

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2015

H.B. 78  
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HOUSE PRINCIPAL CLERK

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HOUSE DRH20023-MG-31B (02/05)

Short Title: Enact Medical Cannabis Act. (Public)

Sponsors: Representatives Alexander, Carney, Harrison, and Cunningham (Primary Sponsors).

Referred to:

1 A BILL TO BE ENTITLED  
2 AN ACT TO ENACT THE NORTH CAROLINA MEDICAL CANNABIS ACT.  
3 The General Assembly of North Carolina enacts:

4 SECTION 1. Chapter 90 of the General Statutes is amended by adding a new  
5 Article to read:

6 "Article 43.

7 "North Carolina Medical Cannabis Act.

8 "**§ 90-730. Short title.**

9 This Article shall be known and may be cited as the "North Carolina Medical Cannabis  
10 Act."

11 "**§ 90-730.1. Legislative findings and purpose.**

12 The General Assembly makes the following findings:

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

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

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



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- 1           (4)   In 1992, the United States Drug Enforcement Administration (DEA)  
2           published research in a report entitled "Cannabis Yields" stating that canopy  
3           cover, rather than the number of plants, is the most accurate indicator of a  
4           garden's yield. According to the DEA report, 250 square feet of mature  
5           garden canopy will typically yield six pounds of processed cannabis per  
6           year, a common amount for patients who use cannabis daily, and less than  
7           the amount prescribed and delivered to the IND patients by the federal  
8           government.
- 9           (5)   Although federal law currently prohibits any use of cannabis outside of the  
10          IND program, the laws of Alaska, Arizona, California, Colorado,  
11          Connecticut, District of Columbia, Delaware, Hawaii, Illinois, Maine,  
12          Maryland, Massachusetts, Michigan, Minnesota, Montana, Nevada, New  
13          Hampshire, New Jersey, New Mexico, New York, Oregon, Rhode Island,  
14          Vermont, and Washington permit the medical use and cultivation of  
15          cannabis. North Carolina joins in this effort for the health and welfare of its  
16          citizens.
- 17          (6)   States are not required to enforce federal law or prosecute people for  
18          engaging in activities prohibited by federal law. Therefore, compliance with  
19          this Article does not put the State of North Carolina in violation of federal  
20          law.
- 21          (7)   Compassion dictates that State law should make a distinction between the  
22          medical and nonmedical use of cannabis. Hence, the purpose of this Article  
23          is to protect patients with debilitating medical conditions, and their  
24          physicians and caregivers, from arrest and prosecution, criminal and other  
25          penalties, and property forfeiture by allowing the beneficial use of medical  
26          cannabis in a regulated system for alleviating symptoms caused by  
27          debilitating medical conditions and their medical treatments.
- 28          (8)   This Article is intended to make only those changes to existing North  
29          Carolina laws that are necessary to protect patients and their doctors from  
30          criminal and civil penalties and is not intended to change current civil and  
31          criminal laws governing the use of cannabis for nonmedical purposes.
- 32          (9)   Based on data gathered from other states where medical cannabis has been  
33          regulated, this Article will result in approximately two hundred fifty million  
34          dollars (\$250,000,000) per year in revenues for the State within four years of  
35          implementation.
- 36          (10)  The General Assembly enacts this Article pursuant to its police power to  
37          enact legislation for the protection of the health of its citizens, as reserved to  
38          the State in the Tenth Amendment of the United States Constitution.

39    **"§ 90-730.2. Definitions.**

40    The following definitions apply in this Article:

- 41          (1)   "Adequate supply" has the following meanings:
- 42               a.   An amount of usable cannabis derived solely from an intrastate  
43               source that is possessed by a qualified patient, or collectively  
44               possessed by a qualified patient and the qualified patient's designated  
45               caregiver, in an amount that does not exceed what is reasonably  
46               necessary to assure the uninterrupted availability of cannabis for a  
47               period of three months, in any form recommended by the qualified  
48               patient's physician for the purpose of alleviating the symptoms or  
49               effects of the qualified patient's debilitating medical condition.
- 50               b.   For a qualified patient for whom a delivery method of inhalation of  
51               cannabis vapor or smoking is recommended by the qualified patient's

1           physician, "adequate supply" means not more than 24 ounces of  
2           cannabis in a form usable for that purpose. The term also includes a  
3           garden cultivated by the qualified patient or the qualified patient's  
4           designated caregiver of not more than 250 feet of total garden canopy  
5           of mature female cannabis plants, measured by the combined  
6           vegetative growth area, excluding any garden space devoted to  
7           cannabis plants that are not mature and female but which are  
8           cultivated for the purpose of maintaining the largest and most  
9           productive canopy of mature female cannabis plants allowed by this  
10          Article.

11          c.   For a qualified patient for whom a delivery method other than  
12          inhalation of cannabis vapor or smoking has been recommended by  
13          the patient's physician, "adequate supply" means a garden of  
14          cannabis cultivated by the qualified patient or the qualified patient's  
15          designated caregiver of a size reasonably necessary to assure the  
16          uninterrupted availability of cannabis for a period of three months, in  
17          a form recommended by the qualified patient's physician, for the  
18          purpose of alleviating the symptoms or effects of the qualified  
19          patient's debilitating medical condition.

20          (2)   "Bona fide physician-patient relationship" means a physician and a patient  
21          have a treatment or counseling relationship in which the physician has  
22          completed a full assessment of the patient's medical history and current  
23          medical condition, including an appropriate physical examination; and the  
24          physician is available or offers to provide follow-up care and treatment to  
25          the patient, including patient examinations, to determine the efficacy of the  
26          use of medical cannabis as a treatment for the patient's medical condition.

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

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

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

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

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

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

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

1           c.     Any other serious medical or mental condition or its treatment  
2           approved by a physician or other practitioner authorized to prescribe  
3           or recommend a controlled substance classified in the schedules set  
4           forth in either the Controlled Substances Act (Article 5 of Chapter 90  
5           of the General Statutes) or the federal Comprehensive Drug Abuse  
6           Prevention and Control Act of 1970, P.L. 91-513, 84 Stat. 1236 (Oct.  
7           27, 1970).

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

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

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

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

20          (12)   "Medical use of cannabis" means the acquisition, possession, cultivation,  
21          manufacture, use, internal possession, delivery, transfer, or transportation of  
22          cannabis or paraphernalia relating to the administration of cannabis to treat  
23          or alleviate a qualified patient's medical condition or symptoms associated  
24          with the medical condition or its treatment.

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

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

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

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

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

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

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

48          (20)   "Written certification" means a statement in a patient's medical records or a  
49          statement signed by a physician with whom the patient has a bona fide  
50          physician-patient relationship indicating that, in the physician's professional  
51          opinion, the patient has a debilitating medical condition and the potential

1 health benefits of the medical use of cannabis would likely outweigh the  
2 health risks for the patient.

3 **"§ 90-730.3. Protections for the medical use of cannabis.**

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

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

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

21 (d) Subsection (a) of this section does not apply to a qualified patient under 18 years of  
22 age, unless all of the following criteria are met:

23 (1) The qualified patient's physician has explained the potential risks and  
24 benefits of the medical use of cannabis to the qualified patient and to a  
25 parent, guardian, or person having legal custody of the qualified patient.

26 (2) A parent, guardian, or person having legal custody of the qualified patient  
27 consents in writing to (i) allow the qualified patient's medical use of  
28 cannabis, (ii) serve as the qualified patient's designated caregiver, and (iii)  
29 control the dosage and frequency of the medical use of cannabis by the  
30 qualified patient.

31 (e) A qualified patient or a designated caregiver shall be granted the full legal  
32 protections provided in this section as long as the qualified patient or designated caregiver is in  
33 possession of a registry identification card. If the qualified patient or designated caregiver is not  
34 in possession of a registry identification card, the individual shall be given an opportunity to  
35 produce the registry identification card before the initiation of any arrest, criminal charges, or  
36 other penalties.

37 (f) A qualified patient or a designated caregiver is presumed to be engaged in the  
38 medical use of cannabis if the qualified patient or designated caregiver is in possession of a  
39 registry identification card and an amount of cannabis that does not exceed the qualified  
40 patient's adequate supply. This presumption may be rebutted only by evidence that the qualified  
41 patient or designated caregiver engaged in conduct related to cannabis for a purpose other than  
42 alleviating the qualified patient's debilitating medical condition or symptoms associated with  
43 the debilitating medical condition.

44 (g) A designated caregiver may receive reimbursement for costs associated with  
45 assisting a qualified patient in the medical use of cannabis. Reimbursement for these costs does  
46 not constitute the sale of a controlled substance under Article 5 of Chapter 90 of the General  
47 Statutes.

48 (h) A school, employer, or landlord shall not refuse to enroll, employ, lease, or  
49 otherwise penalize a qualified patient or a designated caregiver solely because of (i) the  
50 individual's status as a qualified patient or a designated caregiver or (ii) the presence of  
51 cannabis metabolites in the individual's bodily fluids.

1        (i) For the purposes of medical care, including organ transplants, a qualified patient's  
2 authorized use of cannabis in accordance with this Article shall be treated in the same manner  
3 as the authorized use of any other medication used at the direction of a physician and shall not  
4 constitute the use of an illegal substance.

5        (j) A licensed producer of medical cannabis shall not be subject to arrest, prosecution,  
6 or penalty in any manner, or denied any right or privilege, or subject to disciplinary action by a  
7 business or occupational or professional licensing board or bureau for producing, possessing,  
8 distributing, or dispensing cannabis in a manner consistent with this Article.

9        (k) A physician shall not be subject to arrest, prosecution, or penalty in any manner, or  
10 denied any right or privilege, or subject to increased monitoring or disciplinary action by the  
11 North Carolina Medical Board or any other business or occupational or professional licensing  
12 board or bureau for either of the following:

13            (1) Advising a patient about the risks and benefits of the medical use of  
14 cannabis or that the patient may benefit from the medical use of cannabis if,  
15 in the physician's medical judgment, the potential benefits of the medical use  
16 of cannabis would likely outweigh the health risks for that particular patient.

17            (2) Providing a patient with valid documentation, based upon the physician's  
18 assessment of the patient's medical history and current medical condition,  
19 that the potential benefits of the medical use of cannabis would likely  
20 outweigh the health risks for that particular patient.

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

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

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

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

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

50        (q) Possession of or application for a registry identification card shall not alone  
51 constitute probable cause to search the person or the property of the person possessing or

1 applying for a registry identification card or otherwise subject the person or the person's  
2 property to inspection by any government agency.

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

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

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

20 **"§ 90-730.4. Prohibitions, restrictions, and limitations on medical use of cannabis.**

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

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

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

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

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

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

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

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

49 **"§ 90-730.5. Registry identification cards for qualified patients and designated caregivers.**

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

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

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

5           **(1)**   The qualified patient's physician has explained the potential risks and  
6 benefits of the medical use of cannabis to the qualified patient and to a  
7 parent, guardian, or person having legal custody of the qualified patient.

8           **(2)**   A parent, guardian, or person having legal custody of the qualified patient  
9 consents in writing to (i) allow the qualified patient's medical use of  
10 cannabis, (ii) serve as one of the qualified patient's designated caregivers,  
11 and (iii) control the acquisition of the cannabis, the dosage, and the  
12 frequency of the medical use of cannabis by the qualified patient.

13       **(d)**    The Department shall verify the information contained in a registry identification  
14 card application or renewal application submitted pursuant to this section and shall approve or  
15 deny an application or renewal application within 45 days after receipt. The Department may  
16 deny a registry identification card application or renewal application only if the applicant fails  
17 to provide the information required pursuant to this section or if the Department determines that  
18 the application or renewal application contains false information. If the Department fails to  
19 approve or deny a registration application or renewal application submitted pursuant to this  
20 section within 45 days after receipt, the application or renewal application shall be deemed  
21 approved, and a copy of the application or renewal application together with proof of receipt by  
22 the Department at least 45 days prior to the date this information is presented in lieu of a  
23 registry identification card shall be deemed a valid registry identification card.

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

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

29       **(g)**    Each registry identification card shall contain at least all of the following  
30 information:

31           **(1)**   The date of issuance.

32           **(2)**   The date of expiration.

33           **(3)**   A random registry identification number.

34           **(4)**   A photograph of the registry identification cardholder.

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

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

43           **(2)**   A designated caregiver shall notify the Department of any change in name or  
44 address and submit a ten-dollar (\$10.00) fee to the Department within 15  
45 days after the change occurs. A designated caregiver who fails to notify the  
46 Department of any of these changes within the specified time frame commits  
47 an infraction and is subject to a fine not to exceed one hundred fifty dollars  
48 (\$150.00).

49           **(3)**   When a qualified patient or designated caregiver notifies the Department of  
50 any change, as required by this subsection, the Department shall issue the  
51 qualified patient and each designated caregiver a new registry identification



1 card within 10 days after receiving the updated information and the  
2 ten-dollar (\$10.00) fee.

3 (4) When a qualified patient who possesses a registry identification card notifies  
4 the Department of a change in designated caregiver, the Department shall  
5 notify the designated caregiver of record of the change within 15 days after  
6 receiving notification of the change. The protections afforded under this  
7 Article to the designated caregiver of record shall expire 30 days after the  
8 designated caregiver of record is notified by the Department of the change in  
9 designated caregiver.

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

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

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

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

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

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

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

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

40 **"§ 90-730.6. Regulated medical cannabis supply system.**

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

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

49 (c) Medical Cannabis Center License. –

50 (1) No person shall establish or operate a medical cannabis center without first  
51 applying for a license to the Department and submitting the required

- 1 information on application forms provided by the Department. The  
2 application form shall require at least all of the following:
- 3 a. The applicant's name and any name the applicant will use in the  
4 operation of a medical cannabis center.
  - 5 b. The address of any property the applicant will use to possess, deliver,  
6 transport, dispense, or distribute cannabis.
  - 7 c. The name, address, and date of birth of each principal officer and  
8 board member of the medical cannabis center.
  - 9 d. The name, address, and date of birth of each employee of the medical  
10 cannabis center.
  - 11 e. For first-year licensees, a nonrefundable license fee in the amount of  
12 five thousand dollars (\$5,000).
  - 13 f. For licensees seeking license renewal, a nonrefundable renewal fee in  
14 an amount not less than five thousand dollars (\$5,000), as specified  
15 in rules adopted pursuant to subsection (s) of this section.
  - 16 g. Proof of North Carolina residency for each principal officer, board  
17 member, and employee of the medical cannabis center.
  - 18 h. Any other information the Department considers necessary to ensure  
19 compliance with the terms of this Article.
- 20 (2) Unless suspended or revoked, a medical cannabis center license is valid for a  
21 period not to exceed 12 months from the date of issuance.
- 22 (3) A licensee shall apply for renewal, as necessary, at least 30 days prior to the  
23 expiration of a current license.
- 24 (4) No later than 30 days after issuing or renewing a license under this  
25 subsection, the Department shall issue a medical cannabis center registry  
26 identification card to each director and employee listed on the application or  
27 renewal form upon receipt of a ten-dollar (\$10.00) fee per cardholder.
- 28 (5) A licensee shall notify the Department of any change in the information  
29 submitted on the license application or renewal form within 30 days after the  
30 change.
- 31 (6) A medical cannabis center licensee may do all of the following:
- 32 a. Sell cannabis, cannabis-infused products, cannabis plants, cannabis  
33 seeds, cultivation equipment, and related supplies and educational  
34 materials only to registry identification cardholders.
  - 35 b. Contract with a producer to sell live plants on the premises of the  
36 medical cannabis center to registry identification cardholders.
  - 37 c. Assist registry identification cardholders with other products and  
38 services, including equipment, supplies, and educational materials.
- 39 (7) A medical cannabis center licensee shall not cultivate cannabis unless  
40 separately licensed as a producer of medical cannabis under subsection (c) of  
41 this section.
- 42 (8) A medical cannabis center licensee and its directors, agents, and employees  
43 are exempt from the criminal laws of this State for possession, production,  
44 delivery, or transportation of cannabis, or aiding and abetting another in the  
45 possession, production, delivery, or transportation of cannabis, or any other  
46 criminal offense in which possession, production, delivery, or transportation  
47 of cannabis is an element if the medical cannabis center and the directors,  
48 agents, and employees of the medical cannabis center are in substantial  
49 compliance with this section and the applicable rules adopted by the  
50 Department for regulating medical cannabis centers.

- 1           (9) The records of a licensed medical cannabis center are subject to the same  
2           restrictions imposed on pharmacy records pursuant to G.S. 90-85.36.  
3           G.S. 90-85.36 shall apply to each medical cannabis center as if it were a  
4           pharmacy regulated under Article 4A of Chapter 90 of the General Statutes.
- 5       (d) Producer of Medical Cannabis License. –
- 6           (1) No person shall cultivate cannabis for sale to a licensed medical cannabis  
7           center without first applying for a license to the Department and submitting  
8           the required information on application forms provided by the Department.  
9           The application form shall require at least all of the following:
- 10           a. The name of the person responsible for the medical cannabis  
11           production site and the name of each individual employed by that  
12           person.
- 13           b. The address of each property, location, or premises used or proposed  
14           for use by the producer to produce cannabis.
- 15           c. The name, address, and date of birth of each principal officer and  
16           board member of the producer.
- 17           d. The name, address, and date of birth of each employee of the  
18           producer.
- 19           e. For first-year licensees, a nonrefundable license fee in the amount of  
20           five thousand dollars (\$5,000).
- 21           f. For licensees seeking license renewal, a nonrefundable renewal fee in  
22           an amount not less than five thousand dollars (\$5,000), as specified  
23           in the rules adopted pursuant to subsection (s) of this section.
- 24           g. Proof of North Carolina residency for each producer of medical  
25           cannabis and each employee of the producer.
- 26           h. Proof that the producer of medical cannabis and each of the  
27           producer's employees has attained the age of 21 years.
- 28           i. Any other information the Department considers necessary to ensure  
29           compliance with this Article.
- 30           (2) Unless suspended or revoked, a producer of medical cannabis license is valid  
31           for a period not to exceed 12 months from the date of issuance.
- 32           (3) A licensee shall notify the Department of any change in the information  
33           submitted on the application form within 30 days after the change.
- 34           (4) A licensee shall apply for renewal, as necessary, at least 30 days prior to the  
35           expiration of a current license.
- 36           (5) Not later than 30 days after issuing or renewing a producer of medical  
37           cannabis license, the Department shall issue a producer of medical cannabis  
38           registry identification card to the producer and to each of the producer's  
39           employees upon payment of a fee of ten dollars (\$10.00) per cardholder.
- 40           (6) The Department shall issue a medical cannabis production site card to each  
41           licensed producer of medical cannabis for each property, location, or  
42           premises approved for cannabis production under this section. The card shall  
43           be posted conspicuously at the medical cannabis production site.
- 44       (e) Producer of Cannabis-Infused Products License. –
- 45           (1) No person shall establish or operate a business to produce cannabis-infused  
46           products without first applying for a license to the Department and  
47           submitting the required information on application forms provided by the  
48           Department. The application form shall require at least all of the following:  
49           a. The name of the person or entity responsible for the cannabis  
50           production site and any employee of that person or entity.

- 1            b.     The address of each property, location, or premises used or proposed  
2            for use by the producer of cannabis-infused products to produce  
3            cannabis and cannabis-infused products.  
4            c.     The name, address, and date of birth of each principal officer and  
5            board member of the producer of cannabis-infused products.  
6            d.     The name, address, and date of birth of each employee of the  
7            producer of cannabis-infused products.  
8            e.     For first-year licensees, a nonrefundable license fee in the amount of  
9            five thousand dollars (\$5,000).  
10           f.     For licensees seeking license renewal, a nonrefundable fee in an  
11           amount not less than five thousand dollars (\$5,000), as specified in  
12           rules adopted pursuant to subsection (s) of this section.  
13           g.     Proof of North Carolina residency for the producer of  
14           cannabis-infused products and each of the producer's employees.  
15           h.     Proof that the producer of cannabis-infused products and each of the  
16           producer's employees has attained the age of 21 years.  
17           i.     Any other information the Department considers necessary to ensure  
18           compliance with the terms of this Article.  
19           (2)    Unless suspended or revoked, a license to produce cannabis-infused products  
20           is valid for a period not to exceed 12 months from the date of issuance.  
21           (3)    A licensee shall notify the Department of any change in the information  
22           submitted on the application form within 30 days after the change.  
23           (4)    A licensee shall apply for renewal, as necessary, at least 30 days prior to the  
24           expiration of a current license.  
25           (5)    Not later than 30 days after issuing or renewing a license to produce  
26           cannabis-infused products, the Department shall issue a registry  
27           identification card to the licensed producer of cannabis-infused products and  
28           to each of the producer's employees upon payment of a fee of ten dollars  
29           (\$10.00) per cardholder.  
30           (6)    The Department shall issue a medical cannabis production site card to each  
31           producer of cannabis-infused products for each property, location, or  
32           premises approved for production of cannabis-infused products under this  
33           section. The card shall be conspicuously posted at the location of the  
34           medical cannabis production site.  
35           (f)    Permissible Sales Transactions. – All cannabis sold through the regulated medical  
36           cannabis supply system established under this section shall be subject to the following  
37           limitations and requirements:  
38           (1)    Only persons licensed as a medical cannabis center under subsection (b) of  
39           this section are authorized to sell cannabis or cannabis-infused products to  
40           qualified patients or designated caregivers through the system.  
41           (2)    Only persons licensed as a producer of medical cannabis under subsection  
42           (c) of this section or a producer of cannabis-infused products under  
43           subsection (d) of this section are authorized to produce cannabis for sale to  
44           licensed medical cannabis centers through the system.  
45           (3)    A licensed medical cannabis center shall not sell cannabis, cannabis-infused  
46           products, cannabis plants, cannabis seeds, cultivation equipment, and related  
47           supplies and educational materials to any person other than a qualified  
48           patient or designated caregiver.  
49           (4)    A licensed producer of medical cannabis shall not sell cannabis, cannabis  
50           plants, or cannabis seeds to any person other than a licensed medical  
51           cannabis center or a licensed producer of cannabis-infused products.

1 However, a licensed producer of medical cannabis may transfer for no  
2 consideration cannabis, cannabis plants, or cannabis seeds to any qualified  
3 patient or designated caregiver.

4 (5) A producer of cannabis-infused products shall not sell cannabis-infused  
5 products for resale to any person other than a licensed medical cannabis  
6 center.

7 (6) A medical cannabis center, producer of medical cannabis, or producer of  
8 cannabis-infused products shall not sell to any registry identification  
9 cardholder cannabis or cannabis plants in an amount that exceeds an  
10 adequate supply.

11 (g) Exemption From Criminal Laws. – A medical cannabis center, producer of medical  
12 cannabis, or producer of cannabis-infused products with a valid license for that function is  
13 exempt from the criminal laws of this State for possession, production, delivery, or  
14 transportation of cannabis, or aiding and abetting another in the possession, production,  
15 delivery, or transportation of cannabis, or any other criminal offense in which possession,  
16 production, delivery, or transportation of cannabis is an element if the medical cannabis center,  
17 producer of medical cannabis, or producer of cannabis-infused products is in substantial  
18 compliance with this section and any rules adopted under this section.

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

23 (1) Driving while impaired by cannabis, provided that the person shall not be  
24 considered to be impaired solely for having cannabis metabolites in his or  
25 her system.

26 (2) Delivering cannabis to any individual who the person knows is not a registry  
27 identification cardholder or qualified patient.

28 (3) Manufacturing or distributing cannabis at an address not registered with the  
29 Department.

30 (4) Failing to report transfer of cannabis authorized under this section to the  
31 Department.

32 (i) Monthly Fees and Reporting. –

33 (1) Each medical cannabis center, producer of medical cannabis, and producer  
34 of cannabis-infused products licensed under this section shall submit  
35 quarterly reports to the Department on all financial transactions, including,  
36 but not limited to, sales and purchases of cannabis and cannabis-infused  
37 products, and transfers of cannabis and cannabis-infused products for no  
38 consideration.

39 (2) Each medical cannabis center licensed and operating under this section shall  
40 pay to the Department monthly fees equal to ten percent (10%) of the  
41 medical cannabis center's gross revenue derived from the sale of cannabis  
42 and cannabis-infused products.

43 (3) Each producer of medical cannabis or cannabis-infused products producer  
44 licensed and operating under this section shall pay to the Department  
45 monthly fees equal to ten percent (10%) of the producer's gross revenue  
46 derived from the sale of cannabis and cannabis-infused products.

47 (4) Each person who (i) holds a medical cannabis center license and either a  
48 producer of medical cannabis license or cannabis-infused products producer  
49 license, or both, and (ii) operates both a retail medical cannabis center and  
50 one or more production sites, shall pay to the Department monthly fees equal

- 1                    to fifteen percent (15%) of that person's gross revenue derived from retail  
2                    sales of cannabis and cannabis-infused products produced by that person.
- 3            (5)    Nothing in this subsection shall be construed to exempt persons licensed  
4                    under this section from the reporting or remittance of sales tax for any  
5                    transaction upon which a sales tax may be levied.
- 6            (j)    The Department shall use system revenues from license fees and monthly gross  
7                    revenue fees to fund, in the following order of priority:
- 8                    (1)    Costs associated with establishing and operating the regulated medical  
9                    cannabis supply system established under this section.
- 10                  (2)    The registry system established under G.S. 90-730.5.
- 11                  (3)    The medical cannabis research program established under G.S. 90-730.9.
- 12                  (4)    Other Department programs.
- 13            (k)    Disqualifications for Licensure. – The Department shall not issue a license  
14                    authorized by this section to any of the following persons:
- 15                  (1)    A person who has not paid the appropriate license or license renewal fee.
- 16                  (2)    An individual who is less than 21 years of age.
- 17                  (3)    A person who has served a sentence for any of the following felonies in the  
18                    five years immediately preceding the date of license application: any Class  
19                    A through E felony; any felony that includes assault as an essential element  
20                    of the offense; any felony under Article 14 (Burglary and Housebreakings)  
21                    of Chapter 14 of the General Statutes; any felony under Article 16  
22                    (Larceny), Article 16A (Organized Retail Theft), Article 17 (Robbery),  
23                    Article 18 (Embezzlement), Article 19 (False Pretenses and Cheats), Article  
24                    19A (Obtaining Property or Services by False or Fraudulent Use of Credit  
25                    Device or Other Means), Article 19B (Financial Transaction Card Crime  
26                    Act), or Article 19C (Identity Theft) of Chapter 14 of the General Statutes.  
27                    In order to ensure compliance with this subdivision, the Department shall  
28                    conduct a criminal history record check of any person whose name is  
29                    submitted on an application as the director or an employee of the medical  
30                    cannabis center, or as a producer or employee of a producer.
- 31                  (4)    A person who at any time has been convicted of a felony violation for  
32                    manufacturing, selling, delivering, or possessing with intent to manufacture,  
33                    sell, deliver, or possess a Schedule I or II controlled substance, in violation  
34                    of G.S. 90-95(b)(1). In order to ensure compliance with this subdivision, the  
35                    Department shall conduct a criminal history record check of any person  
36                    whose name is submitted on an application as the director or an employee of  
37                    the medical cannabis center or as a producer or employee of a producer.
- 38                  (5)    Except as otherwise provided in this subdivision, a person who has not been  
39                    a resident of North Carolina for at least two years prior to the date of the  
40                    license application. A person who submits an application for licensure  
41                    pursuant to this section within 180 days after the effective date of this  
42                    Article is not subject to this residency requirement if the person was a  
43                    resident of North Carolina for at least 180 days prior to the effective date of  
44                    this Article.
- 45            (l)    Inspection. – The Department may inspect the premises of any person seeking or  
46                    holding licensure as a medical cannabis center or a licensed producer of medical cannabis,  
47                    solely to determine compliance with this Article.
- 48            (m)    License Suspension or Revocation. – The Department may suspend or revoke a  
49                    license issued pursuant to this section if the Department determines that the licensee is not in  
50                    substantial compliance with this section or the rules adopted by the North Carolina Medical  
51                    Care Commission under subsection (r) of this section. The Department shall notify a licensee at

1 least 14 days in advance of a proposed suspension or revocation, including the reasons for the  
2 suspension or revocation and any possible remedial options available to the licensee. The  
3 Department shall not suspend or revoke a license without conducting an investigation and  
4 providing the licensee an opportunity for a public hearing, at which the licensee shall be  
5 afforded an opportunity to be heard. The Department has the power to administer oaths and  
6 issue subpoenas to require the presence of persons and the production of papers, books, and  
7 records necessary to conduct a suspension or revocation hearing.

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

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

17 (p) Any person, including an employee or official of the Department or another State  
18 agency or local government, who breaches the confidentiality of information obtained pursuant  
19 to subsection (c), (d), or (e) of this section is guilty of a Class 1 misdemeanor; however, any  
20 fine imposed for a violation under this subsection shall not exceed one thousand dollars  
21 (\$1,000).

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

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

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

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

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

38 b. An application or renewal fee.

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

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

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

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

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

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

51 **§ 90-730.7. Affirmative defenses.**

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

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

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

11           b. Is engaged in the medical use of cannabis.

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

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

20           a. Is assisting a person described in sub-subdivision (1)a. of this  
21 subsection in the medical use of cannabis.

22           b. Possesses, delivers, or produces cannabis only in the amount  
23 described herein as an adequate supply or in excess of that amount if  
24 the person proves by a preponderance of the evidence that the greater  
25 amount is medically necessary as determined by the assisted person's  
26 attending physician to mitigate the symptoms or effects of the  
27 assisted person's chronic or debilitating medical condition.

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

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

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

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

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

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

49       (f) Any interest in or right to property that was possessed, owned, or used in connection  
50 with a person's use of cannabis for medical purposes shall not be forfeited, nor shall the person  
51 be subject to disciplinary action by a business or occupational or professional licensing board



1 or bureau if the person or the person's designated caregiver demonstrates the person's medical  
2 purpose for using cannabis pursuant to this section.

3 **"§ 90-730.8. Immunity for physicians.**

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

7 **"§ 90-730.9. North Carolina Cannabis Research Program.**

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

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

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

25 **"§ 90-730.10. Severability.**

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

29 **SECTION 2.** During the period between the effective date of this act and 30 days  
30 after the effective date of rules adopted under G.S. 90-730.6(s), the following provisions apply:

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

**SECTION 3.** 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 4.** 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 manufactured or sold by a licensed medical cannabis center or a licensed producer of cannabis-infused products,
- b. Chewing gum, and
- c. Articles used for components of any such article."

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

"(9) The rate of five percent (5%) applies to the gross receipts derived from sales of cannabis, cannabis-infused products as defined in G.S. 90-730.1, cannabis plants, cannabis seeds, cannabis cultivation equipment, and related cannabis supplies. A person who sells cannabis, cannabis-infused products as defined in G.S. 90-730.1, cannabis plants, cannabis seeds, cannabis cultivation equipment, and related cannabis supplies is considered a retailer under this Article. For the purpose of this subdivision, cannabis has the same meaning as marijuana under G.S. 90-87(16)."

**SECTION 6.** This act is effective when it becomes law and applies to acts committed on and after that date.