

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2021

H

1

HOUSE BILL 929

Short Title: North Carolina Medical Cannabis Act. (Public)

Sponsors: Representatives Alexander, Harrison, Cunningham, and Carney (Primary Sponsors).

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

Referred to: Rules, Calendar, and Operations of the House

May 12, 2021

A BILL TO BE ENTITLED
AN ACT LEGALIZING THE MEDICAL USE OF CANNABIS; DIRECTING THE
DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES TO ADOPT RULES
ESTABLISHING A LICENSING PROCESS FOR THE CULTIVATION OF MEDICAL
CANNABIS AND THE MANUFACTURING OF MEDICAL CANNABIS PRODUCTS;
DIRECTING THE NORTH CAROLINA ALCOHOLIC BEVERAGE CONTROL
COMMISSION TO ADOPT RULES FOR THE ESTABLISHMENT, LICENSING, AND
OPERATION OF MEDICAL CANNABIS DISPENSARIES; ESTABLISHING AND
APPROPRIATING FUNDS FOR A SOCIAL EQUITY REINVESTMENT GRANT
PROGRAM TO ENCOURAGE PARTICIPATION IN THE MEDICAL CANNABIS
INDUSTRY BY INDIVIDUALS HIT HARDEST BY THE WAR ON CANNABIS;
EXPUNGING MISDEMEANOR AND FELONY MARIJUANA OFFENSES;
SPECIFYING UNLAWFUL CONDUCT INVOLVING THE MEDICAL USE OF
CANNABIS; TAXING MEDICAL MARIJUANA; AND ESTABLISHING A
UNIVERSITY CANNABIS EQUITY INVESTMENT FUND.

The General Assembly of North Carolina enacts:

PART I. LEGALIZATION OF THE MEDICAL USE OF CANNABIS

SECTION 1.1. Chapter 90 of the General Statutes is amended by adding a new
Article to read:

"Article 43.

"Medical Cannabis.

"§ 90-730. Definitions.

The following definitions apply in this Article:

(1) "Adequate supply" has the following meanings:

a. An amount of usable cannabis derived solely from an intrastate source that is possessed by a qualified patient, or collectively possessed by a qualified patient and the qualified patient's designated caregiver, in an amount that does not exceed what is reasonably necessary to assure the uninterrupted availability of cannabis for a period of three months, in any form recommended by the qualified patient's physician for the purpose of alleviating the symptoms or effects of the qualified patient's debilitating medical condition.



b. For a qualified patient for whom a delivery method of inhalation of cannabis vapor or smoking is recommended by the qualified patient's physician, "adequate supply" means not more than 24 ounces of cannabis in a form usable for that purpose.

(2) "Bona fide health care provider-patient relationship" means a physician, physician assistant, or nurse practitioner and a patient have a treatment or counseling relationship in which the physician, physician assistant, or nurse practitioner has completed a full assessment of the patient's medical history and current medical condition, including an appropriate physical examination, and the physician, physician assistant, or nurse practitioner is available or offers to provide follow-up care and treatment to the patient, including patient examinations, to determine the efficacy of the use of medical cannabis as a treatment for the patient's medical condition.

(3) "Cannabis" means marijuana as defined in G.S. 90-87(16).

(4) "Health care provider" means a physician, physician assistant, or nurse practitioner licensed under Article 1 of Chapter 90 of the General Statutes, who is in good standing to practice medicine in this State and authorized to prescribe controlled substances in this State.

(5) "Medical use of cannabis" or "medical use" means the acquisition, possession, use, internal possession, delivery, transfer, or transportation of cannabis or paraphernalia relating to the administration of cannabis to treat or alleviate a qualified patient's medical condition or symptoms associated with the medical condition or its treatment.

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

(7) "Written certification" means a statement in a patient's medical records or a statement signed by a health care provider with whom the patient has a bona fide health care provider-patient relationship indicating that, in the health care provider's professional opinion, the patient has a medical condition that may benefit from the medical use of cannabis and the potential health benefits of the medical use of cannabis would likely outweigh the health risks for the patient.

"§ 90-730.1. Health care provider and patient protections for the medical use of cannabis.

(a) A qualified patient shall not be subject to arrest, prosecution, or penalty in any manner, or denied any right or privilege, including, but not limited to, civil penalty or disciplinary action by a business or occupational or professional licensing board or bureau, for the possession or purchase of cannabis for medical use by the qualified patient if all of the following conditions are met:

(1) The quantity of usable cannabis possessed or purchased does not exceed an adequate supply, as determined by the qualified patient's physician.

(2) The qualified patient is in possession of a written certification from a physician.

(b) A qualified patient is presumed to be engaged in the medical use of cannabis if the qualified patient or designated caregiver is in possession of a written certification and an amount of cannabis that does not exceed the qualified patient's adequate supply. This presumption may be rebutted only by evidence that the qualified patient engaged in conduct related to cannabis for a purpose other than alleviating the qualified patient's medical condition or symptoms associated with the medical condition.

(c) For the purposes of medical care, including organ transplants, a qualified patient's authorized use of cannabis in accordance with this Article shall be treated in the same manner as

the authorized use of any other medication used at the direction of a physician and shall not constitute the use of an illegal substance.

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

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

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

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

"§ 90-730.2. Licensing of medical cannabis cultivation and manufacturing.

(a) The Department of Agriculture and Consumer Services shall adopt rules for the licensing of persons for the cultivation of medical cannabis and the manufacturing of medical cannabis products. The rules adopted by the Department shall include, at a minimum, the following:

(1) Application and annual renewal fees sufficient to completely cover all of the Department's costs for oversight and management of the cultivation of medical cannabis and the production of products containing medical cannabis, as well as the grant program established by G.S. 90-730.4.

(2) Regulation of packaging and labeling of medical cannabis and medical cannabis products.

(3) The requirement that medical cannabis products not include nicotine or alcohol and not be in a form or flavor intended to attract unauthorized use for nonmedical purposes or by children.

(4) Regulation of outdoor cultivation of medical cannabis to minimize diversion or theft of medical cannabis for unauthorized uses.

(5) Sanitation and testing of medical cannabis processing and manufacturing of medical cannabis products.

(6) Guidelines and restrictions on advertising of medical cannabis and medical cannabis products.

(b) The Department shall complete all rule adoption and submit a report to the General Assembly no later than January 31, 2023, regarding the licensing system required by this section.

"§ 90-730.3. Licensing and regulation of medical cannabis dispensaries.

(a) For purposes of this section, the terms "Commission" and "local board" are as defined in G.S. 18B-101.

(b) By no later than January 1, 2023, the Commission shall adopt rules for the establishment, licensing, and operation of medical cannabis dispensaries. The rules required under this subsection shall include rules for the establishment and collection of fees for all licenses required under this section, including fees associated with applications for such licenses.

(c) In addition to independent dispensaries licensed under subsection (b) of this section, and upon the payment of any fees required under subsection (b) of this section, a local board may establish and operate one medical cannabis dispensary for each ABC store operated by the local board. A local board may enter into a joint venture with an eligible social equity recipient, as

defined in G.S. 90-730.4, for the establishment and operation of a medical cannabis dispensary. Each medical cannabis dispensary established and operated under this subsection shall be located no less than 1,000 feet away from an ABC store, an independent dispensary licensed under subsection (b) of this section, an elementary or secondary school, or a religious institution.

"§ 90-730.4. Social Equity Business Development Grant program.

(a) For purposes of this section, the term "eligible social equity recipient" means an applicant for a license under G.S. 90-730.2 for which at least sixty-six percent (66%) of ownership interest in the applicant has any of the following characteristics:

(1) A prior conviction for simple possession of cannabis.

(2) A family member with a conviction for simple possession of cannabis. For purposes of this subdivision, family member means a spouse, parent, stepparent, sibling, step-sibling, child, or stepchild.

(3) Residence in an area that is economically distressed, as determined by the Department in consultation with the Department of Commerce, or with a disproportionate number of arrests for cannabis violations, as determined by the Department in consultation with the Department of Public Safety.

(4) A degree from a public or private historically black college or university.

(b) The Department shall establish the Social Equity Business Development Grant Program (Grant Program) to provide grants and low interest loans to an eligible social equity recipient. Two hundred fifty thousand dollars (\$250,000) of the licensing fees collected by the Department under G.S. 90-730.2 in each fiscal year shall be used by the Department to fund the Grant Program. Eligible uses of the grant funds by shall include the following:

(1) Elimination or amelioration of barriers to licensing under this Article.

(2) Technical assistance.

(3) Outreach and promotion of medical cannabis cultivation.

(c) The Department shall annually report to the chairs of the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources and the Fiscal Research program on the Grant Program. The report shall include grant recipients, amount distributed to each recipient, and a description of activities funded by each grant."

PART II. EXPUNCTION OF MISDEMEANOR AND FELONY MARIJUANA OFFENSES

SECTION 2.1.(a) Article 5 of Chapter 15A of the General Statutes is amended by adding two new sections to read:

"§ 15A-145.8B. Automatic expunction of misdemeanor marijuana offenses.

(a) If a person was charged with (i) a misdemeanor violation of G.S. 90-95(a)(3) for possession of marijuana or hashish or (ii) a violation of G.S. 90-113.22A, and the person was convicted, the conviction shall be ordered to be automatically expunged no later than December 31, 2024, in the manner set forth in this section.

(b) The clerk of each superior court shall determine which cases meet the criteria for expunction set forth in subsection (a) of this section. Upon completing the review required under this subsection, the clerk of each superior court shall prepare an order of expungement for each case that meets the criteria set forth in subsection (a) of this section and was finalized in his or her court. Upon completion of the order of expungement, the court shall order the expunction. Upon order of expungement, the clerk shall forward the petition to the Administrative Office of the Courts.

(c) No person as to whom such an order has been entered under this section shall be held thereafter under any provision of any law to be guilty of perjury, or to be guilty of otherwise giving a false statement or response to any inquiry made for any purpose, by reason of the person's failure to recite or acknowledge any expunged entries concerning apprehension, charge, or trial.

(d) The court shall also order that the conviction ordered expunged under this section be expunged from the records of the court and direct all law enforcement agencies bearing record of the same to expunge their records of the conviction. The clerk shall notify State and local agencies of the court's order as provided in G.S. 15A-150.

(e) Any other applicable State or local government agency shall expunge from its records entries made as a result of the conviction ordered expunged under this section. The agency shall also reverse any administrative actions taken against a person whose record is expunged under this section as a result of the charges or convictions expunged. This subsection shall not apply to the Department of Justice for DNA records and samples stored in the State DNA Database and the State DNA Databank.

(f) Except as otherwise provided by law, it is unlawful for any person having or acquiring access to a record expunged under this section to disclose to another person any expunged information from it without an order from the court that ordered the record expunged. A person who violates this subsection is guilty of a Class 1 misdemeanor.

(g) An employer or educational institution shall not, in any application, interview, or otherwise, require an applicant for employment or admission to disclose any information expunged under this section. An applicant need not, in answer to any question concerning any arrest, criminal charge that has not resulted in a conviction, or conviction, include a reference to any information expunged under this section.

"§ 15A-145.8C. Expunction of certain felony marijuana offenses.

(a) If a person was charged with a felony violation of G.S. 90-95 as it relates to marijuana, and that person was convicted, the person may file a petition in the court of the county where the person was convicted for expunction of the offense from the person's criminal record and any other official record containing an entry relating to the person's apprehension, charge, trial, or conviction. The petition cannot be filed earlier than five years after (i) the date of conviction or (ii) any active sentence, period of probation, or post-release supervision has been served, whichever is later. The court, after notice to the district attorney, shall hold a hearing on the petition and, upon finding that the requirements of this section have been met, and that the continued existence and possible dissemination of information relating to the conviction causes or may cause circumstances that constitute a manifest injustice to the petitioner, the court shall order the expunction.

(b) Any petition for expungement under this section shall be on a form approved by the Administrative Office of the Courts and be filed with the clerk of superior court. Upon order of expungement, the clerk shall forward the petition to the Administrative Office of the Courts.

(c) No person as to whom such an order has been entered under this section shall be held thereafter under any provision of any law to be guilty of perjury, or to be guilty of otherwise giving a false statement or response to any inquiry made for any purpose, by reason of the person's failure to recite or acknowledge any expunged entries concerning apprehension, charge, or trial.

(d) The court shall also order that the conviction ordered expunged under this section be expunged from the records of the court and direct all law enforcement agencies bearing record of the same to expunge their records of the conviction. The clerk shall notify State and local agencies of the court's order as provided in G.S. 15A-150.

(e) Any other applicable State or local government agency shall expunge from its records entries made as a result of the conviction ordered expunged under this section. The agency shall also reverse any administrative actions taken against a person whose record is expunged under this section as a result of the charges or convictions expunged. This subsection shall not apply to the Department of Justice for DNA records and samples stored in the State DNA Database and the State DNA Databank.

(f) A person who files a petition for expunction under this section must pay the clerk of superior court a fee of one hundred dollars (\$100.00) at the time the petition is filed. Fees

collected under this subsection shall be deposited in the General Fund. This subsection does not apply to petitions filed by an indigent.

(g) Except as otherwise provided by law, it is unlawful for any person having or acquiring access to a record expunged under this section to disclose to another person any expunged information from it without an order from the court that ordered the record expunged. A person who violates this subsection is guilty of a Class 1 misdemeanor.

(h) An employer or educational institution shall not, in any application, interview, or otherwise, require an applicant for employment or admission to disclose any information expunged under this section. An applicant need not, in answer to any question concerning any arrest, criminal charge that has not resulted in a conviction, or conviction, include a reference to any information expunged under this section."

SECTION 2.1.(b) G.S. 15A-145.8B(f) and G.S. 15A-145.8C(g), as amended by subsection (a) of this section, become effective December 1, 2021, and apply to offenses committed on or after that date. The remainder of this Part becomes effective December 1, 2021.

PART III. UNLAWFUL CONSUMPTION OF MEDICAL CANNABIS IN MOTOR VEHICLES

SECTION 3.1.(a) Article 3 of Chapter 20 of the General Statutes is amended by adding a new section to read:

"§ 20-138.8. Using or consuming medical cannabis as driver or passenger in a motor vehicle.

(a) Offense. – It is unlawful for any person to use or consume medical cannabis while driving a motor vehicle on a highway or the right-of-way of a highway or while being a passenger in a motor vehicle being driven on a highway or the right-of-way of a highway.

(b) Inference. – In a prosecution under this section, the trier of fact may infer that a person has consumed medical cannabis in violation of subsection (a) of this section if (i) an open container is located within the passenger area of the motor vehicle, (ii) the medical cannabis in the open container has been at least partially removed, and (iii) the appearance, conduct, speech, or other physical characteristic of the person, excluding odor, is consistent with the consumption of medical cannabis.

(c) Punishment. – Unless the conduct is covered under some other provision of law providing greater punishment, a violation of this section is a Class 3 misdemeanor."

SECTION 3.1.(b) This Part becomes effective December 1, 2021, and applies to offenses committed on or after that date.

PART IV. OTHER PROHIBITED CONDUCT INVOLVING MEDICAL CANNABIS

SECTION 4.1.(a) Chapter 14 of the General Statutes is amended by adding a new Article to read:

"Article 41A.

"Medical Cannabis.

"§ 14-332.1. Consuming medical cannabis, or offering to another, in public place; penalty.

(a) Offense. – No person shall consume medical cannabis, or offer medical cannabis to another, whether accepted or not, at or in any public place.

(b) Punishment. – Any person who violates this section is subject to a civil penalty of no more than twenty-five dollars (\$25.00) for a first offense. A person who is convicted under this section of a second offense is subject to a twenty-five dollar (\$25.00) civil penalty and shall be ordered to enter a substance abuse treatment program, education program, or both, if available, that in the opinion of the court best suits the needs of the accused. A person convicted under this section of a third or subsequent offense is guilty of a Class 3 misdemeanor.

"§ 14-332.2. Consuming or possessing medical cannabis in or on public school grounds; penalty.

(a) Offense. – No person shall possess or consume any medical cannabis in or upon the grounds of any public elementary or secondary school during school hours or school or student activities.

(b) Punishment. – Any person convicted of a violation of this section is guilty of a Class A1 misdemeanor. Notwithstanding G.S. 15A-1340.23, a sentence of imprisonment of up to 180 days may be imposed for a violation of this section.

"§ 14-332.3. Possession and consumption of medical cannabis by a person under 18 years of age.

(a) Offense. – No person under 18 years of age may possess or consume medical cannabis.

(b) Punishment. – Any person convicted of a violation of this section is guilty of an infraction and the court shall require the person to enter a substance abuse treatment program, education program, or both, if available, that in the opinion of the court best suits the needs of the person.

"§ 14-332.4. Illegal importation, shipment, and transportation of medical cannabis; penalty.

(a) Offense. – Except as allowed by applicable law, no medical cannabis shall be imported, shipped, transported, or brought into the State.

(b) Punishment. – Any person convicted of a violation of this section is guilty of a Class A1 misdemeanor. Notwithstanding G.S. 15A-1340.23, a sentence of imprisonment of up to one year may be imposed for a violation of this section."

SECTION 4.1.(b) This Part becomes effective December 1, 2021, and applies to offenses committed on or after that date.

PART V. TAXATION OF MEDICAL MARIJUANA AND ESTABLISHMENT OF UNIVERSITY CANNABIS EQUITY INVESTMENT FUND

SECTION 5.1. G.S. 105-113.106 reads as rewritten:

"§ 105-113.106. Definitions.

The following definitions apply in this Article:

(1) **Controlled Substance.** – Defined in G.S. 90-87.

(2) **Repealed by Session Laws 1995, c. 340, s. 1.**

(3) **Dealer.** – Any of the following:

a. A person who actually or constructively possesses more than 42.5 grams of marijuana, seven or more grams of any other controlled substance that is sold by weight, or 10 or more dosage units of any other controlled substance that is not sold by weight.

b. A person who in violation of Chapter 18B of the General Statutes possesses illicit spirituous liquor for sale.

c. A person who in violation of Chapter 18B of the General Statutes possesses mash.

d. A person who in violation of Chapter 18B of the General Statutes possesses an illicit mixed beverage for sale.

...

(6) **Marijuana.** – All parts of the plant of the genus ~~Cannabis~~, Cannabis not taxed pursuant to Article 2E of this Chapter, whether growing or not; the seeds of this plant; the resin extracted from any part of this plant; and every compound, salt, derivative, mixture, or preparation of this plant, its seeds, or its resin.

...

(9) **Unauthorized substance.** – A controlled substance, an illicit mixed beverage, illicit spirituous liquor, or mash."

1 **SECTION 5.2.** Subchapter I of Chapter 105 of the General Statutes is amended by
2 adding a new Article to read:

3 "Article 2E.

4 "Medical Marijuana.

5 **"§ 105-113.120. Definitions.**

6 The definitions of G.S. 90-730 apply in this Article.

7 **"§ 105-113.121. Medical marijuana tax; exceptions.**

8 (a) Tax. – A tax of ten percent (10%) is levied on the sale in the State by a medical
9 cannabis dispensary operating pursuant to G.S. 90-730.3 of cannabis for medical use. The tax
10 shall be in addition to any tax imposed under any other provision of federal, State, or local law.

11 (b) Exceptions. – The tax shall not apply to any of the following sales:

12 (1) From a medical cannabis dispensary operating pursuant to G.S. 90-730.3 to
13 another such dispensary.

14 (2) Of industrial hemp by a grower, processor, or dealer under the provisions of
15 Article 50F of Chapter 106 of the General Statutes.

16 (3) Of industrial hemp extract or food containing an industrial hemp extract under
17 the provisions of Article 50F of Chapter 106 of the General Statutes.

18 **"§ 105-113.122. Optional local marijuana tax.**

19 (a) Local Tax. – A governing body of a local governmental unit may, by resolution, levy
20 a tax of two percent (2%) on any sale in the jurisdiction of the unit taxable under this Article as
21 provided in this section. The tax shall be in addition to any local sales tax imposed by law. Other
22 than the taxes authorized and identified in this subsection, the governing body of a local
23 governmental unit shall not impose any other tax on a sale taxable under this Article.

24 (b) Joint Jurisdiction. – If a municipality imposes a tax under this section and the
25 surrounding county imposes a tax under this section, both taxes apply within the limits of the
26 municipality.

27 (c) Interpretation. – Nothing in this section shall be construed to prohibit a governing
28 body from imposing any tax authorized by law on a person or property regulated under this
29 Article. Nothing in this section shall be construed to limit the authority of any governing body to
30 impose a license or privilege tax or fee on a business engaged in whole or in part in sales taxable
31 under this Article if such tax or fee is (i) based on an annual or per event flat fee authorized by
32 law or (ii) is an annual license or privilege tax authorized by law and such tax includes sales or
33 receipts taxable under this Article in its taxable measure.

34 (d) Notice. – Any governing body that adopts a resolution pursuant to subsection (a) of
35 this section shall, within 30 days, notify the Department and any retail marijuana store in the
36 jurisdiction of the local governmental unit of the resolution's adoption. The resolution shall take
37 effect on the first day of the second month following its adoption.

38 (e) Administration. – Any tax levied under this section shall be administered and
39 collected by the Department in the same manner as provided for the tax imposed under Article
40 39 of this Chapter, provided that the Secretary shall not make a distribution between counties and
41 cities, as provided in G.S. 105-472. For purposes of the tax imposed by a municipality, the term
42 "county" shall be read as "municipality."

43 (f) Use. – A local governmental unit may use the proceeds of a tax levied under this
44 section for any public purpose.

45 **"§ 105-131.123. Use of State tax proceeds.**

46 The Secretary must credit the net proceeds of the State tax collected pursuant to
47 G.S. 105-131.121 as follows:

48 (1) Fifty percent (50%) to the General Fund.

49 (2) The remainder to the University Cannabis Equity Investment Fund established
50 under G.S. 116-29.2."

SECTION 5.3. Chapter 116 of the General Statutes is amended by adding a new section to read:

"§ 116-29.2. University Cannabis Equity Investment Fund.

(a) Fund. – The University Cannabis Equity Investment Fund is established as a special revenue fund in the Office of the President of The University of North Carolina. Allocations from the fund shall be made in the discretion of the Cannabis Equity Reinvestment Fund Committee. Forty percent (40%) of fund proceeds shall be used only for the purpose of research for medical use of cannabis, as defined in G.S. 90-730, under UNC Hospitals. The remainder of fund proceeds shall be used, in the discretion of the Cannabis Equity Reinvestment Fund Committee, for the following uses:

(1) Low-interest loans to social equity applicants for licensure under G.S. 90-730.3.

(2) Scholarship programs for historically marginalized populations, including those who were in foster care or who have been impacted by substance use.

(3) Grants to support job training and placement, workforce development, youth mentoring, and reentry services.

(4) Contributions to the State's legal services program for indigents.

(b) Appropriation. – Effective July 1 of each calendar year, the funds remitted to the University Cancer Research Fund by the Secretary of Revenue from the tax on medical marijuana are appropriated for the purposes set forth in this section.

(c) Cannabis Equity Reinvestment Fund Committee. – The Cannabis Equity Reinvestment Fund Committee shall consist of the following seven members:

(1) Four members and the chair appointed by the Governor.

(2) One member appointed by the General Assembly upon the recommendation of the Speaker of the House of Representatives pursuant to G.S. 120-121.

(3) One member appointed by the General Assembly upon the recommendation of the President Pro Tempore of the Senate pursuant to G.S. 120-121.

(d) Quorum. – A majority of the members shall constitute a quorum for the transaction of business.

(e) Meetings. – The Committee shall meet at least once in each quarter and may hold special meetings at any time and place at the call of the chair or upon the written request of at least a majority of its members.

(f) Report. – By November 1 of each year, the Committee shall provide to the Joint Legislative Education Oversight Committee and to the Office of State Budget and Management an annual financial report which shall include (i) an accounting of expenditures of State funds, broken down between permissible purposes, (ii) an overview of programs set up using State funds and an executive summary of the costs and benefits of the programs for the year, and (iii) an accounting of any fund balances retained by the Fund, along with information about any restrictions on the use of these funds."

SECTION 5.4. Sections 5.1 and 5.2 of this act become effective January 1, 2022, and apply to sales made on or after that date. The remainder of this Part becomes effective January 1, 2022.

PART VI. APPROPRIATIONS

SECTION 6.1.(a) Effective July 1, 2021, there is appropriated from the General Fund to the Department of Agriculture and Consumer Services the following sums:

(1) The sum of five hundred thousand dollars (\$500,000) in nonrecurring funds for the 2021-2022 fiscal year to be used for planning and rule development for the licensing and social equity programs authorized by G.S. 90-730.2, as enacted by Section 1.1 of this act.

1 (2) The sum of five hundred thousand dollars (\$500,000) in nonrecurring funds
2 for the 2021-2022 fiscal year to be used to establish and operate the Social
3 Equity Business Development Grant Program authorized by G.S. 90-730.2, as
4 enacted by Section 1.1 of this act.

5 **SECTION 6.1.(b)** This Part becomes effective July 1, 2021.
6

7 **PART VII. EFFECTIVE DATE**

8 **SECTION 7.1.** Except as otherwise provided, this act becomes effective December
9 1, 2021.