

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2023

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SENATE BILL DRS15007-MGfa-29

Short Title: NC Compassionate Care Act. (Public)

Sponsors: Senators Rabon, Lee, and Lowe (Primary Sponsors).

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT ENACTING THE NORTH CAROLINA COMPASSIONATE CARE ACT.
3 The General Assembly of North Carolina enacts:
4 **SECTION 1.** Chapter 90 of the General Statutes is amended by adding a new Article
5 to read:

6 "Article 5H.

7 "North Carolina Compassionate Care Act.

8 "**§ 90-113.110. Short title.**

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

11 "**§ 90-113.111. Legislative findings and purpose.**

12 The General Assembly makes the following findings:

- 13 (1) Modern medical research has found that cannabis and cannabinoid
14 compounds are effective at alleviating pain, nausea, and other symptoms
15 associated with several debilitating medical conditions.
16 (2) As of January 2023, more than a majority of states, four out of five
17 permanently inhabited United States territories, and the District of Columbia
18 have removed state-level criminal penalties for the medical use, cultivation,
19 and distribution of cannabis, and in enacting this Article, North Carolina now
20 takes similar action to preserve and enhance the health and welfare of its
21 citizens.
22 (3) This Article is intended to make only those changes to existing North Carolina
23 laws that are necessary to protect patients and their doctors from criminal and
24 civil penalties and is not intended to change current civil and criminal laws
25 governing the use of cannabis for nonmedical purposes.
26 (4) The General Assembly enacts this Article pursuant to its police power to enact
27 legislation for the protection of the health of its citizens, as reserved to the
28 State in the Tenth Amendment of the United States Constitution.
29 (5) It is the intent of the General Assembly to prioritize the protection of public
30 health and safety in the creation of a system for the cultivation, processing,
31 and selling of medical cannabis.
32 (6) It is the intent of the General Assembly that the regulatory system created by
33 this Article be nimble and able to respond quickly to changes in the
34 rapidly-evolving cannabis industry.

35 "**§ 90-113.112. Definitions.**

36 The following definitions apply in this Article:



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- 1 (1) Adequate supply. – An amount of usable cannabis derived solely from an
2 intrastate source that is possessed by a qualified patient, or collectively
3 possessed by a qualified patient and the qualified patient's designated
4 caregiver, in an amount that does not exceed what is reasonably necessary to
5 assure the uninterrupted availability of cannabis for a period of 30 days, in any
6 form recommended by the qualified patient's physician for the purpose of
7 alleviating the symptoms or effects of the qualified patient's debilitating
8 medical condition.
- 9 (2) Advisory Board. – The Compassionate Use Advisory Board established in
10 G.S. 90-113.113.
- 11 (3) Bona fide physician-patient relationship. – A treatment relationship between
12 a physician and a patient in which the physician has completed a full
13 assessment of the patient's medical history, including checking the patient's
14 prescription history in the Controlled Substances Reporting System, and
15 current medical condition, including an in-person physical examination, and
16 the physician is available or offers to provide follow-up care and treatment to
17 the patient, including patient examinations, to determine the efficacy of the
18 use of cannabis as a treatment for the patient's medical condition.
- 19 (4) Cannabis. – Marijuana as defined in G.S. 90-87(16).
- 20 (5) Cannabis-infused product. – A product infused with cannabis that is intended
21 for use or consumption other than by inhalation, smoking, or vaping. The term
22 includes a tablet, a capsule, a concentrated liquid or viscous oil, a liquid
23 suspension, a topical preparation, a transdermal preparation, a sublingual
24 preparation, a gelatinous cube, a gelatinous rectangular cuboid, a lozenge in a
25 cube or rectangular cuboid shape, a resin, or a wax.
- 26 (6) Commission. – The Medical Cannabis Production Commission established in
27 G.S. 90-113.118.
- 28 (7) Debilitating medical condition. – A diagnosis of one or more of the following
29 for which a physician provides a written certification:
- 30 a. Cancer.
- 31 b. Epilepsy.
- 32 c. Positive status for human immunodeficiency virus (HIV).
- 33 d. Acquired immune deficiency syndrome (AIDS).
- 34 e. Amyotrophic lateral sclerosis (ALS).
- 35 f. Crohn's disease.
- 36 g. Sickle cell anemia.
- 37 h. Parkinson's disease.
- 38 i. Post-traumatic stress disorder, subject to evidence that an applicant
39 experienced one or more traumatic events. Acceptable evidence shall
40 include, but is not limited to, proof of military service in an active
41 combat zone, that the person was the victim of a violent or sexual
42 crime, or that the person was a first responder. Details of the trauma
43 shall not be required.
- 44 j. Multiple sclerosis.
- 45 k. Cachexia or wasting syndrome.
- 46 l. Severe or persistent nausea in a person who is not pregnant that is
47 related to end-of-life or hospice care, or who is bedridden or
48 homebound because of a condition.
- 49 m. A terminal illness when the patient's remaining life expectancy is less
50 than six months.
- 51 n. A condition resulting in the individual receiving hospice care.

- 1 o. Any other serious medical condition or its treatment added by the
2 Compassionate Use Advisory Board, as provided for in
3 G.S. 90-113.113.
- 4 (8) Department. – The North Carolina Department of Health and Human
5 Services.
- 6 (9) Designated caregiver. – A person who possesses a valid registry identification
7 card issued by the Department authorizing the person to assist a qualifying
8 patient with the medical use of cannabis. A designated caregiver shall be at
9 least 21 years of age unless the person is the parent or legal guardian of each
10 qualifying patient the person assists.
- 11 (10) Medical cannabis center. – A facility owned and operated by a supplier that
12 possesses and dispenses cannabis and cannabis-infused products to registry
13 identification cardholders for human consumption.
- 14 (11) Medical use of cannabis or medical use. – The acquisition, administration,
15 possession, preparation, transportation, or use of cannabis and
16 cannabis-infused products, or paraphernalia used to administer cannabis
17 products, to treat or alleviate a qualifying patient's debilitating medical
18 condition or symptoms associated with the qualifying patient's debilitating
19 medical condition and includes the transfer of cannabis products from a
20 designated caregiver to a qualifying patient whom the designated caregiver is
21 authorized to assist. "Medical use" does not include the extraction of resin
22 from cannabis by solvent extraction other than water, glycerin, propylene
23 glycol, vegetable oil, or food grade ethanol (ethyl alcohol), unless the
24 extraction is done by a processing facility.
- 25 (12) Physician. – A person licensed under Article 1 of Chapter 90 of the General
26 Statutes who is in good standing to practice medicine in the State, who has a
27 valid DEA registration, and who has completed continuing medical education
28 courses as required pursuant to G.S. 90-113.114.
- 29 (13) Production facility. – A facility owned and operated by a supplier that
30 cultivates, possesses, and produces cannabis and cannabis-infused products.
- 31 (14) Qualified patient. – A person who has been diagnosed by a physician as
32 having a debilitating medical condition and has received a written
33 certification.
- 34 (15) Registry identification card. – A document issued by the North Carolina
35 Department of Health and Human Services pursuant to G.S. 90-113.115 that
36 identifies a person as a qualified patient or a designated caregiver.
- 37 (16) Registry identification cardholder. – A qualified patient or a designated
38 caregiver who holds a valid registry identification card issued by the North
39 Carolina Department of Health and Human Services pursuant to
40 G.S. 90-113.115.
- 41 (17) Regulated medical cannabis supply system or system. – A system established
42 by the North Carolina Department of Health and Human Services pursuant to
43 G.S. 90-113.119 to provide a safe method for producing and distributing
44 cannabis and cannabis-infused products to registry identification cardholders.
- 45 (18) Smoking. – The use or possession of a lighted cannabis product.
- 46 (19) Supplier. – A person licensed pursuant to G.S. 90-113.119 to supply cannabis
47 and cannabis-infused products as authorized by this Article. A supplier
48 cultivates cannabis, owns and operates one or more medical cannabis centers,
49 and owns and operates one or more production facilities as set forth in
50 G.S. 90-113.119.

- 1 (20) Usable cannabis. – The dried buds and mature female flowers of the plant of
2 the genus Cannabis, and any mixture or preparation thereof, that are
3 appropriate for medical use as provided in this Article.
- 4 (21) Vaping. – The use of a product which heats a liquid or other form of cannabis
5 in a manner so as to release an aerosol.
- 6 (22) Written certification. – A statement signed by a physician with whom the
7 patient has a bona fide physician-patient relationship indicating the following:
- 8 a. In the physician's professional opinion, the patient has a debilitating
9 medical condition.
- 10 b. The patient's debilitating medical condition.
- 11 c. In the physician's professional opinion, the potential health benefits of
12 the medical use of cannabis would likely outweigh the health risk for
13 the patient.
- 14 d. The delivery method of the cannabis.
- 15 e. The amount and dosage of the cannabis or cannabis-infused product,
16 not to exceed an adequate supply.
- 17 f. The period of time for which the written certification is valid, not to
18 exceed one year.
- 19 g. The physician's DEA number.
- 20 h. The physician's national provider identification number, if the
21 physician has a national provider identification number.
- 22 i. Any other information required by the Commission.

23 **§ 90-113.113. Compassionate Use Advisory Board; membership; terms; meetings;**
24 **quorum; expenses.**

25 (a) Advisory Board Established. – The Compassionate Use Advisory Board is established
26 and shall consist of 11 members as follows:

- 27 (1) The Governor shall appoint members to the Advisory Board as follows:
- 28 a. A medical doctor or doctor of osteopathy licensed in the State.
- 29 b. A medical doctor or doctor of osteopathy licensed in the State
30 specializing in primary care.
- 31 c. A medical doctor or doctor of osteopathy who is board-certified to
32 practice addiction medicine in the State.
- 33 d. A research scientist with expertise in the field of cannabinoid
34 medicine.
- 35 e. A pharmacist licensed in the State.
- 36 f. A registry identification cardholder or, for an appointment made
37 before registry identification cards are issued, one person with a
38 debilitating medical condition who intends to use cannabis.
- 39 g. A parent of a minor qualified patient or, for an appointment made
40 before registry identification cards are issued, one parent of a minor
41 with a debilitating medical condition who intends to use cannabis.
- 42 (2) Two members appointed by the General Assembly upon recommendation of
43 the Speaker of the House of Representatives in accordance with G.S. 120-121.
- 44 (3) Two members appointed by the General Assembly upon recommendation of
45 the President Pro Tempore of the Senate in accordance with G.S. 120-121.

46 (b) Terms. – Members of the Advisory Board shall serve a four-year term, beginning
47 effective July 1 of the year of appointment, and may be reappointed to a second four-year term.

48 (c) Chair. – The members of the Advisory Board shall elect a chair. The chair shall serve
49 a two-year term and may be reelected.

1 (d) Vacancies. – Any appointment to fill a vacancy on the Advisory Board created by the
2 resignation, dismissal, death, or disability of a member shall be made by the original appointing
3 authority and shall be for the balance of the unexpired term.

4 (e) Meetings. – The Advisory Board shall meet at least two times per year for the purpose
5 of reviewing petitions to add debilitating medical conditions.

6 (f) Power. – The Advisory Board shall have the power to approve adding a debilitating
7 medical condition by a majority vote of the members present and voting.

8 (g) Quorum. – Seven members of the Advisory Board shall constitute a quorum for the
9 transaction of business.

10 (h) Administration Support. – All administrative support and other services required by
11 the Advisory Board shall be provided by the Department.

12 (i) Expenses. – The members of the Advisory Board shall receive per diem and necessary
13 travel and subsistence expenses in accordance with the provisions of G.S. 138-5.

14 **"§ 90-113.114. Physician requirements.**

15 (a) Continuing Medical Education. – Before providing a written certification to a
16 qualified patient, a physician shall complete a 10-hour continuing medical education course on
17 the prescribing of medical cannabis. A physician shall complete a three-hour supplemental
18 continuing medical education course thereafter in any year in which the physician issues a written
19 certification. Records documenting compliance with continuing medical education requirements
20 must be maintained for six consecutive years and may be inspected by the Department or by the
21 NC Medical Board or its agents.

22 (b) Required Topics of Continuing Medical Education. – The initial 10-hour continuing
23 medical education course shall include, among other topics, training on the following:
24 indications, benefits, risks, and adverse outcomes of medical cannabis use; assessing mental
25 health and substance use disorder patient and family history; screening for clinical high risk for
26 psychosis; assessing for development of mental health symptoms, including symptoms of
27 psychosis; and initial and ongoing assessment for substance use disorders, including cannabis
28 use disorder.

29 (c) Bona Fide Physician-Patient Relationship. – A physician shall issue a written
30 certification only for a patient with whom the physician has a bona fide physician-patient
31 relationship.

32 (d) Physical Location in State. – A physician shall have a physical office location in North
33 Carolina in which to conduct in-person examinations.

34 (e) Risk Screening. – A physician shall assess each patient for the initial and ongoing risk
35 of mental health and substance use disorders and for the development of mental health and
36 substance use disorders.

37 (f) Use of Electronic Registry. – A physician shall issue a written certification for a
38 qualified patient in the electronic medical cannabis registry database as specified by the
39 Department.

40 (g) Patient Education. – Upon initial written certification and at least annually thereafter,
41 a physician shall provide education to a qualified patient on the risk and symptoms of cannabis
42 use disorder, the risk and symptoms of cannabis-induced psychosis, and the risk of impairment
43 while operating a motor vehicle under the influence of cannabis or cannabis-infused products.

44 (h) Follow-Up Care and Treatment. – A physician shall reevaluate a patient for whom
45 the physician has issued a written certification as frequently as necessary to determine the
46 efficacy of the use of cannabis as a treatment for the patient's particular medical condition, the
47 appropriateness of the delivery method and dosage included in the written certification, and any
48 adverse side effects. Such reevaluation shall occur at least quarterly in the first year and at least
49 annually thereafter. The physician shall check the patient's prescription history in the Controlled
50 Substances Reporting System when renewing a written certification. The Commission may set a

1 shorter interval for mandatory patient reevaluations and may set requirements for in-person
2 physical examination during reevaluations.

3 (i) Requirement to Update Registry. – A physician shall update the medical cannabis
4 registry database within three days after any change is made to the original written certification
5 to reflect such change, including deactivation of a written certification.

6 (j) Monitoring of Written Certifications. – The Department shall monitor physician
7 written certifications in the medical cannabis registry database for practices that could facilitate
8 diversion or misuse of cannabis or other harm and shall refer cases to the North Carolina Medical
9 Board and the State Bureau of Investigation as appropriate. The Department may conduct
10 outreach and education to physicians who represent statistical outliers in any manner of their
11 issuing of written certifications.

12 (k) Site of Evaluation. – A physician may not evaluate patients on the site of a medical
13 cannabis center.

14 (l) Advertising. – A physician is prohibited from advertising the physician's ability to
15 issue written certifications.

16 (m) Prohibit Conflict. – A physician who provides written certifications to qualified
17 patients may not be employed by or have any direct or indirect financial interest in a supplier or
18 independent testing laboratory. A physician who provides written certifications to qualified
19 patients may not directly or indirectly profit from a patient obtaining a written certification. This
20 prohibition shall not prohibit a physician from charging an appropriate fee for patient visits.

21 (n) Rules. – The Commission may adopt rules regarding physicians to ensure the
22 protection of individuals with a debilitating medical condition, the prevention of diversion, and
23 the integrity of the medical cannabis system.

24 **"§ 90-113.115. Registry identification cards for qualified patients and designated**
25 **caregivers.**

26 (a) Applications, Issuance, and Expiration of Registry Identification Cards. – The
27 Department shall issue or renew a registry identification card to the following individuals:

28 (1) Any individual who applies to the Department on forms prescribed by the
29 Department demonstrating that the individual is a qualified patient with a
30 debilitating medical condition for which a physician has issued a written
31 certification.

32 (2) Any individual who is at least 21 years of age who has (i) been named as a
33 designated caregiver in a registry identification card application submitted by
34 a qualified patient and (ii) agreed to serve as that qualified patient's designated
35 caregiver. The Department may issue a registry identification card to a
36 maximum of two designated caregivers named in a qualified patient's
37 approved application. An individual may serve as a designated caregiver for
38 a maximum of two qualified patients. The Commission may by rule create
39 exceptions to the limit on the number of designated caregivers a qualified
40 patient may have and exceptions to the limit on the number of qualified
41 patients a designated caregiver may serve. The Commission may establish
42 rules to allow a facility to serve as a designated caregiver.

43 The Department shall issue a registry identification card to an applicant within 14 business
44 days after approving an application or renewal. The initial or renewal registry identification card
45 expires one year after the date of issuance.

46 (b) Qualified Patients Under Age 18. – The Department may not issue or renew a registry
47 identification card to a qualified patient under 18 years of age unless each of the following criteria
48 is met:

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

1 (2) The qualified patient's physician restricts the qualified patient's use of
2 cannabis to a noninhalation consumption method, and the qualified patient
3 and the qualified patient's designated caregivers agree to comply with this
4 restriction.

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

10 (c) Review of Applications. – The Department shall verify the information contained in
11 a registry identification card application or renewal application submitted pursuant to this section
12 and shall approve or deny an application or renewal application within 45 days after receipt.

13 (d) Denials and Appeals. – The Department may deny a registry identification card
14 application or renewal application only if the applicant fails to provide the information required
15 pursuant to this section or if the Department determines that the application or renewal
16 application contains false information. Denials may be appealed by filing a contested case
17 petition under Article 3 of Chapter 150B of the General Statutes. Article 4 of Chapter 150B of
18 the General Statutes governs judicial review of an administrative decision made under this
19 section.

20 (e) Registry Identification Card Information. – Each registry identification card issued
21 by the Department shall be printed with tamper-resistant technology and shall contain at least all
22 of the following information:

- 23 (1) The name of the cardholder.
24 (2) The address of the cardholder.
25 (3) The cardholder's date of birth.
26 (4) A designation of whether the cardholder is a designated caregiver or
27 qualifying patient.
28 (5) The date of issuance and expiration date of the registry identification card.
29 (6) A random alphanumeric identification number that is unique to the cardholder.
30 (7) If the cardholder is a designated caregiver, the random alphanumeric
31 identification number of the qualifying patients that the designated caregiver
32 is authorized to assist.
33 (8) A photograph of the cardholder.
34 (9) The delivery method of the cannabis.

35 (f) Notification of Changes. – Individuals issued registry identification cards are subject
36 to all of the following:

- 37 (1) A qualified patient who has been issued a registry identification card shall
38 notify the Department of any change in the qualified patient's name, address,
39 or designated caregiver and submit a fifty dollar (\$50.00) fee to the
40 Department within 15 days after the change occurs. A qualified patient who
41 fails to notify the Department of any of these changes within the specified
42 time frame commits an infraction and is subject to a fine not to exceed one
43 hundred dollars (\$100.00).
44 (2) A designated caregiver shall notify the Department of any change in name or
45 address and submit a fifty dollar (\$50.00) fee to the Department within 15
46 days after the change occurs. A designated caregiver who fails to notify the
47 Department of any of these changes within the specified time frame commits
48 an infraction and is subject to a fine not to exceed one hundred dollars
49 (\$100.00).
50 (3) When a qualified patient or designated caregiver notifies the Department of
51 any change, as required by this subsection, the Department shall issue the

1 qualified patient and each designated caregiver a new registry identification
2 card within 10 days after receiving the updated information and the fifty dollar
3 (\$50.00) fee.

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

11 (5) If a qualified patient or a designated caregiver loses a registry identification
12 card, the cardholder shall notify the Department within 15 days after losing
13 the card. The notification shall include a fifty dollar (\$50.00) replacement fee
14 for a new card. Within five days after receiving notification of a lost registry
15 identification card, the Department shall issue the cardholder a new registry
16 identification card with a new random identification number.

17 (g) Suspensions or Revocations. – If the Department determines that a qualified patient
18 or designated caregiver has violated any provision of this Article, the Department shall suspend
19 or revoke the qualified patient's or designated caregiver's registry identification card. Suspensions
20 or revocations may be appealed by filing a contested case petition under Article 3 of Chapter
21 150B of the General Statutes.

22 (h) Rules. – The Department shall adopt rules to implement the provisions of this section.
23 The rules shall establish requirements for the issuance of registry identification cards to qualified
24 patients and designated caregivers, which shall include at least all of the following:

25 (1) The method of demonstrating written certification, as defined in
26 G.S. 90-113.112.

27 (2) The amount of the initial or renewal application fee, which shall not exceed
28 fifty dollars (\$50.00) per application or renewal application.

29 (3) The name, address, and date of birth of the qualified patient.

30 (4) The name, address, and telephone number of the qualified patient's physician.

31 (5) The name, address, and date of birth of each of the qualified patient's
32 designated caregivers, if any.

33 (6) A limitation on the number of written certifications a physician may issue at
34 any given time.

35 **§ 90-113.116. Requirement to carry and disclose registry identification card to law**
36 **enforcement.**

37 (a) Requirement to Carry. – A registry identification cardholder shall carry the registry
38 identification card together with valid identification whenever the registry identification
39 cardholder is carrying cannabis or cannabis-infused product as provided in this Article.

40 (b) Requirement to Disclose. – The registry identification cardholder shall disclose to any
41 law enforcement officer that the registry identification cardholder holds a valid registry
42 identification card when approached or addressed by the officer and shall display both the registry
43 identification card and valid identification at the request of a law enforcement officer.

44 **§ 90-113.117. Confidential Medical Cannabis Registry Database.**

45 (a) Confidential Medical Cannabis Registry Database. – The Department shall create a
46 secure, confidential, electronic medical cannabis registry database of all qualified patients and
47 designated caregivers to whom the Department has issued registry identification cards. Law
48 enforcement agencies may contact the Department to confirm registry identification cardholders.
49 The database shall consist of at least the following information:

50 (1) The name and address of the registry identification cardholder.

1 (2) The name, address, and hospital affiliation of the physician who issued the
2 written certification of the qualified patient's debilitating condition.

3 (3) A photograph of the registry identification cardholder.

4 (b) Confidential Nature of Information Collected by Department. – Applications and
5 supporting information submitted by qualified patients, including information regarding their
6 designated caregivers and physicians, individual names, and other identifying information in the
7 medical cannabis registry database, are confidential, exempt from the provisions of Chapter 132
8 of the General Statutes, and are not subject to disclosure, except to authorized employees of the
9 Department as necessary to perform official duties of the Department and law enforcement
10 agencies as allowed in this section.

11 (c) Penalty for Confidentiality Breaches. – Any person, including an employee or official
12 of the Department or another State agency or local government, who breaches the confidentiality
13 of information obtained pursuant to this section is guilty of a Class 2 misdemeanor; however,
14 any fine imposed for a violation under this subsection shall not exceed one thousand dollars
15 (\$1,000).

16 (d) Reports of Falsified or Fraudulent Application Information to Law Enforcement
17 Personnel. – Nothing in this section shall be construed to prevent Department employees from
18 notifying law enforcement personnel about falsified or fraudulent information submitted to the
19 Department by any individual in support of an application for a registry identification card.

20 **"§ 90-113.118. Medical Cannabis Production Commission.**

21 (a) Commission Established. – The Medical Cannabis Production Commission is
22 established and shall consist of 11 members as follows:

23 (1) The Governor shall appoint members to the Medical Cannabis Production
24 Commission as follows:

25 a. A qualified patient representative.

26 b. Two industry representatives, subject to the limitation that, although
27 the industry representatives may participate in assisting with the
28 process of adopting rules, the industry representatives must not
29 participate in the license selection process if the industry
30 representatives have applied for or have an affiliation with a medical
31 cannabis supplier license applicant through family or business.

32 (2) The Secretary of the Department, or designee.

33 (3) The Director of the North Carolina State Bureau of Investigation, or designee.

34 (4) The Agriculture Commissioner, or designee.

35 (5) A sheriff designated by the North Carolina Sheriffs' Association.

36 (6) A chief of police designated by the North Carolina Association of Chiefs of
37 Police.

38 (7) A physician member of the North Carolina Medical Board designated by the
39 North Carolina Medical Board.

40 (8) A member appointed by the General Assembly upon recommendation of the
41 Speaker of the House of Representatives in accordance with G.S. 120-121.

42 (9) A member appointed by the General Assembly upon recommendation of the
43 President Pro Tempore of the Senate in accordance with G.S. 120-121.

44 (b) Terms. – Members of the Commission shall serve terms of four years, beginning
45 effective July 1 of the year of appointment, and may be reappointed to a second four-year term.
46 The terms of members designated by subdivisions (a)(1), (a)(2), and (a)(4) of this section shall
47 expire on June 30 of any year evenly divisible by four. The terms of the remaining members shall
48 expire on June 30 of any year that follows by two years a year evenly divisible by four.

49 (c) Chair. – The members of the Commission shall elect a chair. The chair shall serve a
50 two-year term and may be reelected.

1 (d) Vacancies. – Any appointment to fill a vacancy on the Commission created by the
2 resignation, dismissal, death, or disability of a member shall be made by the original appointing
3 authority and shall be for the balance of the unexpired term.

4 (e) Removal. – The appointing authority shall have the power to remove any member of
5 the Commission appointed by that authority from office for misfeasance, malfeasance, or
6 nonfeasance.

7 (f) Expenses. – The members of the Commission shall receive per diem and necessary
8 travel and subsistence expenses in accordance with the provisions of G.S. 138-5.

9 (g) Quorum. – Five members of the Commission shall constitute a quorum for the
10 transaction of business.

11 (h) Licensing Power. – The Commission shall have the power to approve applications for
12 medical cannabis supplier licenses upon recommendation of the Department by a majority vote
13 of the members present and voting. The Department shall evaluate the applications in accordance
14 with G.S. 90-113.120 and submit a list of 20 recommended applicants to the Commission. The
15 Commission shall approve 10 licenses from the list by a majority vote of the members present
16 and voting. In awarding the licenses, the Commission shall require each supplier own and operate
17 no more than eight medical cannabis centers. Of the medical cannabis centers operated by each
18 supplier, at least one shall be located in a Tier 1 county.

19 (i) License Suspension or Revocation. – The Commission may suspend or revoke a
20 medical cannabis supplier license if the Commission determines that the supplier is not in
21 substantial compliance with this Chapter or with rules adopted by the Commission under
22 subsection (k) of this section. The Department shall notify a supplier at least 14 days in advance
23 of a proposed suspension or revocation, including the reasons for the suspension or revocation
24 and any possible remedial options available to the supplier. The Commission has the power to
25 administer oaths and issue subpoenas to require the presence of persons and the production of
26 papers, books, and records necessary to conduct a suspension or revocation hearing. The
27 suspension or revocation may be appealed by filing a contested case petition under Article 3 of
28 Chapter 150B of the General Statutes.

29 (j) All administrative support and other services required by the Commission shall be
30 provided by the Department.

31 (k) Rules. – The Commission, in consultation with the North Carolina Medical Care
32 Commission, shall adopt rules to implement the provisions of this section, G.S. 90-113.119,
33 90-113.120, 90-113.121, and 90-113.122. The rules shall do all of the following:

34 (1) Establish qualifications and requirements for licensure of suppliers, for the
35 production of cannabis by a supplier, and for the proper regulation of medical
36 cannabis centers and production facilities operated by suppliers.

37 (2) Ensure the equitable distribution of medical cannabis centers throughout the
38 State in order for registry identification cardholders to access an adequate
39 supply of cannabis and cannabis-infused products, while preventing an
40 overconcentration of medical cannabis centers in any one area.

41 (3) Establish civil penalties for minor violations of the requirements of this
42 Chapter and rules adopted under the authority provided in this subsection.

43 (l) Conflicts of Interest. – No member of the Commission shall own, operate, have a
44 direct or indirect financial interest in, or be employed by a licensed medical cannabis supplier,
45 or a licensed medical cannabis testing laboratory, or a subcontractor thereof. No member of the
46 Commission shall be a qualified patient, a designated caregiver, or a physician who issues written
47 certifications.

48 **"§ 90-113.119. Regulated medical cannabis supply system.**

49 (a) Medical Cannabis Supply System. – The Medical Cannabis Production Commission
50 established in G.S. 90-113.118 shall establish a medical cannabis supply system that authorizes
51 suppliers to produce cannabis and cannabis-infused products in licensed cannabis production

1 facilities and distribute them through medical cannabis centers. In establishing the medical
2 cannabis supply system, the Commission shall (i) provide a safe, regulated supply of cannabis
3 appropriate for medical use by qualified registry identification cardholders issued under
4 G.S. 90-113.115, (ii) ensure statewide access to safe and affordable cannabis to registry
5 identification cardholders, (iii) establish a system that is well-regulated, includes a seed-to-sale
6 tracking system, and is financially viable for suppliers to ensure the highest quality cannabis and
7 cannabis-infused products for patients, and (iv) generate sufficient revenue for the Commission
8 to oversee and for the Department to maintain and operate the system.

9 (b) The Commission shall adopt rules to regulate the medical cannabis supply system, to
10 include, without limitation:

11 (1) Physical plant requirements.

12 (2) Odor control and mitigation.

13 (3) Security, to include video surveillance.

14 (4) Sanitation and workplace safety conditions.

15 (5) Employee training.

16 (6) Record keeping.

17 (7) Inventory limits and controls.

18 (8) Quality control.

19 (9) Reportable events.

20 (10) Procedures for mandatory and voluntary recall of unsafe cannabis or
21 cannabis-infused products.

22 (11) Permitted pesticides to be used and in what amounts, if any.

23 (12) Limitations on the use of solvents or gases exhibiting potential toxicity to
24 humans.

25 (13) Storage of cannabis and cannabis-infused products.

26 (14) Transportation of cannabis and cannabis-infused products.

27 (c) Seed-to-Sale Tracking System. – The Commission shall establish, maintain, and
28 control a computer software tracking system that traces cannabis from seed to sale and allows
29 real-time, 24-hour access by the Department and by the Commission to data from all production
30 facilities, medical cannabis centers, and testing laboratories. The tracking system must allow for
31 integration of other seed-to-sale systems and, at a minimum, include notification of when
32 cannabis seeds are planted, when cannabis plants are harvested and destroyed, and when cannabis
33 is transported, sold, stolen, diverted, or lost. Each medical cannabis supplier shall use the
34 seed-to-sale tracking system established by the Commission or integrate its own seed-to-sale
35 tracking system with the seed-to-sale tracking system established by the Commission. The
36 Commission shall establish minimum requirements for the seed-to-sale tracking system used by
37 a supplier. The Commission may contract with a vendor to establish the seed-to-sale tracking
38 system. The vendor may not have a direct or indirect financial interest in a medical cannabis
39 supplier or testing laboratory.

40 (d) Funding. – The General Assembly may appropriate funds for the initial development
41 and implementation of the medical cannabis supply system, but neither the Department nor the
42 Commission shall use any appropriations from the General Fund to operate the system. The intent
43 of the General Assembly is that the system shall be funded solely by the fees authorized in this
44 Article.

45 **"§ 90-113.120. Medical cannabis supplier license.**

46 (a) Definitions. – The following definitions apply in this section:

47 (1) Nonresident business. – An entity that has not been required to file an income
48 or franchise tax return with the State for three years prior to filing an initial
49 application for a medical cannabis supplier license that meets one or more of
50 the following conditions:

51 a. Is a nonresident entity.

- 1 b. Is a nonresident individual who owns an unincorporated business as a
2 sole proprietor.
- 3 (2) Nonresident entity. – Defined in G.S. 105-163.1.
4 (3) Nonresident individual. – Defined in G.S. 105-153.3.
- 5 (b) Prohibitions. – No person shall do any of the following without first obtaining a
6 medical cannabis supplier license from the Commission:
- 7 (1) Grow, cultivate, produce, or sell cannabis or cannabis-infused products.
8 (2) Operate a business to produce cannabis or cannabis-infused products.
9 (3) Establish or operate a medical cannabis center for the sale of cannabis,
10 cannabis-infused products, and paraphernalia relating to the administration of
11 cannabis to qualified patients and designated caregivers who hold valid
12 registry identification cards.
- 13 (c) Medical Cannabis Supplier License Application; Fees. – An applicant for a license
14 under this subsection shall submit the required information on application forms provided by the
15 Department. The application form shall require at least all of the following:
- 16 (1) The applicant's name and any legal names the applicant will use for facilities
17 where the applicant will produce cannabis and for each medical cannabis
18 center and production facility the applicant proposes to operate.
- 19 (2) The address of each property, location, or premises the applicant will use to
20 produce cannabis, of each production facility the applicant will use to process
21 cannabis or produce cannabis-infused products, and of each medical cannabis
22 center the applicant will use to dispense or distribute cannabis.
- 23 (3) Documentation demonstrating that the applicant possesses:
- 24 a. Requisite expertise in controlled environment agriculture and the
25 ability to engage in growing or processing of cannabis, as well as
26 product development, quality control, and inventory management of
27 cannabis meeting standards that the Commission shall specify by rule.
- 28 b. Technical and technological ability to cultivate, produce, and
29 distribute medical cannabis in a manner that meets Commission
30 standards for production consistency and safe handling.
- 31 c. Ability to secure cannabis production, testing, resources,
32 transportation, and personnel to operate as a safe and secure supplier
33 in compliance with all state regulations in which the applicant has prior
34 experience.
- 35 (4) Proposed operating procedures for each production facility, medical cannabis
36 center, and component of the applicant's proposed medical cannabis supply
37 system, including record keeping and security requirements as the
38 Commission shall specify by rule.
- 39 (5) The name, address, and date of birth of each principal officer and board
40 member of the supplier.
- 41 (6) The name, address, and date of birth of each employee of the supplier.
42 (7) For first-year suppliers, a nonrefundable license fee in the amount of fifty
43 thousand dollars (\$50,000) plus five thousand dollars (\$5,000) for each
44 production facility or medical cannabis center the applicant proposes to
45 operate under the license.
- 46 (8) For suppliers seeking license renewal, a nonrefundable renewal fee in an
47 amount not less than ten thousand dollars (\$10,000), plus five thousand dollars
48 (\$5,000) for each new production facility or medical cannabis center the
49 supplier proposes to operate under the license, plus one thousand dollars
50 (\$1,000) for each existing production facility or medical cannabis center the
51 supplier operates under the license as specified in rules adopted by the

- 1 Commission pursuant to G.S. 90-113.118 and annual audited financial
2 statements audited by an independent certified public accountant.
- 3 (9) Proof the applicant has been a State resident for at least two years and will be
4 the majority owner of each medical cannabis center and production facility
5 the applicant proposes to operate. The applicant may include nonresident
6 partners with demonstrated ownership and operation experience in the
7 cultivation, production, extraction, product development, quality control, and
8 inventory management of cannabis products in a state-licensed medical or
9 adult use cannabis operation and shall provide proof of state residency for any
10 nonresident partner of the applicant.
- 11 (10) The name, address, and date of birth of any individual owning more than five
12 percent (5%) of the medical cannabis center and production facility the
13 supplier operates.
- 14 (11) Proof in a manner and amount as the Commission shall specify by rule that
15 the applicant has sufficient liquid and nonliquid assets to operate as a supplier
16 for two years as a part of the medical cannabis supply system established by
17 this Article.
- 18 (12) If the applicant or proposed owners, officers, board members, or managers
19 have engaged in medical or adult use cannabis operations in another state,
20 evidence of compliance with applicable laws and regulations in that state.
- 21 (13) Any other information the Department considers necessary to ensure
22 compliance with the terms of this Article.
- 23 (d) Duration. – Unless suspended or revoked, a medical cannabis supplier license is valid
24 for a period not to exceed 12 months from the date of issuance.
- 25 (e) Renewal. – A supplier shall apply for renewal, as necessary, at least 30 days prior to
26 the expiration of a current license.
- 27 (f) Time Frame for Issuance; Fees. – No later than 30 days after issuing or renewing a
28 license under this subsection, the Department shall issue a supplier registry identification card to
29 each director and employee listed on the application or renewal form upon receipt of a two
30 hundred fifty dollar (\$250.00) fee per cardholder.
- 31 (g) Notification of Changes. – An applicant or supplier shall notify the Department of
32 any change in the information submitted on the license application or renewal form within 30
33 days after the change.
- 34 (h) Availability of Records. – The records of a medical cannabis center operated by a
35 supplier are subject to the same restrictions imposed on pharmacy records pursuant to
36 G.S. 90-85.36. G.S. 90-85.36 applies to each medical cannabis center as if it were a pharmacy
37 regulated under Article 4A of Chapter 90 of the General Statutes.
- 38 (i) Cannabis Production Site Card. – The Department shall issue a cannabis production
39 site card to each supplier for each production facility approved under this section. The card shall
40 be posted conspicuously at each production facility.
- 41 (j) Performance Requirements. – A supplier must begin cultivation of cannabis within
42 120 days of receiving a medical cannabis supplier license and begin selling cannabis and
43 cannabis-infused products in medical cannabis centers within 270 days of initiating cultivation.
- 44 (k) Criminal History Record Check. – In order to ensure compliance with this section,
45 the Department shall conduct a criminal history record check of any person whose name is
46 submitted on an application as an owner, director, or an employee of the supplier. When
47 requested by the Department, the North Carolina Department of Public Safety may provide to
48 the Department a person's criminal history from the State Repository of Criminal Histories. Such
49 requests shall not be due to a person's age, sex, race, color, national origin, religion, creed,
50 political affiliation, or handicapping condition as defined in G.S. 168A-3. For requests for a State
51 criminal history record check only, the Department shall provide to the Department of Public

1 Safety a form consenting to the check signed by the person to be checked and any additional
2 information required by the Department of Public Safety. National criminal record checks are
3 authorized for applicants who have not resided in the State of North Carolina during the past five
4 years. For national checks, the Department shall provide to the North Carolina Department of
5 Public Safety the fingerprints of the person to be checked, any additional information required
6 by the Department of Public Safety, and a form signed by the person to be checked consenting
7 to the check of the criminal record and to the use of fingerprints and other identifying information
8 required by the State or National Repositories. The fingerprints of the individual shall be
9 forwarded to the State Bureau of Investigation for a search of the State criminal history record
10 file, and the State Bureau of Investigation shall forward a set of fingerprints to the Federal Bureau
11 of Investigation for a national criminal history record check. The Department of Health and
12 Human Services shall keep all information pursuant to this section confidential. The Department
13 of Public Safety shall charge a reasonable fee for conducting the checks of the criminal history
14 records authorized by this section. All releases of criminal history information to the Department
15 shall be subject to, and in compliance with, rules governing the dissemination of criminal history
16 record checks as adopted by the North Carolina Department of Public Safety. All of the
17 information either department receives through the checking of the criminal history is privileged
18 information and for the exclusive use of that department.

19 (l) Duty to Update. – In order to continue to hold a license under this Article, a supplier
20 shall notify the Commission of any change in criminal history of any person required to be
21 evaluated by the Department under this section. The Commission may reevaluate the supplier's
22 eligibility for a license based on the notification and may modify or revoke the license or require
23 issuance of a new license with appropriate terms to exclude disqualifying persons.

24 (m) Disqualifications for Licensure. – The Commission shall not issue a license
25 authorized by this section to any of the following persons:

- 26 (1) A person who has not paid the appropriate license or license renewal fee.
- 27 (2) An individual who is less than 21 years of age.
- 28 (3) A person who has served a sentence for any of the following felonies in the
29 five years immediately preceding the date of license application: any Class A
30 through E felony; any felony that includes assault as an essential element of
31 the offense; any felony under Article 14 (Burglary and Other Housebreakings)
32 of Chapter 14 of the General Statutes; any felony under Article 16 (Larceny),
33 Article 16A (Organized Retail Theft), Article 17 (Robbery), Article 18
34 (Embezzlement), Article 19 (False Pretenses and Cheats), Article 19A
35 (Obtaining Property or Services by False or Fraudulent Use of Credit Device
36 or Other Means), Article 19B (Financial Transaction Card Crime Act), or
37 Article 19C (Financial Identity Theft) of Chapter 14 of the General Statutes.
- 38 (4) A person (or, with respect to a person who is not an individual, an owner,
39 director, or employee of the person) who at any time has been convicted of a
40 felony violation for manufacturing, selling, delivering, or possessing with
41 intent to manufacture, sell, deliver, or possess a Schedule I or II controlled
42 substance, in violation of G.S. 90-95(b)(1).
- 43 (5) Except as otherwise provided in this subdivision, a person who has not been
44 a resident of North Carolina for at least two years prior to the date of the
45 license application, unless that person is a minority partner of a State resident
46 who is the majority owner of the applicant. With respect to a person who is
47 not an individual, a person that is a nonresident business.

48 (n) Administrative and Judicial Review. – Articles 3 and 4 of Chapter 150B of the
49 General Statutes govern administrative and judicial review of an administrative decision made
50 under this section.

51 **"§ 90-113.121. Restrictions on supplier sales and supply.**

1 (a) Restrictions on Sales and Supply. – A person licensed as a supplier under this Article
2 is subject to the following sales and supply restrictions:

3 (1) The supplier may sell cannabis and cannabis-infused products only through
4 the medical cannabis center that the supplier is licensed to operate under this
5 Article. A medical cannabis center shall not sell cannabis, cannabis-infused
6 products, or paraphernalia relating to the administration of cannabis to any
7 person other than a qualified patient, designated caregiver, or except as
8 provided in this section. A medical cannabis center shall not sell cannabis or
9 cannabis-infused products in an amount that exceeds an adequate supply to
10 any qualified patient or designated caregiver.

11 (2) The supplier may sell only cannabis grown by the supplier at the production
12 facilities approved under this Article. Except as provided in this section, the
13 supplier shall not sell cannabis, cannabis plants, cannabis seeds, or cultivation
14 equipment to any other person other than through the medical cannabis center
15 that the supplier is licensed to operate.

16 (b) Resale. – The supplier may sell cannabis or cannabis-infused products for resale to
17 another licensed supplier.

18 **"§ 90-113.122. Supplier reporting; monthly fees; fines; audit.**

19 (a) Monthly Reports. – Each supplier licensed under this Article shall submit monthly
20 reports to the Department on all financial transactions, including, but not limited to, production,
21 sales and purchases of cannabis and cannabis-infused products, and transfers of cannabis and
22 cannabis-infused products for no consideration with respect to each medical cannabis center and
23 production facility operated by the supplier. Each supplier licensed under this Article shall report
24 quarterly to the Commission on all cannabis or cannabis-infused products the supplier sold or
25 manufactured in the previous quarter.

26 (b) Monthly Fee. – Each supplier licensed under this section shall pay to the Department
27 a monthly fee equal to ten percent (10%) of the gross revenue derived from the sale of cannabis
28 and cannabis-infused products at all medical cannabis centers operated by the supplier.

29 (c) Construction. – Nothing in this section shall be construed to exempt persons licensed
30 under this section from the reporting or remittance of sales tax for any transaction upon which a
31 sales tax may be levied.

32 (d) Fines. – The Department may, in addition to or in lieu of any other penalties imposed
33 under this Article, impose a fine of up to ten thousand dollars (\$10,000) on a supplier for any of
34 the following violations:

- 35 (1) Violating a statute or Commission rule.
- 36 (2) Failing to maintain qualifications for approval.
- 37 (3) Endangering the health, safety, or security of a qualified patient.
- 38 (4) Improperly disclosing confidential information of a qualified patient.
- 39 (5) Making or filing a report or record that the supplier knows to be false.
- 40 (6) Willfully failing to maintain a record required by law or rule.
- 41 (7) Willfully impeding or obstructing an employee or agent of the Department in
42 the furtherance of his or her official duties.
- 43 (8) Engaging in fraud or deceit, negligence, incompetence, or misconduct in the
44 business practices of a medical cannabis supplier.
- 45 (9) Making misleading, deceptive, or fraudulent representations in or related to
46 the business practices of a medical cannabis supplier.
- 47 (10) Violating a lawful order of the Department or an agency of the State, or failing
48 to comply with a lawfully issued subpoena of the Department or an agency of
49 the State.

50 Where there are multiple incidents resulting in more than one violation of the same provision,
51 the Department may impose a fine, up to the maximum, for each violation. For violations that

1 are ongoing and continuous in nature, each day a violation continues constitutes a distinct
2 violation. The Commission may establish criteria for fine amounts. A supplier may appeal the
3 imposition of fines by the Department to the Commission, and the Commission shall adopt rules
4 governing such appeals.

5 (e) Audit. – The Commission may require in its discretion an audit of the financial
6 transactions of a supplier to be conducted by an independent certified accountant. The
7 Department reserves the right to select the independent certified accountant to be used for the
8 audit. The supplier shall be responsible for all costs associated with the audit.

9 **"§ 90-113.123. Exemption from criminal laws.**

10 (a) Exemption from Criminal Laws. – A supplier is exempt from the criminal laws of this
11 State for possession, production, delivery, or transportation of cannabis or aiding and abetting
12 another in the possession, production, delivery, or transportation of cannabis or any other
13 criminal offense in which possession, production, delivery, or transportation of cannabis is an
14 element if the individual is in compliance with this Article and rules adopted under this Article.

15 (b) Loss of Exemption from Criminal Laws. – A person who is not a qualified patient or
16 a designated caregiver but who is otherwise authorized to possess, produce, deliver, or transport
17 cannabis for medical use pursuant to this Article ceases to be exempt as provided in subsection
18 (a) of this section upon committing any of the following acts:

- 19 (1) Driving while impaired in violation of G.S. 20-138.1, 20-138.2, or 20-138.5.
- 20 (2) Delivering cannabis to any individual who the person knows or has reason to
21 know is not a qualified patient or designated caregiver who holds a valid
22 registry identification card issued under G.S. 90-113.115, or a supplier who
23 holds a license under G.S. 90-120.
- 24 (3) Manufacturing or distributing cannabis at an address not registered with the
25 Department.
- 26 (4) Failing to report transfer of cannabis authorized under this Article to the
27 Department.

28 **"§ 90-113.124. Protections for the medical use of cannabis.**

29 (a) A registry identification cardholder shall not be subject to arrest, prosecution, or
30 penalty in any manner for the possession or purchase of cannabis for medical use by the qualified
31 patient if the quantity of usable cannabis possessed or purchased does not exceed an adequate
32 supply, as determined by the qualified patient's physician.

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

38 (c) A supplier shall not be subject to arrest, prosecution, or penalty in any manner for
39 producing, possessing, distributing, or dispensing cannabis or cannabis-infused products in a
40 manner consistent with this Article.

41 (d) When an employee, officer, or agent of the State makes a finding, determination, or
42 otherwise considers a qualified patient or designated caregiver's possession or use of cannabis,
43 or a cannabis-infused product, the employee, officer, or agent may not consider the qualified
44 patient or designated caregiver's possession or use any differently than the lawful possession or
45 use of any prescribed controlled substance, if the qualified patient or designated caregiver's
46 possession or use complies with this Article.

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

51 **"§ 90-113.125. Smoking and vaping prohibited in certain places.**

1 (a) Nothing in this Article shall authorize a registry identification cardholder to engage
2 in the smoking of cannabis or the vaping of cannabis for medical use in the following places:

3 (1) In a public place or a place open to the public.

4 (2) In any place of employment.

5 (3) In a vehicle.

6 (4) In or within 1,000 linear feet of the property line of a church, unless the
7 medical use occurs within a private residence.

8 (5) In or within 1,000 linear feet of the property line of a child care facility as
9 defined in G.S. 110-86(3), unless the medical use occurs within a private
10 residence. When a private residence is a child care facility, the smoking of
11 cannabis and the vaping of cannabis is prohibited.

12 (6) In or within 1,000 linear feet of the property line of a public school unit or any
13 nonpublic school as defined in Part 1 or Part 2 of Article 39 of Chapter 115C
14 of the General Statutes, unless the medical use occurs within a private
15 residence.

16 (7) In or within 1,000 linear feet of the property line of a community college or
17 the facilities of The University of North Carolina and the grounds of those
18 facilities as defined in G.S. 143-597(a)(6), unless the medical use occurs
19 within a private residence. Smoking or vaping is permitted inside buildings
20 that are used for medical or scientific research to the extent that smoking or
21 vaping is an integral part of the research. Smoking or vaping permitted under
22 this subdivision shall be confined to the area where the research is being
23 conducted.

24 (b) Any individual who engages in the smoking of cannabis or the vaping of cannabis in
25 violation of this section shall be guilty of an infraction and punished by a fine of not more than
26 twenty-five dollars (\$25.00).

27 **"§ 90-113.126. Violations; penalties; and enhanced sentence for trafficking related to**
28 **medical cannabis.**

29 (a) Any person who manufactures, sells, delivers, or possesses with intent to
30 manufacture, sell, or deliver cannabis in violation of this Article at a medical cannabis center or
31 production facility shall be punished as a Class G felon.

32 (b) Any person who creates, sells, delivers, or possesses with intent to sell or deliver
33 counterfeit cannabis in violation of this Article at a medical cannabis center or production facility
34 shall be punished as a Class H felon.

35 (c) Any person who possesses an amount of cannabis up to 1 1/2 ounces in violation of
36 this Article, at a medical cannabis center or production facility, shall be deemed guilty of a Class
37 A1 misdemeanor.

38 (d) Any person who possesses an amount of cannabis that exceeds 1 1/2 ounces in
39 violation of this Article, at a medical cannabis center or production facility, shall be punished as
40 a Class H felon.

41 (e) Any person that provides the Department with false or misleading information in
42 relation to a registry identification card or license shall be deemed guilty of a Class 1
43 misdemeanor.

44 (f) Any person who has been issued a valid registry identification card who is found to
45 be in possession of cannabis in violation of this Article shall be punished as a Class I felon.

46 (g) If a person is convicted of a violation of G.S. 90-95(h)(1), and it is found that the
47 offense was committed at a medical cannabis center or production facility or with cannabis from
48 a medical cannabis center or production facility, then the person shall be sentenced at a felony
49 class level one class higher than the principal felony for which the person was convicted, and an
50 additional 12 months will be added to the mandatory minimum sentence. No defendant sentenced
51 pursuant to this section shall be sentenced at a level higher than a Class C felony. An indictment

1 or information for the felony shall allege in that indictment or information the facts that qualify
2 the offense for an enhancement under this section. One pleading is sufficient for all felonies that
3 are tried at a single trial.

4 (h) These penalties may be imposed in addition to any other penalties provided by law.

5 **"§ 90-113.127. North Carolina medical cannabis verification system.**

6 (a) Verification System. – The Department shall establish a secure web-based
7 verification system. The verification system shall allow authorized Department personnel, State
8 and local law enforcement personnel, and medical cannabis centers to enter a registry
9 identification card number to determine whether the number corresponds with a current, valid
10 registry identification card. For the purposes of this subsection, the system may disclose only:

11 (1) Whether the registry identification card is valid.

12 (2) The name, address, and date of birth of the cardholder.

13 (3) A photograph of the cardholder, if required by Department rules.

14 (4) Whether the cardholder is a qualifying patient or a designated caregiver.

15 (5) The registry identification card number of any associated qualifying patients
16 or designated caregivers.

17 (6) Only if accessed by a medical cannabis center employee or authorized
18 Department personnel, the amount of cannabis and cannabis-infused products
19 dispensed in the past 30 days.

20 (7) The delivery method of the cannabis.

21 (b) Verification System Access. – No person or entity may have access to information
22 contained in the Department's verification system, except for an authorized employee of the
23 Department in the course of official duties or a State or local law enforcement officer in the
24 course of official duties related to a person who claims to be a qualifying patient, designated
25 caregiver, supplier, or supplier agent engaged in conduct authorized in this Article.

26 (c) Requirement to Check. – Before cannabis or cannabis-infused products may be
27 dispensed to a registry identification cardholder, a medical cannabis center employee shall access
28 the verification system and determine that:

29 (1) The registry identification card presented at the medical cannabis center is
30 valid.

31 (2) Each person presenting a registry identification card is the person identified
32 on the registry identification card presented to the medical cannabis center
33 employee.

34 (3) The amount to be dispensed would not cause a qualifying patient, directly or
35 via the qualifying patient's designated caregiver, to exceed the limit on
36 obtaining no more than an adequate supply of cannabis or cannabis-infused
37 products during any 30-day period.

38 (4) The cannabis to be dispensed complies with the delivery method.

39 (5) After making the determinations required in subdivisions (3) and (4) of this
40 subsection, but before dispensing cannabis or cannabis-infused products to a
41 registry identification cardholder, a medical cannabis center employee shall
42 enter the following information in the verification system:

43 a. How much cannabis or cannabis-infused product is to be dispensed to
44 the registry identification cardholder.

45 b. Whether the cannabis or cannabis-infused product is to be dispensed
46 directly to the qualifying patient or to the qualifying patient's
47 designated caregiver.

48 c. The date and time the cannabis or cannabis-infused product is to be
49 dispensed.

50 d. The registry identification number of the medical cannabis center that
51 dispensed the cannabis or cannabis-infused product.

1 **"§ 90-113.128. Inspections; security measures.**

2 (a) Inspection. – The Department shall perform annual inspections of the premises of any
3 person licensed under this section, including any production facility or medical cannabis center.
4 All production facilities and medical cannabis centers owned and operated by a supplier are
5 subject to random inspection by the Department, and the North Carolina State Bureau of
6 Investigation in accordance with rules adopted by the Commission, which shall be developed by
7 the Commission after consulting with and receiving input from the North Carolina State Bureau
8 of Investigation.

9 (b) Security Measures. –

10 (1) Suppliers shall implement appropriate security measures in accordance with
11 rules adopted by the Commission, which shall be developed by the
12 Commission after consulting with and receiving input from the North Carolina
13 State Bureau of Investigation, designed to deter and prevent the theft of
14 cannabis and cannabis-infused products and unauthorized entrance into areas
15 containing cannabis or cannabis-infused products.

16 (2) All production facilities shall conduct cultivation, harvesting, processing, and
17 packaging of cannabis and cannabis-infused products in a controlled, secure
18 facility at a physical address provided to the Commission during the medical
19 cannabis supplier license application process. A production facility may only
20 be accessed by a supplier or a supplier's employee or agent, authorized
21 Department personnel, law enforcement personnel, emergency personnel, and
22 adults who are 21 years of age and older who are accompanied by a supplier
23 or supplier's agents or principals.

24 **"§ 90-113.129. Medical cannabis center restrictions.**

25 (a) Hours. – A medical cannabis center licensed under this Article shall not sell cannabis
26 or cannabis-infused products between the hours of 7:00 P.M. and 7:00 A.M.

27 (b) Location. – A medical cannabis center shall not be located within 1,000 linear feet of
28 the property line of any of the following places:

29 (1) A church.

30 (2) A child care facility as defined in G.S. 110-86(3).

31 (3) A public school unit or any nonpublic school as defined in Part 1 or Part 2 of
32 Article 39 of Chapter 115C of the General Statutes.

33 (4) A community college or the facilities of The University of North Carolina and
34 the grounds of those facilities as defined in G.S. 143-597(a)(6).

35 (c) Limited Entry. – Entry to medical cannabis centers shall be strictly limited to qualified
36 patients, designated caregivers, and persons whose job duties require their presence in the
37 medical cannabis center, including employees and contractors of the medical cannabis center and
38 State employees with an inspection or regulatory role. The Commission may set other limitations
39 as necessary to protect the public.

40 (d) Employee Age. – Employees of a medical cannabis center must be 21 years of age or
41 older.

42 (e) Consumption Prohibited. – Consumption of cannabis or cannabis-infused products on
43 the site of a medical cannabis center is prohibited.

44 (f) Products. – The only products that may be sold in a medical cannabis center are
45 cannabis and cannabis-infused products and paraphernalia relating to the administration of
46 cannabis and cannabis-infused products.

47 (g) Visibility Restriction. – Cannabis, cannabis-infused products, and paraphernalia shall
48 not be visible to the public from the outside of the medical cannabis center.

49 (h) Delivery. – The Commission may establish rules to allow the delivery of cannabis,
50 cannabis-infused products, and paraphernalia used to administer cannabis products by medical
51 cannabis centers to the home of a qualified patient or a designated caregiver in a manner that

1 ensures public safety, the safety of persons delivering the products, and the prevention of
2 diversion.

3 **"§ 90-113.130. Testing of cannabis and cannabis-infused products.**

4 (a) The Department shall establish standards for and shall license up to five independent
5 testing laboratories to test cannabis and cannabis-infused products that are to be sold in the State.
6 An independent testing laboratory shall analyze a representative sample of all cannabis or
7 cannabis-infused products before the sale or transfer to a medical cannabis center by a production
8 facility. An independent testing laboratory shall report the results of all required testing to the
9 Department and to the Medical Cannabis Production Commission. The Commission shall have
10 the authority to conduct its own testing of cannabis or cannabis-infused products in coordination
11 with the Department.

12 (b) An independent testing laboratory shall be responsible for selecting, picking up, and
13 testing product samples.

14 (c) The Department shall adopt rules to establish the following, at a minimum:

15 (1) Standards for testing cannabis and cannabis-infused products, including active
16 ingredient analyses, potency analyses, homogeneity requirements, and
17 specifying prohibited concentrations of heavy metals, pesticides, residual
18 solvents, microbiological contaminants, mycotoxins, and other contaminants
19 that are injurious to human health.

20 (2) Standards for independent testing laboratories, including requirements for
21 equipment and qualifications for personnel.

22 (3) Standards and requirements necessary for an independent testing laboratory
23 to be licensed and for the renewal, suspension, and revocation of the license.

24 (4) Remedial actions to be taken if the representative sample does not meet the
25 standards established by the Department.

26 (5) The amount of the licensing fee payable to the Department by an independent
27 testing laboratory.

28 (d) No individual who owns, operates, has a direct or indirect financial interest in, or is
29 employed by an independent testing laboratory shall own, operate, have a direct or indirect
30 financial interest in, or be employed by a supplier, a production facility, or a medical cannabis
31 center.

32 **"§ 90-113.131. Advertising.**

33 (a) The production facility or medical cannabis center logo, signage, and advertising shall
34 be tasteful, respectful, and medically focused and shall not appeal to minors or contain
35 cartoon-like figures or attempts at humor. Suppliers are prohibited from using marijuana leaves
36 or slang for cannabis or cannabis-infused products in or on their logos, packaging, or structures.
37 Suppliers may not use neon-colored signage, logos, or packaging or neon-colored signage or
38 logos on structures. The supplier shall submit any logo or sign for review to the Department in
39 accordance with Department rules.

40 (b) Notwithstanding any municipal or county ordinance prohibiting signage, the medical
41 cannabis center shall only use signage that includes the medical cannabis center's name, logo,
42 and hours of operation.

43 (c) A medical cannabis supplier or medical cannabis center shall not:

44 (1) Advertise in any manner that is viewable or can otherwise be perceived in a
45 public space, including, but not limited to, billboards, bus wraps, signs on
46 vehicles or benches, adopt-a-highway signs, or any format that may be
47 viewable from sidewalks, walkways, or roads.

48 (2) Distribute handbills in public areas.

49 (3) Advertise on television, radio, print, digital, or electronic media.

50 (4) Engage in advertising via marketing directed toward location-based devices
51 or electronic devices, including, but not limited to, cellular phones.

- 1 (5) Engage in any form of advertising which promotes the application or
2 registration of people as qualified patients or promotes the services of a
3 physician or any other party which facilitates such application or registration.
4 (6) Publicly sponsor sporting events, concerts, or other community or cultural
5 events.
6 (7) Sell or give away promotional products such as t-shirts or any other items
7 containing the name of the medical cannabis center.
8 (8) Make therapeutic or health benefit claims related to cannabis or
9 cannabis-infused products.
10 (d) The Commission may take action against a licensee or designated retailer who
11 engages in nonconforming signage or advertising, including specifying a period of time by which
12 the licensee or designated retailer shall cease or remove the noncompliant signage or advertising
13 or risk a fine, suspension of the license, or both.
14 (e) A medical cannabis center may maintain a website that includes information about:
15 (1) The location and hours of operation of the medical cannabis center.
16 (2) The product or service available at the medical cannabis center.
17 (3) The personnel affiliated with the medical cannabis center.
18 (4) The best practices that the medical cannabis center upholds.
19 (5) Educational material related to the medical use of cannabis, as defined by the
20 Department.
21 (f) All production facilities and medical cannabis centers owned and operated by a
22 supplier shall maintain a discreet, professional appearance that is compatible with existing
23 commercial structures or land uses within the immediate area, including requirements to maintain
24 the production facility or medical cannabis center in a manner to prevent blight, deterioration,
25 diminishment, or impairment of property values within the vicinity.
26 (g) Advertisement of cannabis or cannabis-infused products in any manner except as
27 allowed in this Article is prohibited.
28 (h) The Department, in consultation with the Commission, shall adopt rules to define and
29 monitor standards for a medical cannabis center's name, signage, and logo to ensure a medical
30 rather than recreational disposition.

31 **"§ 90-113.132. Packaging of cannabis and cannabis-infused products.**

- 32 (a) Definitions. – The following definitions apply in this section:
33 (1) Child-resistant packaging. – A package that is designed or constructed to be
34 significantly difficult for children under 5 years of age to open and not difficult
35 for normal adults to use properly, substantially similar to those defined by 16
36 C.F.R. § 1700.20 (1995), opaque so that the packaging does not allow the
37 product to be seen without opening the packaging material, and resealable for
38 any product intended for more than a single use or containing multiple
39 servings.
40 (2) Exit packaging. – A sealed, child-resistant packaging receptacle into which
41 pre-packaged cannabis products are placed at the retail point of sale at a
42 medical cannabis center.
43 (b) Suppliers shall safely package and accurately label cannabis or cannabis-infused
44 products. All items sold at a medical cannabis center shall be properly labeled and contained in
45 child-resistant packaging. Labels shall not include strain names but may include cannabinoid and
46 terpene profiles for identification. Each label shall comply with State laws and rules and, at a
47 minimum, shall include:
48 (1) The name of the medical cannabis center.
49 (2) The percentage of tetrahydrocannabinol and the percentage of cannabidiol
50 within a profile tolerance range of ten percent (10%). For edible cannabis
51 products, the cannabinoid profile should be listed by milligrams per serving.

- 1 (3) The name of the production facility.
2 (4) A conspicuous statement printed in all capital letters and in a color that
3 provides a clear contrast to the background that reads, "NOT FOR RESALE.
4 FOR MEDICAL USE ONLY. KEEP OUT OF THE REACH OF CHILDREN
5 AND ANIMALS."
6 (5) The length of time it typically takes for the product to take effect.
7 (6) For edible cannabis-infused products, the disclosure of ingredients, possible
8 allergens, nutritional fact panel, and a standard symbol indicating that the
9 product contains cannabis.
10 (7) The batch number and the harvest number from which the cannabis originates.
11 (8) The name of the qualified patient.
12 (9) The name of the physician who issued the written certification.
13 (10) The recommended dose according to the written certification.
14 (c) All cannabis products purchased in medical cannabis centers shall be placed in
15 child-resistant exit packaging before leaving the medical cannabis center.
16 (d) The Department shall adopt rules to do, at a minimum, all of the following:
17 (1) Establish requirements and procedures for the safe, appropriate, and accurate
18 packaging and labeling of cannabis and cannabis-infused products for human
19 consumption, including prohibiting the use of any images designed or likely
20 to appeal to minors, including cartoons, toys, animals, or children, any other
21 likeness to images, characters, or phrases that are popularly used to advertise
22 to children, or any imitation of candy packaging or labeling.
23 (2) Establish requirements to ensure that cannabis and cannabis-infused products
24 for human consumption are designed, marketed, and packaged in a manner
25 that is appropriate for a medicinal product and that does not resemble
26 commercially sold candies or other food that is typically marketed to children.
27 (3) Establish restrictions on the forms and appearance of edible cannabis-infused
28 products in order to reduce their appeal to minors, including prohibiting edible
29 cannabis products in the shapes of cartoons, toys, animals, or people.

30 **"§ 90-113.133. Disposal of cannabis.**

31 (a) All production center cannabis by-product, cannabis scrap, and harvested cannabis
32 not intended for distribution to a medical cannabis center or independent testing laboratory shall
33 be destroyed and disposed of in accordance with Department rules. Documentation of destruction
34 and disposal shall be retained by the production center for a period of not less than one year. The
35 production center shall maintain a record of the date of destruction and the amount destroyed.

36 (b) A medical cannabis center shall destroy all cannabis and cannabis-infused products
37 that are not sold to registry identification cardholders in accordance with Department rules. The
38 medical cannabis center shall retain documentation of the destruction and disposal for a period
39 of not less than one year. The medical cannabis center shall maintain a record of the date of
40 destruction and the amount destroyed.

41 (c) A medical cannabis center shall destroy all unused cannabis products that are returned
42 to the medical cannabis center by a former qualifying patient who no longer qualifies for the use
43 of medical cannabis or the former qualifying patient's caregiver.

44 **"§ 90-113.134. North Carolina Cannabis Research Program.**

45 (a) It is the intent of the General Assembly that the North Carolina Collaboratory
46 undertake objective, scientific research regarding the administration of cannabis or
47 cannabis-infused products as part of medical treatment. The Collaboratory shall create a program
48 to be known as the North Carolina Cannabis Research Program.

49 (b) The research conducted under this section may involve the development of quality
50 control, purity, and labeling standards for cannabis dispensed through the regulated medical
51 cannabis supply system; sound advice and recommendations on the best practices for the safe

1 and efficient cultivation of cannabis; and analysis of genetic and healing properties of the many
2 varied strains of cannabis to determine which strains may be best suited for a particular condition
3 or treatment.

4 (c) Notwithstanding any other provision of State law, and subject to the requirements of
5 the Commission, the Collaboratory and its academic research partners may possess, transport,
6 store, test, and dispose of cannabis as necessary to conduct scientific research pursuant to this
7 section.

8 **"§ 90-113.135. North Carolina Medical Cannabis Program Fund.**

9 There is established within the Department the North Carolina Medical Cannabis Program
10 Fund to ensure the availability of funds necessary to carry out the Department's responsibilities
11 under this Article. All monies collected pursuant to this Article shall be deposited into the Fund.
12 The Fund shall be used for direct and indirect costs associated with the implementation,
13 administration, and enforcement of this Article. Revenues generated in excess of the amount
14 needed to implement, administer, and enforce this Article shall be annually distributed to the
15 State General Fund.

16 **"§ 90-113.136. Self-supporting requirement; use of excess revenue.**

17 (a) Self-Supporting Requirement. – The system revenues from license fees and monthly
18 gross revenue fees are appropriated to the Commission to fund in the following order of priority:

19 (1) Costs associated with establishing and operating the regulated medical
20 cannabis supply system established under this section.

21 (2) The registry system established under G.S. 90-113.119.

22 (3) The North Carolina Cannabis Research Program established under
23 G.S. 90-113.134, limited to an amount of funding to be determined by the
24 Commission.

25 (b) Use of Excess Revenues. – Any revenues remaining at the end of a fiscal year after
26 the Commission fully funds the priorities set forth in subsection (a) of this section shall be
27 transferred at the beginning of the subsequent fiscal year to the General Fund.

28 **"§ 90-113.137.** Reserved for future codification purposes.

29 **"§ 90-113.138.** Reserved for future codification purposes.

30 **"§ 90-113.139.** Reserved for future codification purposes.

31 **"§ 90-113.140. Annual report.**

32 (a) The Department, in consultation with the Commission and the Advisory Board, shall
33 report annually on the effectiveness of the medical cannabis program operated pursuant to this
34 Article and recommendations for any changes to the program. The report shall, without
35 disclosing any identifying information about cardholders, physicians, qualified patients,
36 designated caregivers, or suppliers, contain the following, at a minimum:

37 (1) The number of registry identification card applications submitted, approved,
38 and renewed.

39 (2) The number of written certifications provided by physicians and the
40 percentage distribution by areas of physician specialty.

41 (3) The number of qualifying patients and designated caregivers served by each
42 medical cannabis center during the report year.

43 (4) The nature of the debilitating medical conditions of the qualifying patients and
44 a breakdown of qualifying patients by age group.

45 (5) The nature and percentage distribution of delivery methods of cannabis and
46 cannabis-infused products used and the average daily doses dispensed per
47 delivery method.

48 (6) The new debilitating medical conditions added by the Advisory Board, if any.

49 (7) The number of registry identification cards denied, suspended, or revoked.

50 (8) The number of physicians providing written certifications for qualifying
51 patients and the percentage distribution of their areas of specialty.

1 (9) The number of suppliers, production facilities, and medical cannabis centers
2 by county.

3 (b) The report shall be submitted to the Joint Legislative Oversight Committee on Health
4 and Human Services and to the Joint Legislative Oversight Committee on Justice and Public
5 Safety by October 1 of each year, beginning in the first year in which cannabis or
6 cannabis-infused products are sold in medical cannabis centers.

7 (c) The Department may develop methodologically valid surveys to be taken by qualified
8 patients to determine the effects of the use of medical cannabis. The Commission may require
9 completion of a survey by each patient dispensed medical cannabis in order to assure the
10 methodological validity of survey results and avoid selection bias. If patient surveys are
11 conducted, the results shall be reported with no individually identifying information.

12 **"§ 90-113.141. Construction of Article.**

13 This Article shall not be construed to do any of the following:

14 (1) Allow for a violation of any law other than for conduct in compliance with the
15 provisions of this Article.

16 (2) Affect or repeal laws relating to nonmedical use, possession, production, or
17 sale of cannabis.

18 (3) Authorize the use of cannabis by anyone other than a qualified patient.

19 (4) Permit the operation of any vehicle, aircraft, train, or boat while under the
20 influence of cannabis.

21 (5) Require the violation of federal law or purport to give immunity under federal
22 law.

23 (6) Require any accommodation of any on-site medical use of cannabis in any
24 correctional institution or detention facility or place of education or
25 employment, or of smoking or vaping cannabis in any public place.

26 (7) Require a health insurance provider, health care plan, property and casualty
27 insurer, or medical assistance program to be liable for or reimburse a claim
28 for the medical use of cannabis. Consultations in which physicians diagnose
29 debilitating medical conditions and complete written certifications shall be
30 reimbursed consistent with any other visit to a health care facility.

31 (8) Affect or repeal laws relating to negligence or professional malpractice on the
32 part of a qualified patient, designated caregiver, physician, supplier, or
33 supplier's agents or employees.

34 (9) Impair the ability of any party to prohibit or limit smoking or vaping of
35 cannabis on his or her private property.

36 (10) Impair the ability of a community association to prohibit or limit smoking or
37 vaping of cannabis in a common area through the community association's
38 declaration or bylaws.

39 **"§ 90-113.142. Severability.**

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

43 **SECTION 2.(a)** The initial appointments made to the Compassionate Use Advisory
44 Board under G.S. 90-113.113 shall be made not later than 45 days after the effective date of this
45 act. In order to allow for the staggering of terms, the initial term for each member appointed
46 pursuant to G.S. 90-113.113(a)(1)a. and (a)(1)c. shall be four years; for each member appointed
47 pursuant to G.S. 90-113.113(a)(1)b., (a)(1)d., and (a)(1)e., the initial term shall be three years;
48 for each member appointed pursuant to G.S. 90-113.113(a)(1)f. and (a)(1)g. the initial term shall
49 be two years; and the initial term for members appointed pursuant to G.S. 90-113.113(a)(2) and
50 (a)(3) shall be one year. Subsequent appointments shall be for the full four-year term in
51 accordance with G.S. 90-113.113(b).

1 SECTION 2.(b) The initial appointments made to the Medical Cannabis Production
2 Commission under G.S. 90-113.118 shall be made not later than 45 days after the effective date
3 of this act, and the Commission must hold their first meeting not later than 60 days after the
4 effective date of this act. Within 270 days of the first meeting, the Commission must adopt rules,
5 as required by G.S. 90-113.118(k), and establish the medical cannabis supply system, as required
6 by G.S. 90-113.119. In order to provide for the staggering of terms, the initial term for each
7 member appointed under G.S. 90-113.118(a)(1)a. and (a)(7) shall be one year. The initial term
8 for members appointed pursuant to G.S. 90-113.118(8) through (9) shall be two years. The initial
9 term for members appointed pursuant to G.S. 90-113.118(a)(1)b. shall be three years. The initial
10 term for members appointed pursuant to G.S. 90-113.118(5) through (6) shall be four years.
11 Subsequent appointments shall be for the full four-year term in accordance with
12 G.S. 90-113.118(b).

13 SECTION 2.(c) Within 270 days of the effective date of this act, the Department of
14 Health and Human Services must adopt rules as required by G.S. 90-113.115(h).

15 SECTION 3. G.S. 105-164.13 reads as rewritten:

16 "§ 105-164.13. Retail sales and use tax.

17 The sale at retail and the use, storage, or consumption in this State of the following items are
18 specifically exempted from the tax imposed by this Article:

- 19 ...
20 (13e) Cannabis or cannabis-infused products sold by a medical cannabis center to a
21 registry identification cardholder. The terms "cannabis," "cannabis-infused
22 product," "medical cannabis center," and "registry identification cardholder"
23 have the same meanings as defined in G.S. 90-113.112.

24"

25 SECTION 4. G.S. 106-121 reads as rewritten:

26 "§ 106-121. Definitions and general consideration.

27 For the purpose of this Article:

- 28 ...
29 (6) The term "drug" means all of the following:
30 a. Articles recognized in the official United States Pharmacopoeia,
31 official Homeopathic Pharmacopoeia of the United States, or official
32 National Formulary, or any supplement to any of ~~them; and~~them.
33 b. Articles intended for use in the diagnosis, cure, mitigation, treatment
34 or prevention of disease in man or other ~~animals; and~~animals, except
35 for cannabis or cannabis-infused products, as defined in
36 G.S. 90-113.114, that are manufactured by a production facility or sold
37 by a medical cannabis center, as defined in G.S. 90-113.112.
38 c. Articles (other than food) intended to affect the structure or any
39 function of the body of man or other ~~animals; and~~animals.
40 d. Articles intended for use as a component of any article specified in
41 paragraphs a, b or c; but does not include devices or their components,
42 parts, or accessories.

- 43 ...
44 (8) The term "food" means all of the following:
45 a. Articles used for food or drink for man or other animals, except for
46 cannabis or cannabis-infused products, as defined in G.S. 90-113.112,
47 that are manufactured by a production facility or sold by a medical
48 cannabis center, as defined in G.S. 90-113.112.
49 b. Chewing ~~gum, and~~gum.
50 c. Articles used for components of any such article.

51"

1 **SECTION 5.(a)** G.S. 15A-974 reads as rewritten:

2 "**§ 15A-974. Exclusion or suppression of unlawfully obtained evidence.**

3 (a) Upon timely motion, evidence must be suppressed if:

4 (1) Its exclusion is required by the Constitution of the United States or the
5 Constitution of the State of North Carolina; or

6 (2) It is obtained as a result of a substantial violation of the provisions of this
7 Chapter. In determining whether a violation is substantial, the court must
8 consider all the circumstances, including:

9 a. The importance of the particular interest violated;

10 b. The extent of the deviation from lawful conduct;

11 c. The extent to which the violation was willful;

12 d. The extent to which exclusion will tend to deter future violations of
13 this Chapter.

14 Evidence shall not be suppressed under this subdivision if the person
15 committing the violation of the provision or provisions under this Chapter
16 acted under the objectively reasonable, good faith belief that the actions were
17 lawful.

18 (a1) If evidence was obtained as the result of a search that was supported by probable
19 cause at the time of the search, no evidence obtained as a result of that search shall be suppressed
20 solely on the basis of either of the following:

21 (1) A subsequent determination that a substance believed to be a controlled
22 substance at the time of the search was not a controlled substance.

23 (2) A subsequent determination that the presence of a controlled substance at the
24 time of the search was not a violation of law.

25 (b) The court, in making a determination whether or not evidence shall be suppressed
26 under this section, shall make findings of fact and conclusions of law which shall be included in
27 the record, pursuant to G.S. 15A-977(f)."

28 **SECTION 5.(b)** This section becomes effective December 1, 2023, and applies to
29 motions filed on or after that date.

30 **SECTION 6.** G.S. 90-87(16) reads as rewritten:

31 "(16) "Marijuana" means all parts of the plant of the genus Cannabis, whether
32 growing or not; the seeds thereof; the resin extracted from any part of such
33 plant; and every compound, manufacture, salt, derivative, mixture, or
34 preparation of such plant, its seeds or resin, but shall not include the mature
35 stalks of such plant, fiber produced from such stalks, oil, or cake made from
36 the seeds of such plant, any other compound, manufacture, salt, derivative,
37 mixture, or preparation of such mature stalks (except the resin extracted
38 therefrom), fiber, oil, or cake, or the sterilized seed of such plant which is
39 incapable of germination. The term does not include ~~hemp~~the following:

40 a. Hemp or hemp products.

41 b. An adequate supply, as defined in G.S. 90-113.112, of cannabis for
42 medical use in compliance with Article 5H of Chapter 90 of the
43 General Statutes."

44 **SECTION 7.** This act is effective when it becomes law and applies to acts committed
45 on or after that date.