

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2015

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HOUSE BILL 983  
Corrected Copy 4/28/16

Short Title: Legalize & Tax Medical Marijuana. (Public)

Sponsors: Representatives Alexander and Harrison (Primary Sponsors).

*For a complete list of sponsors, refer to the North Carolina General Assembly web site.*

Referred to: Health, if favorable, Finance

April 28, 2016

A BILL TO BE ENTITLED

AN ACT ALLOWING PATIENTS WITH TERMINAL OR CHRONIC ILLNESS TO  
LAWFULLY USE MARIJUANA OR TETRAHYDROCANNABINOLS; MODIFYING THE  
TAXATION OF MARIJUANA; AND ESTABLISHING A SYSTEM FOR TAXATION OF  
MEDICAL MARIJUANA.

The General Assembly of North Carolina enacts:

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

**"§ 90-94.2. Exemption for use of marijuana or tetrahydrocannabinols by patients with  
terminal or chronic illness.**

(a) Notwithstanding any other provision of this Chapter, an individual may possess or use  
marijuana or tetrahydrocannabinols, and is not subject to the penalties described in this Chapter, if  
the individual satisfies all of the following criteria:

- (1) The individual has been diagnosed with a terminal or chronic illness by a  
licensed physician.
- (2) The individual's use or possession of marijuana or tetrahydrocannabinols occurs  
pursuant to a written recommendation issued by a licensed physician who, in  
the course of treating the terminal or chronic illness, has determined that  
marijuana or tetrahydrocannabinols alleviates the illness or symptoms  
associated with the illness.
- (3) The individual has obtained from the North Carolina Department of Revenue a  
Medical Marijuana tax stamp as provided under G.S. 105-113.108.
- (4) Unless diagnosed with a chronic illness by a licensed physician, the individual  
is under hospice care.
- (5) The marijuana is for the individual's personal use."

**SECTION 2.** G.S. 105-113.106 reads as rewritten:

**"§ 105-113.106. Definitions.**

The following definitions apply in this Article:

...

(3) Dealer. – Any of the following:

- a. A person who actually or constructively possesses (i) more than 42.5  
grams of ~~marijuana~~, marijuana that is not medical marijuana, (ii) three  
ounces of medical marijuana, (iii) seven or more grams of any other



1 controlled substance that is sold by weight, or (iv) 10 or more dosage  
2 units of any other controlled substance that is not sold by weight.

- 3 b. A person who in violation of Chapter 18B of the General Statutes  
4 possesses illicit spirituous liquor for sale.  
5 c. A person who in violation of Chapter 18B of the General Statutes  
6 possesses mash.  
7 d. A person who in violation of Chapter 18B of the General Statutes  
8 possesses an illicit mixed beverage for sale.

9 ...

- 10 (6) Marijuana. – All parts of the plant of the genus Cannabis, whether growing or  
11 not; the seeds of this plant; the resin extracted from any part of this plant; and  
12 every compound, salt, derivative, mixture, or preparation of this plant, its seeds,  
13 or its resin.

14 ...

- 15 (6b) Medical marijuana. – Marijuana for distribution to individuals permitted to  
16 possess or use it pursuant to the provisions of G.S. 90-94.2.

17 ...."

18 **SECTION 3.** G.S. 105-113.107(a) reads as rewritten:

19 "(a) Controlled Substances. – An excise tax is levied on controlled substances possessed,  
20 either actually or constructively, by dealers at the following rates:

- 21 (1) At the rate of forty cents (40¢) for each gram, or fraction thereof, of harvested  
22 marijuana stems and stalks that have been separated from and are not mixed  
23 with any other parts of the marijuana plant.

- 24 (1a) At Except as provided in subdivision (1c) of this subsection, at the rate of three  
25 dollars and fifty cents (\$3.50) for each gram, or fraction thereof, of marijuana,  
26 other than separated stems and stalks taxed under subdivision (1) of this  
27 section, subsection, or synthetic cannabinoids.

- 28 (1b) At the rate of eight dollars (\$8.00) for each ounce, or fraction thereof, of either  
29 marijuana, other than separated stems and stalks taxed under subdivision (1) of  
30 this subsection, that is used for or synthetic cannabinoids that is used in place of  
31 medical marijuana plus the following applicable rate:

- 32 a. Twenty-five cents (\$0.25) for each gram, or fraction thereof, if the  
33 tetrahydrocannabinol content is less than five percent (5%) or if the  
34 synthetic cannabinoid is of an equivalent strength.

- 35 b. Fifty cents (\$0.50) for each gram, or fraction thereof, if the  
36 tetrahydrocannabinol content is five percent (5%) or greater but less  
37 than ten percent (10%) or if the synthetic cannabinoid is of an  
38 equivalent strength.

- 39 c. Seventy-five cents (\$0.75) for each gram, or fraction thereof, if the  
40 tetrahydrocannabinol content is ten percent (10%) or greater but less  
41 than fifteen percent (15%) or if the synthetic cannabinoid is of an  
42 equivalent strength.

- 43 d. One dollar (\$1.00) for each gram, or fraction thereof, if the  
44 tetrahydrocannabinol content is fifteen percent (15%) or greater but less  
45 than twenty percent (20%) or if the synthetic cannabinoid is of an  
46 equivalent strength.

- 47 e. One dollar twenty-five cents (\$1.25) for each gram, or fraction thereof,  
48 if the tetrahydrocannabinol content is twenty percent (20%) or greater  
49 but less than twenty-five percent (25%) or if the synthetic cannabinoid  
50 is of an equivalent strength.

1 f. One dollar fifty cents (\$1.50) for each gram, or fraction thereof, if the  
2 tetrahydrocannabinol content is twenty-five percent (25%) or greater or  
3 if the synthetic cannabinoid is of an equivalent strength.

4 (1c) At the rate of fifty dollars (\$50.00) for each gram, or fraction thereof, of  
5 cocaine.

6 ~~(1e)~~(1d) At the rate of fifty dollars (\$50.00) for each gram, or fraction thereof, of any  
7 low-street-value drug that is sold by weight.

8 ...."

9 **SECTION 4.** G.S. 105-113.107A reads as rewritten:

10 **"§ 105-113.107A. Exemptions.**

11 (a) Authorized Possession. – ~~The Other than the taxation of medical marijuana as provided~~  
12 in G.S. 105-113.107, the tax levied in this Article does not apply to a substance in the possession  
13 of a dealer who is authorized by law to possess the substance. This exemption applies only during  
14 the time the dealer's possession of the substance is authorized by law.

15 (b) Certain Marijuana Parts. – The tax levied in this Article does not apply to the following  
16 marijuana:

- 17 (1) Harvested mature marijuana stalks when separated from and not mixed with  
18 any other parts of the marijuana plant.
- 19 (2) Fiber or any other product of marijuana stalks described in subdivision (1) of  
20 this subsection, except resin extracted from the stalks.
- 21 (3) Marijuana seeds that have been sterilized and are incapable of germination.
- 22 (4) Roots of the marijuana plant."

23 **SECTION 5.** G.S. 105-113.108 reads as rewritten:

24 **"§ 105-113.108. Reports; revenue stamps.**

25 (a) Revenue Stamps. – The Secretary shall issue stamps to affix to unauthorized  
26 substances to indicate payment of the tax required by this Article. Dealers shall report the taxes  
27 payable under this Article at the time and on the return prescribed by the Secretary.  
28 Notwithstanding any other provision of law, dealers of controlled substances other than medical  
29 marijuana are not required to give their name, address, social security number, or other identifying  
30 information on the return, and the return is not required to be verified by oath or affirmation.  
31 Dealers of medical marijuana shall provide their name, address, Social Security number, and  
32 phone number, as well as the name, address, phone number, and illness of each person to whom  
33 the dealer distributes medical marijuana. A dealer bears the burden of proof in establishing that  
34 marijuana distributed was medical marijuana. Upon payment of the tax, the Secretary shall issue  
35 stamps in an amount equal to the amount of the tax paid. Taxes may be paid and stamps may be  
36 issued either by mail or in person.

37 (b) Reports. – Every local law enforcement agency and every State law enforcement  
38 agency must report to the Department within 48 hours after seizing an unauthorized substance, or  
39 making an arrest of an individual in possession of an unauthorized substance, listed in this  
40 subsection upon which a stamp has not been affixed. The report must be in the form prescribed by  
41 the Secretary and it must include the time and place of the arrest or seizure, the amount, location,  
42 and kind of substance, the identification of an individual in possession of the substance and that  
43 individual's social security number, and any other information prescribed by the Secretary. The  
44 report must be made when the arrest or seizure involves any of the following unauthorized  
45 substances upon which a stamp has not been affixed as required by this Article:

- 46 (1) More than 42.5 grams of marijuana.
- 47 (1a) More than three ounces of medical marijuana.
- 48 (2) Seven or more grams of any other controlled substance that is sold by weight.
- 49 (3) Ten or more dosage units of any other controlled substance that is not sold by  
50 weight.
- 51 (4) Any illicit mixed beverage.

- 1           (5)    Any illicit spirituous liquor.  
2           (6)    Mash."  
3           **SECTION 6.** This act becomes effective July 1, 2016.