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SENATE BILL DRS45367-MGF-91A (03/14)

Short Title: The Catherine A. Zanga Medical Marijuana Bill. (Public)

Sponsors: Senator Ford (Primary Sponsor).

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT ESTABLISHING THE NORTH CAROLINA MEDICAL CANNABIS ACT.

3 Whereas, cancer is the second leading cause of death in the United States, exceeded
4 only by heart disease, with one of every four deaths in the United States attributed to cancer;
5 and

6 Whereas, cancer is only one of several chronic or debilitating diseases or medical
7 conditions that could potentially benefit from the medicinal uses of marijuana; and

8 Whereas, Catherine Ann Zanga of Charlotte, North Carolina, was diagnosed with
9 ovarian cancer in 2012 and discussed with her husband, Hyong Yi, the medical use of
10 marijuana as a possibility for controlling her increasing pain as she battled ovarian cancer and
11 the cancer grew progressively worse; and

12 Whereas, Ms. Zanga and her husband would have preferred the option of using
13 marijuana to manage the pain she experienced as a result of ovarian cancer, given the medical
14 evidence that marijuana causes fewer side effects than some of the very potent and addictive
15 narcotic pain killers typically prescribed for the management of pain associated with ovarian
16 cancer, but, as a former prosecutor and law enforcement attorney, Ms. Zanga recognized and
17 respected the legal consequences of using an illegal substance; and

18 Whereas, Catherine Ann Zanga died in 2014 at the age of 41 from complications of
19 ovarian cancer without ever having the opportunity to elect medical marijuana as an option for
20 pain relief; and

21 Whereas, Ms. Zanga, Mr. Yi, and their family all hoped the General Assembly and
22 the State of North Carolina would recognize the value in helping patients like Ms. Zanga with
23 chronic or debilitating diseases or medical conditions find relief for their symptoms through the
24 medical use of marijuana; and

25 Whereas, 28 states, the District of Columbia, Guam, and Puerto Rico have legalized
26 the medical use of marijuana, and support for marijuana legalization is rapidly outpacing
27 opposition; Now, therefore,

28 The General Assembly of North Carolina enacts:

29 **SECTION 1.** Chapter 90 of the General Statutes is amended by adding a new
30 Article to read:

31 "Article 43.

32 "North Carolina Medical Cannabis Act.

33 **"§ 90-730. Short title.**

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

36 **"§ 90-730.1. Legislative findings and purpose.**



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1 The General Assembly makes the following findings:

- 2 (1) Modern medical research has discovered beneficial uses for cannabis in
3 treating or alleviating pain, nausea, and other symptoms associated with
4 certain debilitating medical conditions, as found by the National Academy of
5 Sciences' Institute of Medicine in March 1999.
- 6 (2) According to the United States Sentencing Commission and the Federal
7 Bureau of Investigation, 99 out of every 100 cannabis arrests in the United
8 States are made under state law, rather than under federal law. Consequently,
9 changing State law will have the practical effect of protecting from arrest the
10 vast majority of seriously ill people who have a medical need to use
11 cannabis.
- 12 (3) The United States Department of Health and Human Services, through the
13 Compassionate Investigational New Drug (IND) program, provides cannabis
14 by prescription to a number of individuals for their use as medicine. The
15 cannabis is grown at the federal cannabis research garden at the University
16 of Mississippi and is processed and distributed by the Research Triangle
17 Institute in Research Triangle Park, North Carolina. The patients receive the
18 cannabis monthly in canisters of approximately 300 pre-rolled cigarettes.
19 The dosage for patients in the IND program ranges from seven to nine grams
20 per day. Since the inception of the program in 1978, individual patients in
21 the IND program have received and consumed approximately 6.5 pounds of
22 cannabis per year, thereby establishing a safe and effective dosage for a
23 chronic daily use patient to possess and consume. The IND program was
24 closed to new applicants in 1991.
- 25 (4) In 1992, the United States Drug Enforcement Administration (DEA)
26 published research in a report entitled "Cannabis Yields" stating that canopy
27 cover, rather than the number of plants, is the most accurate indicator of a
28 garden's yield. According to the DEA report, 250 square feet of mature
29 garden canopy will typically yield six pounds of processed cannabis per
30 year, a common amount for patients who use cannabis daily, and less than
31 the amount prescribed and delivered to the IND patients by the federal
32 government.
- 33 (5) Although federal law currently prohibits any use of cannabis outside of the
34 IND program, the laws of Alaska, Arizona, Arkansas, California, Colorado,
35 Connecticut, District of Columbia, Delaware, Florida, Hawaii, Illinois,
36 Maine, Maryland, Massachusetts, Michigan, Minnesota, Montana, Nevada,
37 New Hampshire, New Jersey, New Mexico, New York, North Dakota, Ohio,
38 Oregon, Pennsylvania, Rhode Island, Vermont, and Washington permit the
39 medical use and cultivation of cannabis. North Carolina joins in this effort
40 for the health and welfare of its citizens.
- 41 (6) States are not required to enforce federal law or prosecute people for
42 engaging in activities prohibited by federal law. Therefore, compliance with
43 this Article does not put the State of North Carolina in violation of federal
44 law.
- 45 (7) Compassion dictates that State law should make a distinction between the
46 medical and nonmedical use of cannabis. Hence, the purpose of this Article
47 is to protect patients with debilitating medical conditions, and their
48 physicians and caregivers, from arrest and prosecution, criminal and other
49 penalties, and property forfeiture by allowing the beneficial use of medical
50 cannabis in a regulated system for alleviating symptoms caused by
51 debilitating medical conditions and their medical treatments.

- 1 (8) This Article is intended to make only those changes to existing North
2 Carolina laws that are necessary to protect patients and their doctors from
3 criminal and civil penalties and is not intended to change current civil and
4 criminal laws governing the use of cannabis for nonmedical purposes.
- 5 (9) Based on data gathered from other states where medical cannabis has been
6 regulated, this Article will result in approximately two hundred fifty million
7 dollars (\$250,000,000) per year in revenues for the State within four years of
8 implementation.
- 9 (10) The General Assembly enacts this Article pursuant to its police power to
10 enact legislation for the protection of the health of its citizens, as reserved to
11 the State in the Tenth Amendment of the United States Constitution.

12 **§ 90-730.2. Definitions.**

13 The following definitions apply in this Article:

- 14 (1) "Adequate supply" has the following meanings:
- 15 a. An amount of usable cannabis derived solely from an intrastate
16 source that is possessed by a qualified patient, or collectively
17 possessed by a qualified patient and the qualified patient's designated
18 caregiver, in an amount that does not exceed what is reasonably
19 necessary to assure the uninterrupted availability of cannabis for a
20 period of three months, in any form recommended by the qualified
21 patient's physician for the purpose of alleviating the symptoms or
22 effects of the qualified patient's debilitating medical condition.
- 23 b. For a qualified patient for whom a delivery method of inhalation of
24 cannabis vapor or smoking is recommended by the qualified patient's
25 physician, "adequate supply" means not more than 24 ounces of
26 cannabis in a form usable for that purpose. The term also includes a
27 garden cultivated by the qualified patient or the qualified patient's
28 designated caregiver of not more than 250 feet of total garden canopy
29 of mature female cannabis plants, measured by the combined
30 vegetative growth area, excluding any garden space devoted to
31 cannabis plants that are not mature and female but which are
32 cultivated for the purpose of maintaining the largest and most
33 productive canopy of mature female cannabis plants allowed by this
34 Article.
- 35 c. For a qualified patient for whom a delivery method other than
36 inhalation of cannabis vapor or smoking has been recommended by
37 the patient's physician, "adequate supply" means a garden of
38 cannabis cultivated by the qualified patient or the qualified patient's
39 designated caregiver of a size reasonably necessary to assure the
40 uninterrupted availability of cannabis for a period of three months, in
41 a form recommended by the qualified patient's physician, for the
42 purpose of alleviating the symptoms or effects of the qualified
43 patient's debilitating medical condition.
- 44 (2) "Bona fide physician-patient relationship" means a physician and a patient
45 have a treatment or counseling relationship in which the physician has
46 completed a full assessment of the patient's medical history and current
47 medical condition, including an appropriate physical examination; and the
48 physician is available or offers to provide follow-up care and treatment to
49 the patient, including patient examinations, to determine the efficacy of the
50 use of medical cannabis as a treatment for the patient's medical condition.
- 51 (3) "Cannabis" means marijuana as defined in G.S. 90-87(16).

- 1 (4) "Cannabis-infused product" means a product infused with cannabis that is
2 intended for use or consumption other than by inhalation, smoking, or
3 otherwise. The term includes edible products, ointments, and tinctures.
4 (5) "Canopy" means the foliage of growing plants.
5 (6) "Canopy cover" means the area shaded by the foliage of growing plants.
6 (7) "Debilitating medical condition" means any of the following:
7 a. Cancer, gliomas, glaucoma, positive status for human
8 immunodeficiency virus (HIV), acquired immune deficiency
9 syndrome (AIDS), hepatitis C, porphyria, amyotrophic lateral
10 sclerosis (Lou Gehrig's disease or ALS), Alzheimer's disease,
11 nail-patella syndrome, fibromyalgia, severe migraines, multiple
12 sclerosis, celiac disease, Crohn's disease, diabetes mellitus, dystonia,
13 gastrointestinal disorders, hypertension, incontinence, injury or
14 disease to the spinal cord, spinal column, or vertebra,
15 methicillin-resistant Staphylococcus aureus (MRSA), myelomalacia,
16 osteoporosis, pruritus, rheumatoid arthritis, sleep apnea, Tourette's
17 syndrome, or the treatment of such conditions.
18 b. A chronic or debilitating disease or medical condition or its treatment
19 that produces one or more of the following: cachexia or wasting
20 syndrome; severe pain; severe nausea; anorexia; seizures, including
21 those characteristic of epilepsy; or severe and persistent muscle
22 spasms, including those characteristic of multiple sclerosis (MS),
23 amyotrophic lateral sclerosis (Lou Gehrig's disease or ALS), or
24 Crohn's disease.
25 c. Any other serious medical or mental condition or its treatment
26 approved by a physician or other practitioner authorized to prescribe
27 or recommend a controlled substance classified in the schedules set
28 forth in either the Controlled Substances Act (Article 5 of Chapter 90
29 of the General Statutes) or the federal Comprehensive Drug Abuse
30 Prevention and Control Act of 1970, P.L. 91-513, 84 Stat. 1236 (Oct.
31 27, 1970).
32 (8) "Designated caregiver" means a person who is at least 21 years of age and
33 who has agreed to assist with a qualified patient's medical use of cannabis.
34 (9) "Licensed medical cannabis center" means a person licensed pursuant to
35 G.S. 90-730.6 to operate a business that sells cannabis and cannabis-infused
36 products to registry identification cardholders and other licensed medical
37 cannabis centers.
38 (10) "Licensed producer of cannabis-infused products" means a person licensed
39 pursuant to G.S. 90-730.6 to operate a business producing cannabis-infused
40 products.
41 (11) "Licensed producer of medical cannabis" means a person licensed pursuant
42 to G.S. 90-730.6 to cultivate cannabis for sale to a licensed medical cannabis
43 center.
44 (12) "Medical use of cannabis" means the acquisition, possession, cultivation,
45 manufacture, use, internal possession, delivery, transfer, or transportation of
46 cannabis or paraphernalia relating to the administration of cannabis to treat
47 or alleviate a qualified patient's medical condition or symptoms associated
48 with the medical condition or its treatment.
49 (13) "Physician" means a person licensed under Article 1 of Chapter 90 of the
50 General Statutes who is in good standing to practice medicine in this State.

- 1 (14) "Producer" includes a producer of medical cannabis and a producer of
2 cannabis-infused products.
- 3 (15) "Qualified patient" means a person who has been diagnosed by a physician
4 as having a debilitating medical condition.
- 5 (16) "Registry identification card" means a document issued by the North
6 Carolina Department of Health and Human Services pursuant to
7 G.S. 90-730.5 that identifies a person as a qualified patient or designated
8 caregiver.
- 9 (17) "Registry identification cardholder" means a qualified patient or a designated
10 caregiver who holds a valid registry identification card issued by the North
11 Carolina Department of Health and Human Services pursuant to
12 G.S. 90-730.5.
- 13 (18) "Regulated medical cannabis supply system" or "system" means the system
14 established by the North Carolina Department of Agriculture and Consumer
15 Services pursuant to G.S. 90-730.6 to provide a safe method for producing
16 and distributing cannabis to registry identification cardholders and persons
17 licensed to produce and distribute cannabis and cannabis-infused products to
18 registry identification cardholders.
- 19 (19) "Usable cannabis" means the dried buds and mature female flowers of the
20 plant of the genus Cannabis, and any mixture or preparation thereof, that are
21 appropriate for medical use as provided in this Article.
- 22 (20) "Written certification" means a statement in a patient's medical records or a
23 statement signed by a physician with whom the patient has a bona fide
24 physician-patient relationship indicating that, in the physician's professional
25 opinion, the patient has a debilitating medical condition and the potential
26 health benefits of the medical use of cannabis would likely outweigh the
27 health risks for the patient.

28 **"§ 90-730.3. Protections for the medical use of cannabis.**

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

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

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

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

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

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

6 (e) A qualified patient or a designated caregiver shall be granted the full legal
7 protections provided in this section as long as the qualified patient or designated caregiver is in
8 possession of a registry identification card. If the qualified patient or designated caregiver is not
9 in possession of a registry identification card, the individual shall be given an opportunity to
10 produce the registry identification card before the initiation of any arrest, criminal charges, or
11 other penalties.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

47 **"§ 90-730.4. Prohibitions, restrictions, and limitations on medical use of cannabis.**

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

49 (1) Operate, navigate, or be in actual physical control of any motor vehicle,
50 aircraft, or motorboat while impaired by cannabis. However, a qualified

1 patient shall not be considered impaired solely due to the presence of
2 cannabis metabolites in the individual's system.
3 (2) Undertake any task under the influence of cannabis, when doing so would
4 constitute negligence or professional malpractice.
5 (3) Smoke cannabis in a school bus or other form of public transportation, on
6 any school grounds, in any correctional facility, or in any public place in this
7 State.
8 (b) A person who commits an act prohibited by subsection (a) of this section is subject
9 to all penalties provided by law.
10 (c) Nothing in this Article shall be construed to require any of the following:
11 (1) A government-sponsored medical assistance program or private health
12 insurer to reimburse a person for costs associated with the medical use of
13 cannabis.
14 (2) An employer to accommodate the medical use of cannabis in any workplace.
15 (d) Fraudulent representation to a law enforcement official of any fact or circumstance
16 relating to the medical use of cannabis to avoid arrest or prosecution is a Class 2 misdemeanor
17 punishable by a fine of five hundred dollars (\$500.00) in addition to any other applicable
18 penalties for making a false statement about the medical use of cannabis.
19 (e) A licensed producer of medical cannabis that sells, distributes, dispenses, or
20 transfers cannabis to an individual other than a registry identification cardholder or to a person
21 other than a person licensed pursuant to G.S. 90-730.6, or obtains or transports cannabis outside
22 of North Carolina in violation of federal law, is subject to arrest, prosecution, and civil or
23 criminal penalties pursuant to State law.
24 (f) Nothing in this Article shall be construed as a waiver of sovereign immunity by the
25 State.
26 **"§ 90-730.5. Registry identification cards for qualified patients and designated caregivers.**
27 (a) As used in this section, "Department" means the North Carolina Department of
28 Health and Human Services.
29 (b) The Department shall issue a registry identification card to any qualified patient or
30 designated caregiver who meets the requirements of this section.
31 (c) The Department shall not issue or renew a registry identification card to a qualified
32 patient under 18 years of age unless each of the following criteria is met:
33 (1) The qualified patient's physician has explained the potential risks and
34 benefits of the medical use of cannabis to the qualified patient and to a
35 parent, guardian, or person having legal custody of the qualified patient.
36 (2) A parent, guardian, or person having legal custody of the qualified patient
37 consents in writing to (i) allow the qualified patient's medical use of
38 cannabis, (ii) serve as one of the qualified patient's designated caregivers,
39 and (iii) control the acquisition of the cannabis, the dosage, and the
40 frequency of the medical use of cannabis by the qualified patient.
41 (d) The Department shall verify the information contained in a registry identification
42 card application or renewal application submitted pursuant to this section and shall approve or
43 deny an application or renewal application within 45 days after receipt. The Department may
44 deny a registry identification card application or renewal application only if the applicant fails
45 to provide the information required pursuant to this section or if the Department determines that
46 the application or renewal application contains false information. If the Department fails to
47 approve or deny a registration application or renewal application submitted pursuant to this
48 section within 45 days after receipt, the application or renewal application shall be deemed
49 approved, and a copy of the application or renewal application together with proof of receipt by
50 the Department at least 45 days prior to the date this information is presented in lieu of a
51 registry identification card shall be deemed a valid registry identification card.

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

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

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

8 (1) The date of issuance.

9 (2) The date of expiration.

10 (3) A random registry identification number.

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

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

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

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

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

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

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

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

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

50 (k) The Department shall maintain a confidential list of the persons to whom the
51 Department has issued registry identification cards. Individual names and other identifying

1 information on the list shall be confidential, exempt from the provisions of Chapter 132 of the
2 General Statutes, and not subject to disclosure, except to authorized employees of the
3 Department as necessary to perform official duties of the Department.

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

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

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

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

17 **"§ 90-730.6. Regulated medical cannabis supply system.**

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

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

26 (c) Medical Cannabis Center License. –

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

- 31 a. The applicant's name and any name the applicant will use in the
32 operation of a medical cannabis center.
- 33 b. The address of any property the applicant will use to possess, deliver,
34 transport, dispense, or distribute cannabis.
- 35 c. The name, address, and date of birth of each principal officer and
36 board member of the medical cannabis center.
- 37 d. The name, address, and date of birth of each employee of the medical
38 cannabis center.
- 39 e. For first-year licensees, a nonrefundable license fee in the amount of
40 five thousand dollars (\$5,000).
- 41 f. For licensees seeking license renewal, a nonrefundable renewal fee in
42 an amount not less than five thousand dollars (\$5,000), as specified
43 in rules adopted pursuant to subsection (s) of this section.
- 44 g. Proof of North Carolina residency for each principal officer, board
45 member, and employee of the medical cannabis center.
- 46 h. Any other information the Department considers necessary to ensure
47 compliance with the terms of this Article.

48 (2) Unless suspended or revoked, a medical cannabis center license is valid for a
49 period not to exceed 12 months from the date of issuance.

50 (3) A licensee shall apply for renewal, as necessary, at least 30 days prior to the
51 expiration of a current license.

- 1 (4) No later than 30 days after issuing or renewing a license under this
2 subsection, the Department shall issue a medical cannabis center registry
3 identification card to each director and employee listed on the application or
4 renewal form upon receipt of a ten-dollar (\$10.00) fee per cardholder.
- 5 (5) A licensee shall notify the Department of any change in the information
6 submitted on the license application or renewal form within 30 days after the
7 change.
- 8 (6) A medical cannabis center licensee may do all of the following:
9 a. Sell cannabis, cannabis-infused products, cannabis plants, cannabis
10 seeds, cultivation equipment, and related supplies and educational
11 materials only to registry identification cardholders.
12 b. Contract with a producer to sell live plants on the premises of the
13 medical cannabis center to registry identification cardholders.
14 c. Assist registry identification cardholders with other products and
15 services, including equipment, supplies, and educational materials.
- 16 (7) A medical cannabis center licensee shall not cultivate cannabis unless
17 separately licensed as a producer of medical cannabis under subsection (c) of
18 this section.
- 19 (8) A medical cannabis center licensee and its directors, agents, and employees
20 are exempt from the criminal laws of this State for possession, production,
21 delivery, or transportation of cannabis, or aiding and abetting another in the
22 possession, production, delivery, or transportation of cannabis, or any other
23 criminal offense in which possession, production, delivery, or transportation
24 of cannabis is an element if the medical cannabis center and the directors,
25 agents, and employees of the medical cannabis center are in substantial
26 compliance with this section and the applicable rules adopted by the
27 Department for regulating medical cannabis centers.
- 28 (9) The records of a licensed medical cannabis center are subject to the same
29 restrictions imposed on pharmacy records pursuant to G.S. 90-85.36.
30 G.S. 90-85.36 shall apply to each medical cannabis center as if it were a
31 pharmacy regulated under Article 4A of Chapter 90 of the General Statutes.
- 32 (d) Producer of Medical Cannabis License. –
- 33 (1) No person shall cultivate cannabis for sale to a licensed medical cannabis
34 center without first applying for a license to the Department and submitting
35 the required information on application forms provided by the Department.
36 The application form shall require at least all of the following:
37 a. The name of the person responsible for the medical cannabis
38 production site and the name of each individual employed by that
39 person.
40 b. The address of each property, location, or premises used or proposed
41 for use by the producer to produce cannabis.
42 c. The name, address, and date of birth of each principal officer and
43 board member of the producer.
44 d. The name, address, and date of birth of each employee of the
45 producer.
46 e. For first-year licensees, a nonrefundable license fee in the amount of
47 five thousand dollars (\$5,000).
48 f. For licensees seeking license renewal, a nonrefundable renewal fee in
49 an amount not less than five thousand dollars (\$5,000), as specified
50 in the rules adopted pursuant to subsection (s) of this section.

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

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

- 1 (1) Driving while impaired by cannabis, provided that the person shall not be
2 considered to be impaired solely for having cannabis metabolites in his or
3 her system.
- 4 (2) Delivering cannabis to any individual who the person knows is not a registry
5 identification cardholder or qualified patient.
- 6 (3) Manufacturing or distributing cannabis at an address not registered with the
7 Department.
- 8 (4) Failing to report transfer of cannabis authorized under this section to the
9 Department.
- 10 (i) Monthly Fees and Reporting. –
- 11 (1) Each medical cannabis center, producer of medical cannabis, and producer
12 of cannabis-infused products licensed under this section shall submit
13 quarterly reports to the Department on all financial transactions, including,
14 but not limited to, sales and purchases of cannabis and cannabis-infused
15 products, and transfers of cannabis and cannabis-infused products for no
16 consideration.
- 17 (2) Each medical cannabis center licensed and operating under this section shall
18 pay to the Department monthly fees equal to ten percent (10%) of the
19 medical cannabis center's gross revenue derived from the sale of cannabis
20 and cannabis-infused products.
- 21 (3) Each producer of medical cannabis or cannabis-infused products producer
22 licensed and operating under this section shall pay to the Department
23 monthly fees equal to ten percent (10%) of the producer's gross revenue
24 derived from the sale of cannabis and cannabis-infused products.
- 25 (4) Each person who (i) holds a medical cannabis center license and either a
26 producer of medical cannabis license or cannabis-infused products producer
27 license, or both, and (ii) operates both a retail medical cannabis center and
28 one or more production sites shall pay to the Department monthly fees equal
29 to fifteen percent (15%) of that person's gross revenue derived from retail
30 sales of cannabis and cannabis-infused products produced by that person.
- 31 (5) Nothing in this subsection shall be construed to exempt persons licensed
32 under this section from the reporting or remittance of sales tax for any
33 transaction upon which a sales tax may be levied.
- 34 (j) The Department shall use system revenues from license fees and monthly gross
35 revenue fees to fund, in the following order of priority:
- 36 (1) Costs associated with establishing and operating the regulated medical
37 cannabis supply system established under this section.
- 38 (2) The registry system established under G.S. 90-730.5.
- 39 (3) The medical cannabis research program established under G.S. 90-730.9.
- 40 (4) Other Department programs.
- 41 (k) Disqualifications for Licensure. – The Department shall not issue a license
42 authorized by this section to any of the following persons:
- 43 (1) A person who has not paid the appropriate license or license renewal fee.
- 44 (2) An individual who is less than 21 years of age.
- 45 (3) A person who has served a sentence for any of the following felonies in the
46 five years immediately preceding the date of license application: any Class
47 A through E felony; any felony that includes assault as an essential element
48 of the offense; any felony under Article 14 (Burglary and Housebreakings)
49 of Chapter 14 of the General Statutes; any felony under Article 16
50 (Larceny), Article 16A (Organized Retail Theft), Article 17 (Robbery),
51 Article 18 (Embezzlement), Article 19 (False Pretenses and Cheats), Article

1 19A (Obtaining Property or Services by False or Fraudulent Use of Credit
2 Device or Other Means), Article 19B (Financial Transaction Card Crime
3 Act), or Article 19C (Identity Theft) of Chapter 14 of the General Statutes.
4 In order to ensure compliance with this subdivision, the Department shall
5 conduct a criminal history record check of any person whose name is
6 submitted on an application as the director or an employee of the medical
7 cannabis center or as a producer or employee of a producer.

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

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

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

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

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

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

45 (p) Any person, including an employee or official of the Department or another State
46 agency or local government, who breaches the confidentiality of information obtained pursuant
47 to subsection (c), (d), or (e) of this section is guilty of a Class 1 misdemeanor; however, any
48 fine imposed for a violation under this subsection shall not exceed one thousand dollars
49 (\$1,000).

50 (q) Nothing in this section shall be construed to prevent Department employees from
51 notifying law enforcement officers about falsified or fraudulent information submitted to the

1 Department by any person in support of an application for a license authorized by subsection
2 (c), (d), or (e) of this section.

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

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

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

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

15 b. An application or renewal fee.

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

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

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

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

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

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

28 **"§ 90-730.7. Affirmative defenses.**

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

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

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

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

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

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

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

50 b. Possesses, delivers, or produces cannabis only in the amount
51 described herein as an adequate supply or in excess of that amount if

1 the person proves by a preponderance of the evidence that the greater
2 amount is medically necessary as determined by the assisted person's
3 attending physician to mitigate the symptoms or effects of the
4 assisted person's chronic or debilitating medical condition.

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

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

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

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

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

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

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

31 **"§ 90-730.8. Immunity for physicians.**

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

35 **"§ 90-730.9. North Carolina Cannabis Research Program.**

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

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

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

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

3 **"§ 90-730.10. Severability.**

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

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

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

30 **SECTION 3.** G.S. 106-121(6) reads as rewritten:

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

45 **SECTION 4.** G.S. 106-121(8) reads as rewritten:

- 46 "(8) The term "food" means
- 47 a. Articles used for food or drink for man or other animals, except for
48 cannabis-infused products, as defined in G.S. 90-730.1, that are
49 manufactured or sold by a licensed medical cannabis center or a
50 licensed producer of cannabis-infused products,
- 51 b. Chewing gum, and

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

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

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

SECTION 6. Section 5 of this act becomes effective December 1, 2018, and applies to sales made on or after that date. The remainder of this act becomes effective December 1, 2018, and applies to acts committed on or after that date.