cannabis center licensee and its directors, agents, and employees
26 are exempt from the criminal laws of this State for possession, production,
27 delivery, or transportation of cannabis, or aiding and abetting another in the
28 possession, production, delivery, or transportation of cannabis, or any other
29 criminal offense in which possession, production, delivery, or transportation
30 of cannabis is an element if the medical cannabis center and the directors,
31 agents, and employees of the medical cannabis center are in substantial
32 compliance with this section and the applicable rules adopted by the
33 Department for regulating medical cannabis centers.
- 34 (9) The records of a licensed medical cannabis center are subject to the same
35 restrictions imposed on pharmacy records pursuant to G.S. 90-85.36.
36 G.S. 90-85.36 shall apply to each medical cannabis center as if it were a
37 pharmacy regulated under Article 4A of Chapter 90 of the General Statutes.
- 38 (d) Producer of Medical Cannabis License. –
- 39 (1) No person shall cultivate cannabis for sale to a licensed medical cannabis
40 center without first applying for a license to the Department and submitting
41 the required information on application forms provided by the Department.
42 The application form shall require at least all of the following:
- 43 a. The name of the person responsible for the medical cannabis
44 production site and the name of each individual employed by that
45 person.
- 46 b. The address of each property, location, or premises used or proposed
47 for use by the producer to produce cannabis.
- 48 c. The name, address, and date of birth of each principal officer and
49 board member of the producer.
- 50 d. The name, address, and date of birth of each employee of the
51 producer.

- 1 e. For first-year licensees, a nonrefundable license fee in the amount of
2 five thousand dollars (\$5,000).
- 3 f. For licensees seeking license renewal, a nonrefundable renewal fee in
4 an amount not less than five thousand dollars (\$5,000), as specified
5 in the rules adopted pursuant to subsection (s) of this section.
- 6 g. Proof of North Carolina residency for each producer of medical
7 cannabis and each employee of the producer.
- 8 h. Proof that the producer of medical cannabis and each of the
9 producer's employees has attained the age of 21 years.
- 10 i. Any other information the Department considers necessary to ensure
11 compliance with this Article.
- 12 (2) Unless suspended or revoked, a producer of medical cannabis license is valid
13 for a period not to exceed 12 months from the date of issuance.
- 14 (3) A licensee shall notify the Department of any change in the information
15 submitted on the application form within 30 days after the change.
- 16 (4) A licensee shall apply for renewal, as necessary, at least 30 days prior to the
17 expiration of a current license.
- 18 (5) Not later than 30 days after issuing or renewing a producer of medical
19 cannabis license, the Department shall issue a producer of medical cannabis
20 registry identification card to the producer and to each of the producer's
21 employees upon payment of a fee of ten dollars (\$10.00) per cardholder.
- 22 (6) The Department shall issue a medical cannabis production site card to each
23 licensed producer of medical cannabis for each property, location, or
24 premises approved for cannabis production under this section. The card shall
25 be posted conspicuously at the medical cannabis production site.
- 26 (e) Producer of Cannabis-Infused Products License. –
- 27 (1) No person shall establish or operate a business to produce cannabis-infused
28 products without first applying for a license to the Department and
29 submitting the required information on application forms provided by the
30 Department. The application form shall require at least all of the following:
- 31 a. The name of the person or entity responsible for the cannabis
32 production site and any employee of that person or entity.
- 33 b. The address of each property, location, or premises used or proposed
34 for use by the producer of cannabis-infused products to produce
35 cannabis and cannabis-infused products.
- 36 c. The name, address, and date of birth of each principal officer and
37 board member of the producer of cannabis-infused products.
- 38 d. The name, address, and date of birth of each employee of the
39 producer of cannabis-infused products.
- 40 e. For first-year licensees, a nonrefundable license fee in the amount of
41 five thousand dollars (\$5,000).
- 42 f. For licensees seeking license renewal, a nonrefundable fee in an
43 amount not less than five thousand dollars (\$5,000), as specified in
44 rules adopted pursuant to subsection (s) of this section.
- 45 g. Proof of North Carolina residency for the producer of
46 cannabis-infused products and each of the producer's employees.
- 47 h. Proof that the producer of cannabis-infused products and each of the
48 producer's employees has attained the age of 21.
- 49 i. Any other information the Department considers necessary to ensure
50 compliance with the terms of this Article.

- 1 (2) Unless suspended or revoked, a license to produce cannabis-infused products
2 is valid for a period not to exceed 12 months from the date of issuance.
- 3 (3) A licensee shall notify the Department of any change in the information
4 submitted on the application form within 30 days after the change.
- 5 (4) A licensee shall apply for renewal, as necessary, at least 30 days prior to the
6 expiration of a current license.
- 7 (5) Not later than 30 days after issuing or renewing a license to produce
8 cannabis-infused products, the Department shall issue a registry
9 identification card to the licensed producer of cannabis-infused products and
10 to each of the producer's employees upon payment of a fee of ten dollars
11 (\$10.00) per cardholder.
- 12 (6) The Department shall issue a medical cannabis production site card to each
13 producer of cannabis-infused products for each property, location, or
14 premises approved for production of cannabis-infused products under this
15 section. The card shall be conspicuously posted at the location of the
16 medical cannabis production site.
- 17 (f) Permissible Sales Transactions. – All cannabis sold through the regulated medical
18 cannabis supply system established under this section shall be subject to the following
19 limitations and requirements:
- 20 (1) Only persons licensed as a medical cannabis center under subsection (b) of
21 this section are authorized to sell cannabis or cannabis-infused products to
22 qualified patients or designated caregivers through the system.
- 23 (2) Only persons licensed as a producer of medical cannabis under subsection
24 (c) of this section or a producer of cannabis-infused products under
25 subsection (d) of this section are authorized to produce cannabis for sale to
26 licensed medical cannabis centers through the system.
- 27 (3) A licensed medical cannabis center shall not sell cannabis, cannabis-infused
28 products, cannabis plants, cannabis seeds, cultivation equipment, and related
29 supplies and educational materials to any person other than a qualified
30 patient or designated caregiver.
- 31 (4) A licensed producer of medical cannabis shall not sell cannabis, cannabis
32 plants, or cannabis seeds to any person other than a licensed medical
33 cannabis center or a licensed producer of cannabis-infused products.
34 However, a licensed producer of medical cannabis may transfer for no
35 consideration cannabis, cannabis plants, or cannabis seeds to any qualified
36 patient or designated caregiver.
- 37 (5) A producer of cannabis-infused products shall not sell cannabis-infused
38 products for resale to any person other than a licensed medical cannabis
39 center.
- 40 (6) A medical cannabis center, producer of medical cannabis, or producer of
41 cannabis-infused products shall not sell to any registry identification
42 cardholder cannabis or cannabis plants in an amount that exceeds an
43 adequate supply.
- 44 (g) Exemption From Criminal Laws. – A medical cannabis center, producer of medical
45 cannabis, or producer of cannabis-infused products with a valid license for that function is
46 exempt from the criminal laws of this State for possession, production, delivery, or
47 transportation of cannabis, or aiding and abetting another in the possession, production,
48 delivery, or transportation of cannabis, or any other criminal offense in which possession,
49 production, delivery, or transportation of cannabis is an element if the medical cannabis center,
50 producer of medical cannabis, or producer of cannabis-infused products is in substantial
51 compliance with this section and any rules adopted under this section.

1 (h) Loss of Exemption From Criminal Laws. – A person who is not a qualified patient
2 or licensed caregiver but who is otherwise authorized to possess, produce, deliver, or transport
3 cannabis for medical use pursuant to this Article ceases to be exempt as provided in subsection
4 (g) of this section upon committing any of the following acts:

- 5 (1) Driving while impaired by cannabis, provided that the person shall not be
6 considered to be impaired solely for having cannabis metabolites in his or
7 her system.
- 8 (2) Delivering cannabis to any individual who the person knows is not a registry
9 identification cardholder or qualified patient.
- 10 (3) Manufacturing or distributing cannabis at an address not registered with the
11 Department.
- 12 (4) Failing to report transfer of cannabis authorized under this section to the
13 Department.

14 (i) Monthly Fees and Reporting. –

- 15 (1) Each medical cannabis center, producer of medical cannabis, and producer
16 of cannabis-infused products licensed under this section shall submit
17 quarterly reports to the Department on all financial transactions, including,
18 but not limited to, sales and purchases of cannabis and cannabis-infused
19 products and transfers of cannabis and cannabis-infused products for no
20 consideration.
- 21 (2) Each medical cannabis center licensed and operating under this section shall
22 pay to the Department monthly fees equal to ten percent (10%) of the
23 medical cannabis center's gross revenue derived from the sale of cannabis
24 and cannabis-infused products.
- 25 (3) Each producer of medical cannabis or cannabis-infused products producer
26 licensed and operating under this section shall pay to the Department
27 monthly fees equal to ten percent (10%) of the producer's gross revenue
28 derived from the sale of cannabis and cannabis-infused products.
- 29 (4) Each person who (i) holds a medical cannabis center license and either a
30 producer of medical cannabis license or cannabis-infused products producer
31 license, or both and (ii) operates both a retail medical cannabis center and
32 one or more production sites, shall pay to the Department monthly fees equal
33 to fifteen percent (15%) of that person's gross revenue derived from retail
34 sales of cannabis and cannabis-infused products produced by that person.
- 35 (5) Nothing in this subsection shall be construed to exempt persons licensed
36 under this section from the reporting or remittance of sales tax for any
37 transaction upon which a sales tax may be levied.

38 (j) The Department shall use system revenues from license fees and monthly gross
39 revenue fees to fund, in the following order of priority:

- 40 (1) Costs associated with establishing and operating the regulated medical
41 cannabis supply system established under this section.
- 42 (2) The registry system established under G.S. 90-730.5.
- 43 (3) The medical cannabis research program established under G.S. 90-730.9.
- 44 (4) Other Department programs.

45 (k) Disqualifications for Licensure. – The Department shall not issue a license
46 authorized by this section to any of the following persons:

- 47 (1) A person who has not paid the appropriate license or license renewal fee.
- 48 (2) An individual who is less than 21 years of age.
- 49 (3) A person who has served a sentence for any of the following felonies in the
50 five years immediately preceding the date of license application: any Class
51 A through E felony; any felony that includes assault as an essential element

of the offense; any felony under Article 14 (Burglary and Housebreakings) of Chapter 14 of the General Statutes; or any felony under Article 16 (Larceny), Article 16A (Organized Retail Theft), Article 17 (Robbery), Article 18 (Embezzlement), Article 19 (False Pretenses and Cheats), Article 19A (Obtaining Property or Services by False or Fraudulent Use of Credit Device or Other Means), Article 19B (Financial Transaction Card Crime Act), or Article 19C (Identity Theft) of Chapter 14 of the General Statutes. In order to ensure compliance with this subdivision, the Department shall conduct a criminal history record check of any person whose name is submitted on an application as the director or an employee of the medical cannabis center, or as a producer or employee of a producer.

(4) A person who at any time has been convicted of a felony violation for manufacturing, selling, delivering, or possessing with intent to manufacture, sell, deliver, or possess a Schedule I or II controlled substance, in violation of G.S. 90-95(b)(1). In order to ensure compliance with this subdivision, the Department shall conduct a criminal history record check of any person whose name is submitted on an application as the director or an employee of the medical cannabis center or as a producer or employee of a producer.

(5) Except as otherwise provided in this subdivision, a person who has not been a resident of North Carolina for at least two years prior to the date of the license application. A person who submits an application for licensure pursuant to this section within 180 days after the effective date of this Article is not subject to this residency requirement if the person was a resident of North Carolina for at least 180 days prior to the effective date of this Article.

(l) Inspection. – The Department may inspect the premises of any person seeking or holding licensure as a medical cannabis center or a licensed producer of medical cannabis, solely to determine compliance with this Article.

(m) License Suspension or Revocation. – The Department may suspend or revoke a license issued pursuant to this section if the Department determines that the licensee is not in substantial compliance with this section or the rules adopted by the North Carolina Medical Care Commission under subsection (r) of this section. The Department shall notify a licensee at least 14 days in advance of a proposed suspension or revocation, including the reasons for the suspension or revocation and any possible remedial options available to the licensee. The Department shall not suspend or revoke a license without conducting an investigation and providing the licensee an opportunity for a public hearing, at which the licensee shall be afforded an opportunity to be heard. The Department has the power to administer oaths and issue subpoenas to require the presence of persons and the production of papers, books, and records necessary to conduct a suspension or revocation hearing.

(n) The Department shall maintain a confidential list of the persons to whom the Department has issued a license pursuant to subsection (b), (c), or (d) of this section. Individual names and other identifying information on the list shall be confidential, exempt from the provisions of Chapter 132 of the General Statutes, and not subject to disclosure, except to authorized employees of the Department as necessary to perform official duties of the Department.

(o) The Department shall verify to law enforcement personnel whether a license is valid solely by confirming the validity of the license number and the name of the person to whom the Department has issued the license number.

(p) Any person, including an employee or official of the Department or another State agency or local government, who breaches the confidentiality of information obtained pursuant to subsection (c), (d), or (e) of this section is guilty of a Class 1 misdemeanor; however, any

fine imposed for a violation under this subsection shall not exceed one thousand dollars (\$1,000).

(q) Nothing in this section shall be construed to prevent Department employees from notifying law enforcement officers about falsified or fraudulent information submitted to the Department by any person in support of an application for a license authorized by subsection (c), (d), or (e) of this section.

(r) A person licensed under subsection (c), (d), or (e) of this section shall be granted the full legal protections provided in this section as long as the person is in possession of a valid license. If the person is not in possession of a valid license, the person shall be given a reasonable period of time to produce the license before the initiation of any arrest, criminal charges, or other penalties.

(s) Rules. – Not later than 120 days after the effective date of this act, the North Carolina Medical Care Commission shall adopt rules to implement the provisions of this section. The rules shall do all of the following:

(1) Establish requirements for the issuance of registry identification cards to qualified patients and designated caregivers, which shall include at least all of the following:

a. Written certification, as defined in G.S. 90-730.1.

b. An application or renewal fee.

c. The name, address, and date of birth of the qualified patient, except that if a qualified patient is homeless, no address is required.

d. The name, address, and telephone number of the qualified patient's physician.

e. The name, address, and date of birth of each of the qualified patient's designated caregivers, if any.

(2) Establish qualifications and requirements for licensure of medical cannabis centers, producers of medical cannabis, and producers of cannabis-infused products.

(3) Establish civil penalties for minor violations of the provisions of this section.

(t) Article 4 of Chapter 150B of the General Statutes governs judicial review of an administrative decision made under this section.

"§ 90-730.7. Affirmative defenses.

(a) Except as otherwise provided in this section and G.S. 90-730.4, either of the affirmative defenses set out in subdivisions (1) and (2) of this subsection may be used by a person charged with a criminal offense of possession, delivery, or production of cannabis, or any other criminal offense in which possession, delivery, or production of cannabis is an element. The affirmative defenses are as follows:

(1) The person satisfies all of the following criteria:

a. Has been diagnosed with a chronic or debilitating medical condition and has been advised by the person's attending physician that the medical use of cannabis may mitigate the symptoms or effects of that chronic or debilitating medical condition.

b. Is engaged in the medical use of cannabis.

c. Possesses, delivers, or produces cannabis only in the amount described in this Article as an adequate supply, or in an amount exceeding an adequate supply if the person proves by a preponderance of the evidence that the greater amount is medically necessary to mitigate the symptoms or effects of the person's chronic or debilitating medical condition, as determined by the person's attending physician.

(2) The person satisfies all of the following criteria:

1 a. Is assisting a person described in sub-subdivision (1)a. of this
2 subsection in the medical use of cannabis.
3 b. Possesses, delivers, or produces cannabis only in the amount
4 described herein as an adequate supply or in excess of that amount if
5 the person proves by a preponderance of the evidence that the greater
6 amount is medically necessary to mitigate the symptoms or effects of
7 the assisted person's chronic or debilitating medical condition, as
8 determined by the assisted person's attending physician.

9 (b) A person does not need to be a registry identification cardholder in order to assert an
10 affirmative defense described in this section.

11 (c) A qualified patient or designated caregiver who has not received a registry
12 identification card may present evidence supporting the need for the medical use of cannabis.
13 Such evidence may constitute a defense to a charge of cannabis possession or cultivation and is
14 admissible in the courts of the State of North Carolina if such evidence otherwise properly
15 qualifies as admissible under the rules of evidence.

16 (d) Except as otherwise provided in this section and in addition to the affirmative
17 defenses described in subsection (a) of this section, a person engaged or assisting in the medical
18 use of cannabis who is charged with a crime pertaining to the medical use of cannabis is not
19 precluded from doing either of the following:

20 (1) Asserting a full defense of medical necessity.

21 (2) Presenting evidence supporting the medical necessity of using cannabis for
22 treatment of a specific disease or medical condition if (i) the amount of
23 cannabis at issue is not greater than the amount described in this Article as
24 an adequate supply, and (ii) the person has taken steps to substantially
25 comply with the provisions of this Article.

26 (e) A person may assert the need for the medical use of cannabis in a motion to dismiss,
27 and the court shall dismiss charges following an evidentiary hearing where the defendant shows
28 that the elements listed in subsection (a) of this section existed at any time prior or subsequent
29 to the charges being filed.

30 (f) Any interest in or right to property that was possessed, owned, or used in connection
31 with a person's use of cannabis for medical purposes shall not be forfeited, nor shall the person
32 be subject to disciplinary action by a business or occupational or professional licensing board
33 or bureau if the person or the person's designated caregiver demonstrates the person's medical
34 purpose for using cannabis pursuant to this section.

35 **"§ 90-730.8. Immunity for physicians.**

36 A physician shall not be subject to arrest or prosecution, penalized in any manner, or denied
37 any right or privilege for recommending the medical use of cannabis or providing written
38 certification for the medical use of cannabis pursuant to this Article.

39 **"§ 90-730.9. North Carolina Cannabis Research Program.**

40 (a) It is the intent of the General Assembly that The University of North Carolina
41 System undertake objective scientific research regarding the efficacy and safety of
42 administering cannabis as part of medical treatment. If the Board of Governors of The
43 University of North Carolina, by appropriate resolution, accepts this responsibility, The
44 University of North Carolina shall create a program to be known as the North Carolina
45 Cannabis Research Program.

46 (b) The purpose of the program is to develop and conduct studies designed to ascertain
47 the general safety and efficacy of using cannabis for medical treatment. If the studies conclude
48 that cannabis is safe and effective for medical treatment, the program shall develop medical
49 guidelines for the appropriate administration and use of cannabis to assist physicians and
50 patients in evaluating the risks and benefits of using cannabis for medical treatment and to
51 provide a scientific basis for future policies.

(c) The research conducted under this section may involve the development of quality control, purity, and labeling standards for medical cannabis dispensed through the system; sound advice and recommendations on the best practices for the safe and efficient cultivation of cannabis; and analysis of genetic and healing properties of the many varied strains of cannabis to determine which strains may be best suited for a particular condition or treatment.

"§ 90-730.10. Severability.

The provisions of this Article are severable. If any provision of this Article is held invalid by a court of competent jurisdiction, the invalidity shall not affect other provisions of this Article which can be given effect without the invalid provision."

SECTION 5. During the period between the effective date of this act and 30 days after the effective date of rules adopted under G.S. 90-730.6(s), the following provisions apply:

- (1) The Department of Agriculture and Consumer Services shall issue a temporary certificate for participation in the regulated medical supply system established under G.S. 90-730.6 to any individual who would be eligible to participate in the system as a qualified patient but for the adoption of rules to fully implement the system upon presentation of a written certification for the medical use of cannabis from the individual's treating physician. The certificate shall specify the amount of cannabis the certificate holder may possess for the medical use of cannabis. The Department of Agriculture and Consumer Services shall maintain a list of all temporary certificates issued pursuant to this section.
- (2) An individual in possession of a temporary certificate issued pursuant to subdivision (1) of this section and that individual's designated caregiver are not subject to arrest, prosecution, civil or criminal penalty, or denial of any right or privilege for possessing cannabis if the amount of usable cannabis possessed collectively is not more than the amount specified on the temporary certificate issued by the Department of Agriculture and Consumer Services.
- (3) A physician shall not be subject to arrest or prosecution, penalized in any manner, or denied any right or privilege for recommending the medical use of cannabis or providing written certification for the medical use of cannabis pursuant to this Article.

SECTION 6. G.S. 106-121(6) reads as rewritten:

- "(6) The term "drug" means
- a. Articles recognized in the official United States Pharmacopoeia, official Homeopathic Pharmacopoeia of the United States, or official National Formulary, or any supplement to any of them; and
 - b. Articles intended for use in the diagnosis, cure, mitigation, treatment or prevention of disease in man or other ~~animals~~animals, except for cannabis-infused products, as defined in G.S. 90-730.1, that are manufactured or sold by a licensed medical cannabis center or a licensed producer of cannabis-infused products; and
 - c. Articles (other than food) intended to affect the structure or any function of the body of man or other animals; and
 - d. Articles intended for use as a component of any article specified in paragraphs a, b or c; but does not include devices or their components, parts, or accessories."

SECTION 7. G.S. 106-121(8) reads as rewritten:

- "(8) The term "food" means
- a. Articles used for food or drink for man or other animals,except for cannabis-infused products, as defined in G.S. 90-730.1, that are

1 manufactured or sold by a licensed medical cannabis center or a
2 licensed producer of cannabis-infused products,

3 b. Chewing gum, and

4 c. Articles used for components of any such article."

5 **SECTION 8.** G.S. 105-164.4(a) is amended by adding a new subdivision to read:

6 "(12) The general rate of tax under this section applies to the gross receipts
7 derived from sales of cannabis, cannabis-infused products as defined in
8 G.S. 90-730.2, cannabis plants, cannabis seeds, cannabis cultivation
9 equipment, and related cannabis supplies. A person who, pursuant to Article
10 43 of Chapter 90 of the General Statutes, sells cannabis, cannabis-infused
11 products as defined in G.S. 90-730.2, cannabis plants, cannabis seeds,
12 cannabis cultivation equipment, and related cannabis supplies is considered a
13 retailer under this Article. For the purpose of this subdivision, cannabis has
14 the same meaning as marijuana under G.S. 90-87(16)."

15 **SECTION 9.** Sections 4 through 8 of this act are effective only upon approval by
16 the voters of the constitutional amendment proposed in Section 1 of this act. If the
17 constitutional amendment proposed in Section 1 is approved by the voters, Sections 4 through 7
18 of this act become effective December 1, 2014, and Section 8 of this act becomes effective on
19 December 1, 2014, and applies to sales made on or after that date. The remainder of this act is
20 effective when it becomes law.