

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2019

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HOUSE BILL 401

Short Title: Enact Medical Cannabis Act. (Public)

Sponsors: Representatives Alexander, Autry, Carney, and Harrison (Primary Sponsors).  
*For a complete list of sponsors, refer to the North Carolina General Assembly web site.*

Referred to: Health, if favorable, Judiciary, if favorable, Finance, if favorable, Rules, Calendar,  
and Operations of the House

March 21, 2019

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

3 The General Assembly of North Carolina enacts:

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

6 "Article 43.

7 "North Carolina Medical Cannabis Act.

8 "**§ 90-730. Short title.**

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

10 "**§ 90-730.1. Legislative findings and purpose.**

11 The General Assembly makes the following findings:

- 12 (1) Modern medical research has discovered beneficial uses for cannabis in  
13 treating or alleviating pain, nausea, and other symptoms associated with  
14 certain debilitating medical conditions, as found by the National Academy of  
15 Sciences' Institute of Medicine in March 1999.
- 16 (2) According to the United States Sentencing Commission and the Federal  
17 Bureau of Investigation, 99 out of every 100 cannabis arrests in the United  
18 States are made under State law, rather than under federal law. Consequently,  
19 changing State law will have the practical effect of protecting from arrest the  
20 vast majority of seriously ill people who have a medical need to use cannabis.
- 21 (3) The United States Department of Health and Human Services, through the  
22 Compassionate Investigational New Drug (IND) program, provides cannabis  
23 by prescription to a number of individuals for their use as medicine. The  
24 cannabis is grown at the federal cannabis research garden at the University of  
25 Mississippi and is processed and distributed by the Research Triangle Institute  
26 in Research Triangle Park, North Carolina. The patients receive the cannabis  
27 monthly in canisters of approximately 300 prerolled cigarettes. The dosage  
28 for patients in the IND program ranges from seven to nine grams per day.  
29 Since the inception of the program in 1978, individual patients in the IND  
30 program have received and consumed approximately 6.5 pounds of cannabis  
31 per year, thereby establishing a safe and effective dosage for a chronic  
32 daily-use patient to possess and consume. The IND program was closed to  
33 new applicants in 1991.



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

34    **"§ 90-730.2. Definitions.**

35          The following definitions apply in this Article:

- 36          (1)    "Adequate supply" has the following meanings:
- 37               a.    An amount of usable cannabis derived solely from an intrastate source  
38               that is possessed by a qualified patient, or collectively possessed by a  
39               qualified patient and the qualified patient's designated caregiver, in an  
40               amount that does not exceed what is reasonably necessary to assure  
41               the uninterrupted availability of cannabis for a period of three months,  
42               in any form recommended by the qualified patient's physician for the  
43               purpose of alleviating the symptoms or effects of the qualified patient's  
44               debilitating medical condition.
- 45               b.    For a qualified patient for whom a delivery method of inhalation of  
46               cannabis vapor or smoking is recommended by the qualified patient's  
47               physician, "adequate supply" means not more than 24 ounces of  
48               cannabis in a form usable for that purpose.
- 49          (2)    "Bona fide physician-patient relationship" means a physician and a patient  
50          have a treatment or counseling relationship in which the physician has  
51          completed a full assessment of the patient's medical history and current

- 1 medical condition, including an appropriate physical examination, and the  
2 physician is available or offers to provide follow-up care and treatment to the  
3 patient, including patient examinations, to determine the efficacy of the use of  
4 medical cannabis as a treatment for the patient's medical condition.
- 5 (3) "Cannabis" means marijuana as defined in G.S. 90-87(16).  
6 (4) "Cannabis-infused product" means a product infused with cannabis that is  
7 intended for use or consumption other than by inhalation or smoking. The term  
8 includes edible products, ointments, and tinctures.  
9 (5) "Canopy" means the foliage of growing plants.  
10 (6) "Canopy cover" means the area shaded by the foliage of growing plants.  
11 (7) "Debilitating medical condition" means any of the following:  
12 a. Cancer; gliomas; glaucoma; positive status for human  
13 immunodeficiency virus (HIV); acquired immune deficiency  
14 syndrome (AIDS); hepatitis C; porphyria; amyotrophic lateral  
15 sclerosis (Lou Gehrig's disease or ALS); Alzheimer's disease;  
16 nail-patella syndrome; fibromyalgia; severe migraines; multiple  
17 sclerosis; celiac disease; Crohn's disease; diabetes mellitus; dystonia;  
18 gastrointestinal disorders; hypertension; incontinence; injury or  
19 disease to the spinal cord, spinal column, or vertebra;  
20 methicillin-resistant Staphylococcus aureus (MRSA); myelomalacia;  
21 osteoporosis; pruritus; rheumatoid arthritis; sleep apnea; Tourette's  
22 syndrome; or the treatment of such conditions.  
23 b. A chronic or debilitating disease or medical condition or its treatment  
24 that produces one or more of the following: cachexia or wasting  
25 syndrome; severe pain; severe nausea; anorexia; seizures, including  
26 those characteristic of epilepsy; or severe and persistent muscle  
27 spasms, including those characteristic of multiple sclerosis (MS),  
28 amyotrophic lateral sclerosis (Lou Gehrig's disease or ALS), or  
29 Crohn's disease.  
30 c. Any other serious medical or mental condition or its treatment  
31 approved by a physician or other practitioner authorized to prescribe  
32 or recommend a controlled substance classified in the schedules set  
33 forth in either the Controlled Substances Act (Article 5 of Chapter 90  
34 of the General Statutes) or the federal Comprehensive Drug Abuse  
35 Prevention and Control Act of 1970, P.L. 91-513, 84 Stat. 1236 (Oct.  
36 27, 1970).
- 37 (8) "Designated caregiver" means a person who is at least 21 years of age and  
38 who has agreed to assist with a qualified patient's medical use of cannabis.  
39 (9) "Licensed medical cannabis center" means a person licensed pursuant to  
40 G.S. 90-730.6 to operate a business that sells cannabis and cannabis-infused  
41 products to registry identification cardholders and other licensed medical  
42 cannabis centers.  
43 (10) "Licensed producer of cannabis-infused products" means a person licensed  
44 pursuant to G.S. 90-730.6 to operate a business producing cannabis-infused  
45 products.  
46 (11) "Licensed producer of medical cannabis" means a person licensed pursuant to  
47 G.S. 90-730.6 to cultivate cannabis for sale to a licensed medical cannabis  
48 center.  
49 (12) "Medical use of cannabis" or "medical use" means the acquisition, possession,  
50 use, internal possession, delivery, transfer, or transportation of cannabis or  
51 paraphernalia relating to the administration of cannabis to treat or alleviate a

1 qualified patient's medical condition or symptoms associated with the medical  
2 condition or its treatment.

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

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

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

9 (16) "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 (17) "Registry identification card" means a document issued by the North Carolina  
14 Department of Health and Human Services pursuant to G.S. 90-730.5 that  
15 identifies a person as a qualified patient or designated caregiver.

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

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

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

31 **§ 90-730.3. Protections for the medical use of cannabis.**

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

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

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

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

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

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

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

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

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

24           (h) A school, employer, or landlord shall neither refuse to enroll, employ, or lease to nor  
25           otherwise penalize a qualified patient or a designated caregiver solely because of (i) the  
26           individual's status as a qualified patient or a designated caregiver or (ii) the presence of cannabis  
27           metabolites resulting from medical use of cannabis in the individual's bodily fluids.

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

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

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

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

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

48           (l) A physician shall not be subject to arrest, prosecution, or penalty in any manner, or  
49           denied any right or privilege, or subject to disciplinary action by a business or occupational or  
50           professional licensing board or bureau for discussing with a patient the benefits or health risks of  
51           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 an  
2 individual's interest in or right to property that is possessed, owned, or used in connection with  
3 the medical use of cannabis, or acts incidental to the medical use of cannabis, while the property  
4 is in the possession of State or local law enforcement officials as a result of a seizure of the  
5 property in connection with the claimed medical use of cannabis. A person does not forfeit any  
6 right or interest in property seized in connection with the medical use of cannabis under any  
7 provision of State law providing for the forfeiture of property, unless the forfeiture is part of a  
8 sentence imposed upon the person as a result of a conviction of a criminal violation of this Article  
9 or entry of a plea of guilty to such violation. Cannabis, paraphernalia, or other property seized  
10 from a qualified patient, designated caregiver, licensed medical cannabis center, licensed  
11 producer of medical cannabis, or licensed producer of cannabis-infused products in connection  
12 with the claimed medical use or production for medical use of cannabis shall be returned  
13 immediately upon the determination by a court, prosecutor, or law enforcement officer that the  
14 qualified patient, designated caregiver, or licensed producer of medical cannabis is entitled to the  
15 protections of this Article. In making this determination, the court, a prosecutor, or a law  
16 enforcement officer shall consider as evidence the failure of law enforcement officers to actively  
17 investigate the case, a decision not to prosecute, the dismissal of charges, or acquittal.

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

20       (o) There is no presumption of neglect or child endangerment for conduct allowed under  
21 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 the  
24 presence or vicinity of the medical use of cannabis as permitted under this Article or for assisting  
25 a qualified patient with using or administering cannabis.

26       (q) Possession of or application for a registry identification card shall not alone constitute  
27 probable cause to search the person or the property of the person possessing or applying for a  
28 registry identification card or otherwise subject the person or the person's property to inspection  
29 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 the  
32 investigation that the individual is a qualified patient or designated caregiver, neither the law  
33 enforcement officer nor the law enforcement agency shall provide any information, except as  
34 required by federal law or the United States Constitution, from any cannabis-related investigation  
35 of the individual to any law enforcement authority that does not recognize the protections of this  
36 Article. Any prosecution of the individual for a violation of this Article shall be conducted  
37 pursuant to the laws of this State.

38       (s) Cannabis produced and possessed under this Article is exempt from the Unauthorized  
39 Substances Tax set forth in Article 2D of Chapter 105 of the General Statutes, and no tax under  
40 that Article may be levied against any qualified patient, designated caregiver, licensed medical  
41 cannabis center, licensed producer of medical cannabis, or licensed producer of cannabis-infused  
42 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, licensed medical cannabis center,  
45 licensed producer of medical cannabis, or licensed producer of cannabis-infused products, to  
46 allow that person to acquire, possess, manufacture, produce, use, sell, distribute, dispense, or  
47 transport cannabis in a manner that is not consistent with this Article.

48 **"§ 90-730.4. Prohibitions, restrictions, and limitations on medical use of cannabis.**

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

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

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

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

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

5           (1)    The date of issuance.

6           (2)    The date of expiration.

7           (3)    A random registry identification number.

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

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

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

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

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

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

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

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

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

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



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

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

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

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

14        (p) Rules. – Not later than 120 days after the effective date of this act, the North Carolina  
15 Medical Care Commission shall adopt rules to implement the provisions of this section. The rules  
16 shall establish requirements for the issuance of registry identification cards to qualified patients  
17 and designated caregivers, which shall include at least all of the following:

18            (1) Written certification, as defined in G.S. 90-730.2.

19            (2) An application or renewal fee.

20            (3) The name, address, and date of birth of the qualified patient, except that if a  
21 qualified patient is homeless, no address is required.

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

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

25 **"§ 90-730.6. Regulated medical cannabis supply system.**

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

28        (b) Not later than 120 days after the effective date of this act, the Department shall  
29 establish a medical cannabis supply system that (i) provides a safe, regulated supply of cannabis  
30 appropriate for medical use by qualified patients who hold valid registry identification cards  
31 issued under G.S. 90-730.5 and (ii) generates sufficient revenue for the Department to maintain  
32 and operate the system. The Department shall not use any appropriations from the General Fund  
33 to establish or operate the system. The system shall be funded by the fees authorized in this  
34 section.

35        (c) Medical Cannabis Center License. –

36            (1) No person shall establish or operate a medical cannabis center for the sale of  
37 cannabis, cannabis-infused products, and paraphernalia relating to the  
38 administration of cannabis to qualified patients and caregivers who hold valid  
39 registry identification cards issued under G.S. 90-730.5 without first applying  
40 for a license to the Department and submitting the required information on  
41 application forms provided by the Department. The application form shall  
42 require at least all of the following:

43            a. The applicant's name and any name the applicant will use in the  
44 operation of a medical cannabis center.

45            b. The address of any property the applicant will use to possess, deliver,  
46 transport, dispense, or distribute cannabis.

47            c. The name, address, and date of birth of each principal officer and  
48 board member of the medical cannabis center.

49            d. The name, address, and date of birth of each employee of the medical  
50 cannabis center.

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

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

1 card to the licensed producer of cannabis-infused products and to each of the  
2 producer's employees upon payment of a fee of ten dollars (\$10.00) per  
3 cardholder.

4 (6) The Department shall issue a medical cannabis production site card to each  
5 producer of cannabis-infused products for each property, location, or premises  
6 approved for production of cannabis-infused products under this section. The  
7 card shall be conspicuously posted at the location of the medical cannabis  
8 production site.

9 (f) Permissible Sales Transactions. – All cannabis sold through the regulated medical  
10 cannabis supply system established under this section shall be subject to the following limitations  
11 and requirements:

12 (1) Sales by licensed medical cannabis centers. – Only persons licensed as a  
13 medical cannabis center under subsection (c) of this section are authorized to  
14 sell cannabis or cannabis-infused products to qualified patients or designated  
15 caregivers through the system. A licensed medical cannabis center shall not  
16 sell cannabis, cannabis-infused products, or paraphernalia relating to the  
17 administration of cannabis, to any person other than a qualified patient or  
18 designated caregiver who holds a valid registry identification card issued  
19 under G.S. 90-730.5. A licensed medical cannabis center shall not sell  
20 cannabis or cannabis-infused products in an amount that exceeds an adequate  
21 supply to any qualified patient or caregiver.

22 (2) Sales by licensed producers of medical cannabis. – Only persons licensed as  
23 a producer of medical cannabis under subsection (d) of this section are  
24 authorized to produce cannabis for sale to licensed medical cannabis centers  
25 through the system. A licensed producer of medical cannabis shall not sell  
26 cannabis for resale to any person other than a licensed medical cannabis  
27 center. A licensed producer of medical cannabis shall not sell cannabis plants,  
28 cannabis seeds, or cultivation equipment to any person other than to another  
29 licensed producer of medical cannabis.

30 (3) Sales by licensed producers of cannabis-infused products. – Only persons  
31 licensed as a producer of cannabis-infused products under subsection (e) of  
32 this section are authorized to produce cannabis-infused products for sale to  
33 licensed medical cannabis centers through the system. A licensed producer of  
34 cannabis-infused products shall not sell cannabis-infused products for resale  
35 to any person other than a licensed medical cannabis center.

36 (g) Exemption From Criminal Laws. – A medical cannabis center, producer of medical  
37 cannabis, or producer of cannabis-infused products with a valid license for that function is  
38 exempt from the criminal laws of this State for possession, production, delivery, or transportation  
39 of cannabis, or aiding and abetting another in the possession, production, delivery, or  
40 transportation of cannabis, or any other criminal offense in which possession, production,  
41 delivery, or transportation of cannabis is an element if the medical cannabis center, producer of  
42 medical cannabis, or producer of cannabis-infused products is in substantial compliance with this  
43 section and any rules adopted under this section.

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

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

- 1           (2)     Delivering cannabis to any individual who the person knows is not a qualified  
2           patient or caregiver who holds a valid registry identification card issued under  
3           G.S. 90-730.5, nor a person who holds a license under G.S. 90-730.6.  
4           (3)     Manufacturing or distributing cannabis at an address not registered with the  
5           Department.  
6           (4)     Failing to report transfer of cannabis authorized under this section to the  
7           Department.  
8       (i)     Monthly Fees and Reporting. –  
9           (1)     Each medical cannabis center, producer of medical cannabis, and producer of  
10          cannabis-infused products licensed under this section shall submit quarterly  
11          reports to the Department on all financial transactions, including, but not  
12          limited to, sales and purchases of cannabis and cannabis-infused products, and  
13          transfers of cannabis and cannabis-infused products for no consideration.  
14          (2)     Each medical cannabis center licensed and operating under this section shall  
15          pay to the Department monthly fees equal to ten percent (10%) of the medical  
16          cannabis center's gross revenue derived from the sale of cannabis and  
17          cannabis-infused products.  
18          (3)     Each producer of medical cannabis or cannabis-infused products producer  
19          licensed and operating under this section shall pay to the Department monthly  
20          fees equal to ten percent (10%) of the producer's gross revenue derived from  
21          the sale of cannabis and cannabis-infused products.  
22          (4)     Each person who (i) holds a license as a medical cannabis center and either a  
23          license as a producer of medical cannabis or a license as a producer of  
24          cannabis-infused products, or both, and (ii) operates both a retail medical  
25          cannabis center and one or more production sites, shall pay to the Department  
26          monthly fees equal to fifteen percent (15%) of that person's gross revenue  
27          derived from retail sales of cannabis and cannabis-infused products produced  
28          by that person.  
29          (5)     Nothing in this subsection shall be construed to exempt persons licensed under  
30          this section from the reporting or remittance of sales tax for any transaction  
31          upon which a sales tax may be levied.  
32       (j)     The Department shall use system revenues from license fees and monthly gross  
33       revenue fees to fund, in the following order of priority:  
34           (1)     Costs associated with establishing and operating the regulated medical  
35           cannabis supply system established under this section.  
36           (2)     The registry system established under G.S. 90-730.5.  
37           (3)     The medical cannabis research program established under G.S. 90-730.9.  
38           (4)     Other Department programs.  
39       (k)     Disqualifications for Licensure. – The Department shall not issue a license authorized  
40       by this section to any of the following persons:  
41           (1)     A person who has not paid the appropriate license or license renewal fee.  
42           (2)     An individual who is less than 21 years of age.  
43           (3)     A person who has served a sentence for any of the following felonies in the  
44           five years immediately preceding the date of license application: any Class A  
45           through E felony; any felony that includes assault as an essential element of  
46           the offense; any felony under Article 14 (Burglary and Housebreakings) of  
47           Chapter 14 of the General Statutes; any felony under Article 16 (Larceny),  
48           Article 16A (Organized Retail Theft), Article 17 (Robbery), Article 18  
49           (Embezzlement), Article 19 (False Pretenses and Cheats), Article 19A  
50           (Obtaining Property or Services by False or Fraudulent Use of Credit Device  
51           or Other Means), Article 19B (Financial Transaction Card Crime Act), or

1 Article 19C (Identity Theft) of Chapter 14 of the General Statutes. In order to  
2 ensure compliance with this subdivision, the Department shall conduct a  
3 criminal history record check of any person whose name is submitted on an  
4 application as the director or an employee of the medical cannabis center, or  
5 as a producer or employee of a producer.

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

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

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

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

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

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

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

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

49 (r) A person licensed under subsection (c), (d), or (e) of this section shall be granted the  
50 full legal protections provided in this section as long as the person is in possession of a valid  
51 license. If the person is not in possession of a valid license, the person shall be given a reasonable

1 period of time to produce the license before the initiation of any arrest, criminal charges, or other  
2 penalties.

3 (s) Rules. – Not later than 120 days after the effective date of this act, the Board of  
4 Agriculture, in consultation with the Medical Care Commission, shall adopt rules to implement  
5 the provisions of this section. The rules shall do all of the following:

6 (1) Establish qualifications and requirements for licensure of medical cannabis  
7 centers, producers of medical cannabis, and producers of cannabis-infused  
8 products.

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

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

12 **"§ 90-730.7. Affirmative defenses for qualified patients and caregivers.**

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

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

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

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

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

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

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

33 b. Possesses, delivers, or produces cannabis only in the amount described  
34 herein as an adequate supply or in excess of that amount if the person  
35 proves by a preponderance of the evidence that the greater amount is  
36 medically necessary as determined by the assisted person's attending  
37 physician to mitigate the symptoms or effects of the assisted person's  
38 chronic or debilitating medical condition.

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

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

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

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

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

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

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

15 **"§ 90-730.8. Immunity for physicians.**

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

19 **"§ 90-730.9. North Carolina Cannabis Research Program.**

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

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

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

36 **"§ 90-730.10. Severability.**

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

40           **SECTION 2.** During the period between the effective date of this act and 30 days  
41 after the effective date of rules adopted under G.S. 90-730.5(p), the following provisions apply:

42           (1) The Department of Health and Human Services shall issue a temporary  
43 certificate for participation in the regulated medical supply system established  
44 under G.S. 90-730.6 to any individual who would be eligible to participate in  
45 the system as a qualified patient but for the adoption of rules to fully  
46 implement the system, upon presentation of a written certification for the  
47 medical use of cannabis from the individual's treating physician. The  
48 certificate shall specify the amount of cannabis the certificate holder may  
49 possess for the medical use of cannabis. The Department of Health and Human  
50 Services shall maintain a list of all temporary certificates issued pursuant to  
51 this section.



- 1 (2) An individual in possession of a temporary certificate issued pursuant to  
2 subdivision (1) of this section and that individual's designated caregiver are  
3 not subject to arrest, prosecution, civil or criminal penalty, or denial of any  
4 right or privilege for possessing cannabis if the amount of usable cannabis  
5 possessed collectively is not more than the amount specified on the temporary  
6 certificate issued by the Department of Health and Human Services.
- 7 (3) A physician shall not be subject to arrest or prosecution, penalized in any  
8 manner, or denied any right or privilege for recommending the medical use of  
9 cannabis or providing written certification for the medical use of cannabis  
10 pursuant to this Article.

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

12 "(6) The term "drug" means

- 13 a. Articles recognized in the official United States Pharmacopeia, official  
14 Homeopathic Pharmacopoeia of the United States, or official National  
15 Formulary, or any supplement to any of them; and
- 16 b. Articles intended for use in the diagnosis, cure, mitigation, treatment,  
17 or prevention of disease in man or other animals, except for  
18 cannabis-infused products, as defined in G.S. 90-730.1, that are  
19 manufactured or sold by a licensed medical cannabis center or a  
20 licensed producer of cannabis-infused products; and
- 21 c. Articles (other than food) intended to affect the structure or any  
22 function of the body of man or other animals; and
- 23 d. Articles intended for use as a component of any article specified in  
24 paragraphs a, b, or c, but does not include devices or their components,  
25 parts, or accessories."

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

27 "(8) The term "food" means

- 28 a. Articles used for food or drink for man or other animals, except for  
29 cannabis-infused products, as defined in G.S. 90-730.1, that are  
30 manufactured or sold by a licensed medical cannabis center or a  
31 licensed producer of cannabis-infused products;
- 32 b. Chewing gum; and
- 33 c. Articles used for components of any such article."

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

35 "(8a) The rate of five percent (5%) applies to the gross receipts derived from sales  
36 of cannabis, cannabis-infused products as defined in G.S. 90-730.1, cannabis  
37 plants, cannabis seeds, cannabis cultivation equipment, and related cannabis  
38 supplies. A person who sells cannabis, cannabis-infused products as defined  
39 in G.S. 90-730.1, cannabis plants, cannabis seeds, cannabis cultivation  
40 equipment, and related cannabis supplies is considered a retailer under this  
41 Article. For the purpose of this subdivision, cannabis has the same meaning  
42 as marijuana under G.S. 90-87(16)."

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