



Summary of SB 711 - North Carolina Compassionate Care Act 2021

Senate Bill 711, sponsored by Sen. Bill Rabon (R), Sen. Michael Lee (R), and Sen. Paul Lowe (D), would enact the North Carolina Compassionate Care Act. It would allow individuals with qualifying debilitating medical conditions to register to use and safely access medical cannabis through a regulated medical cannabis supply system. The following reflects changes to SB 711 as approved at the August 18, 2021 meeting of the Senate Judiciary Committee.

Qualifying for the Program

- To legally use and access medical cannabis, qualifying patients would obtain a registry identification card from the Department of Health and Human Services. To apply, patients must submit a physician-issued written certification stating that the potential health benefits of medical cannabis would likely outweigh the risks for the patient, along with an application form.
 - Patients under the age of 18 only qualify with their parents' consent and if the parents obtain the cannabis and control its dosage.
 - Qualifying conditions are cancer, epilepsy, positive status for human immunodeficiency virus (HIV), acquired immune deficiency syndrome (AIDS), amyotrophic lateral sclerosis (ALS), Crohn's disease, sickle cell anemia, Parkinson's disease, post-traumatic stress disorder (subject to evidence that an applicant experienced one or more traumatic events), multiple sclerosis, cachexia or wasting syndrome, severe or persistent nausea in a person who is not pregnant that is related to end of life or hospice care, or who is bedridden or homebound because of a condition, a terminal illness when the patient's remaining life expectancy is less than six months, and any other serious medical condition or its treatment added by the Medical Cannabis Advisory Board.
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Legal Protections

- A supplier would be exempt from the criminal laws of the State for possession, production, delivery, or transportation of cannabis if the individual is in substantial compliance with the North Carolina Compassionate Care Act.
- The bill exempts registry identification cardholders from arrest, prosecution, or penalty for the possession or purchase of an adequate supply of cannabis for medical use.
- Patients would be required to carry their registration identification card, along with valid identification, whenever carrying cannabis or cannabis-infused products. When approached, the patient would be required to disclose the valid registration card and identification.
- Patients could possess up to a 30-day supply, as determined by their physician.
- Patients would be prohibited from smoking and vaping cannabis in a public place or place open to the public, in any place of employment, in a vehicle, in or within 1,000 feet of a church, child care facility, or school. A violation would be an infraction punishable by a fine not to exceed

\$25.

- Patients would not be subject to arrest or prosecution for possession or purchase of an adequate supply of cannabis for medical use.
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Physicians' Role and Regulation

- A statement signed by a physician with whom the patient has a bona fide physician-patient relationship indicating the following:
 - In the physician's professional opinion, the patient has a debilitating medical condition.
 - In the physician's professional opinion, the potential health benefits of the medical use of cannabis would likely outweigh the health risk for the patient.
 - The delivery method of the cannabis.
 - Persons under the age of 18 are restricted to the use of cannabis in non-inhalation consumption methods.
 - Physicians are required to complete a three-hour continuing medical education course on cannabis, before providing a written certification to a patient, and an annual one-hour supplemental medical education course thereafter.
 - The Medical Care Commission shall adopt rules limiting the number of written certifications a physician may issue at any given time.
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Caregivers

- A designated caregiver shall be at least 21 years of age unless the person is the parent or legal guardian of each qualifying patient the person assists. The Department may issue a registry identification card to a maximum of two designated caregivers named in a qualified patient's approved application.
 - A designated caregiver shall notify the Department of any change in name or address and submit a \$50 fee to the Department within 15 days after the change occurs.
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Regulatory Authority

- Establishes the nine-member Medical Cannabis Production Commission. The Commission's role is to establish qualifications and requirements for licensing suppliers, for the production of cannabis, and for the proper regulation of medical cannabis centers and production facilities operated by suppliers. It must also ensure the equitable distribution of medical cannabis centers throughout the State in order for registry identification cardholders to access an adequate supply of cannabis and cannabis-infused products, while preventing an over-concentration of medical cannabis centers in any one area.
 - Establishes the Compassionate Use Advisory Board consisting of 13 members with specified experience. The Board would review petitions to add new debilitating medical conditions and have the power to add a new debilitating medical condition.
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Medical Cannabis Licensing

- Applicants for medical cannabis suppliers must submit documentation demonstrating the applicant has requisite experience (including five years of experience in a medical or adult-use cannabis operation). The applicant would pay a \$50,000 nonrefundable fee, plus \$5,000 for each production facility or medical cannabis center the applicant proposes to operate under the license.
 - Applicants must provide proof of being a State resident for at least two years and of being the majority owner. Applicants may include nonresident partners with demonstrated experience.
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Medical Cannabis Regulations

- The Medical Cannabis Production Commission would be allowed to issue 10 medical cannabis supplier licenses. Each supplier would be allowed to operate no more than four medical cannabis centers (retail establishments), two of which must be in Tier 1 counties.
 - A supplier would be able to sell cannabis only through the medical cannabis center the supplier is licensed to operate. The supplier may only sell cannabis grown by the supplier at production facilities. The supplier would be permitted to sell cannabis or cannabis- infused products for resale to another licensed supplier.
 - The Commission shall have the power to approve applications for medical cannabis supplier licenses upon recommendation of the Department by a majority vote of the members present and voting.
 - The bill would require the Department to establish standards for and license up to five independent testing laboratories.
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Reporting

- SB 711 instructs the Department to submit a report to the Joint Legislative Oversight Committee on Health and Human Services and to the Joint Legislative Oversight Committee on Justice and Public Safety by October 1 of each year. The report would include the number of registry identification card applications submitted, the number of qualifying patients and designated caregivers served by each medical cannabis center, and the number of suppliers, production facilities, and medical cannabis centers by county.
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Timeline

- The Department must review a registry identification card application or renewal application and approve or deny an application or renewal application within 45 days after receipt.
- The Department must issue a registry identification card to an applicant within 14 business days after approving an application or renewal. The initial or renewal registry identification card expires one year after the date of issuance.
- Within 270 days of the effective date, the North Carolina Medical Care Commission will issue rules to implement the medical cannabis registry.

Research

- SB 711 would establish the North Carolina Cannabis Research Program to conduct objective, scientific research regarding the administration of cannabis or cannabis-infused products as part of medical treatment.

Taxation, Fees, and Revenue Distribution

- Each medical cannabis supplier applicant would pay a \$50,000 nonrefundable fee, plus \$5,000 for each production facility or medical cannabis center the applicant proposes to operate under the license.
- For suppliers seeking license renewal, a nonrefundable fee of not less than \$10,000, plus \$1,000 for each production facility or medical cannabis center the supplier operates.
- Cannabis and cannabis-infused products would be exempt from the sales and use tax.
- Each supplier would pay to the Department a monthly fee equal to 10 percent (10%) of the gross revenue derived from the sale of cannabis.
- The Medical Cannabis Production Commission would use system revenue from license fees and monthly gross revenue fees to fund:
 - Costs associated with establishing and operating the regulated medical cannabis supply system and the registry system.
 - The North Carolina Cannabis Research Program, which would receive an amount of funding determined by the Commission.
 - Any excess revenue will be directed to the General Fund.
- Sales at retail, use, storage, and consumption are tax-exempt.