

**FIRST ENGROSSMENT  
with Senate Amendments  
ENGROSSED HOUSE BILL NO. 1420**

Introduced by

Representatives Dockter, Becker, Mitskog, Mock, Porter, Roers Jones, M. Ruby

Senator Meyer

1 A BILL for an Act to create and enact two new subsections to section 19-03.4-02 and chapter  
2 19-24.2 of the North Dakota Century Code, relating to the personal use of marijuana; to amend  
3 and reenact section 19-03.1-01, subdivision n of subsection 5 of section 19-03.1-05,  
4 subsection 1 of section 19-03.1-22.2, sections 19-03.1-22.3 and 19-03.1-23, subsection 1 of  
5 section 19-03.1-23.1, subsection 12 of section 19-03.4-01, sections 19-03.4-03 and 19-03.4-04,  
6 subsection 1 of section 39-20-01, section 39-20-14, and subsection 12 of section 65-05-08 of  
7 the North Dakota Century Code, relating to the legalization of marijuana; to provide for a  
8 legislative management report; to provide a penalty; and to provide an effective date.

9 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

10 **SECTION 1. AMENDMENT.** Section 19-03.1-01 of the North Dakota Century Code is  
11 amended and reenacted as follows:

12 **19-03.1-01. Definitions.**

13 As used in this chapter and in chapters 19-03.2 and 19-03.4, unless the context otherwise  
14 requires:

- 15 1. "Administer" means to apply a controlled substance, whether by injection, inhalation,  
16 ingestion, or any other means, directly to the body of a patient or research subject by:
- 17 a. A practitioner or, in the practitioner's presence, by the practitioner's authorized  
18 agent; or
  - 19 b. The patient or research subject at the direction and in the presence of the  
20 practitioner.
- 21 2. "Agent" means an authorized person who acts on behalf of or at the direction of a  
22 manufacturer, distributor, or dispenser. It does not include a common or contract  
23 carrier, public warehouseman, or employee of the carrier or warehouseman.

- 1           3. "Anabolic steroids" means any drug or hormonal substance, chemically and  
2           pharmacologically related to testosterone, other than estrogens, progestins, and  
3           corticosteroids.
- 4           4. "Board" means the state board of pharmacy.
- 5           5. "Bureau" means the drug enforcement administration in the United States department  
6           of justice or its successor agency.
- 7           6. "Controlled substance" means a drug, substance, or immediate precursor in schedules  
8           I through V as set out in this chapter.
- 9           7. "Controlled substance analog":
- 10          a. Means a substance the chemical structure of which is substantially similar to the  
11          chemical structure of a controlled substance in a schedule I or II and:
- 12           (1) Which has a stimulant, depressant, or hallucinogenic effect on the central  
13           nervous system which is substantially similar to or greater than the  
14           stimulant, depressant, or hallucinogenic effect on the central nervous  
15           system of a controlled substance in schedule I or II; or
- 16           (2) With respect to a particular individual, which the individual represents or  
17           intends to have a stimulant, depressant, or hallucinogenic effect on the  
18           central nervous system substantially similar to or greater than the stimulant,  
19           depressant, or hallucinogenic effect on the central nervous system of a  
20           controlled substance in schedule I or II.
- 21          b. Does not include:
- 22           (1) A controlled substance;
- 23           (2) Any substance for which there is an approved new drug application; or
- 24           (3) With respect to a particular individual, any substance, if an exemption is in  
25           effect for investigational use, for that individual, under section 505 of the  
26           Federal Food, Drug, and Cosmetic Act [21 U.S.C. 355] to the extent conduct  
27           with respect to the substance is pursuant to the exemption.
- 28          8. "Counterfeit substance" means a controlled substance which, or the container or  
29          labeling of which, without authorization, bears the trademark, trade name, or other  
30          identifying mark, imprint, number or device, or any likeness thereof, of a manufacturer,

1 distributor, or dispenser other than the person who in fact manufactured, distributed, or  
2 dispensed the substance.

3 9. "Deliver" or "delivery" means the actual, constructive, or attempted transfer from one  
4 person to another of a controlled substance whether or not there is an agency  
5 relationship.

6 10. "Dispense" means to deliver a controlled substance to an ultimate user or research  
7 subject by or pursuant to the lawful order of a practitioner, including the prescribing,  
8 administering, packaging, labeling, or compounding necessary to prepare the  
9 substance for that delivery.

10 11. "Dispenser" means a practitioner who dispenses.

11 12. "Distribute" means to deliver other than by administering or dispensing a controlled  
12 substance.

13 13. "Distributor" means a person who distributes.

14 14. "Drug" means:

15 a. Substances recognized as drugs in the official United States pharmacopeia  
16 national formulary, or the official homeopathic pharmacopeia of the United States,  
17 or any supplement to any of them;

18 b. Substances intended for use in the diagnosis, cure, mitigation, treatment, or  
19 prevention of disease in individuals or animals;

20 c. Substances, other than food, intended to affect the structure or any function of  
21 the body of individuals or animals; and

22 d. Substances intended for use as a component of any article specified in  
23 subdivision a, b, or c. The term does not include devices or their components,  
24 parts, or accessories.

25 15. ~~"Hashish" means the resin extracted from any part of the plant cannabis with or~~  
26 ~~without its adhering plant parts, whether growing or not, and every compound,~~  
27 ~~manufacture, salt, derivative, mixture, or preparation of the resin.~~

28 16. "Immediate precursor" means a substance:

29 a. That the board has found to be and by rule designates as being the principal  
30 compound commonly used or produced primarily for use in the manufacture of a  
31 controlled substance;

1           b. That is an immediate chemical intermediary used or likely to be used in the  
2           manufacture of the controlled substance; and

3           c. The control of which is necessary to prevent, curtail, or limit the manufacture of  
4           the controlled substance.

5 ~~17.16.~~ "Manufacture" means the production, preparation, propagation, compounding,  
6           conversion, or processing of a controlled substance, either directly or indirectly by  
7           extraction from substances of natural origin, or independently by means of chemical  
8           synthesis, or by a combination of extraction and chemical synthesis and includes any  
9           packaging or repackaging of the substance or labeling or relabeling of its container.

10           The term does not include the preparation or compounding of a controlled substance  
11           by an individual for the individual's own use or the preparation, compounding,  
12           packaging, or labeling of a controlled substance:

13           a. By a practitioner as an incident to the practitioner's administering or dispensing of  
14           a controlled substance in the course of the practitioner's professional practice; or

15           b. By a practitioner, or by the practitioner's authorized agent under the practitioner's  
16           supervision, for the purpose of, or as an incident to, research, teaching, or  
17           chemical analysis and not for sale.

18 ~~18.17.~~ "Marijuana" means all parts of the plant of the genus cannabis sativa L., whether  
19           growing or not; ~~and the seeds thereof; the resin extracted from any part of the plant;~~  
20           ~~and every compound, manufacture, salt, derivative, mixture, or preparation of the~~  
21           ~~plant, its seeds, or resin.~~ The term does not include the:

22           a. The tetrahydrocannabinol extracted or isolated from the plant, or any compound,  
23           manufacture, salt, derivative, mixture, or preparation from the resin of oil,  
24           including natural or synthetic tetrahydrocannabinol;

25           b. The mature stalks of the plant, fiber produced from the stalks, oil or cake made  
26           from the seeds of the plant, any other compound, manufacture, salt, derivative,  
27           mixture, or preparation of mature stalks, except the resin extracted therefrom,  
28           fiber, oil, or cake, or the sterilized seed of the plant which is incapable of  
29           germination. ~~The term marijuana does not include hemp as defined in title 4.1-~~

30           c. Hemp as defined in chapter 4.1-18.1;

- 1           d. A prescription drug approved by the United States food and drug administration  
2           under section 505 of the Federal Food, Drug, and Cosmetic Act [21 U.S.C. 355];  
3           or  
4           e. Adult-use cannabis products purchased, possessed, or consumed by an adult-  
5           use cannabis consumer in accordance with chapter 19-24.2.

6 ~~19-18.~~ "Narcotic drug" means any of the following, whether produced directly or indirectly by  
7 extraction from substances of vegetable origin, or independently by means of chemical  
8 synthesis, or by a combination of extraction and chemical synthesis:

- 9           a. Opium and opiate and any salt, compound, derivative, or preparation of opium or  
10           opiate.  
11           b. Any salt, compound, isomer, derivative, or preparation thereof which is  
12           chemically equivalent or identical with any of the substances referred to in  
13           subdivision a, but not including the isoquinoline alkaloids of opium.  
14           c. Opium poppy and poppy straw.  
15           d. Coca leaves and any salt, compound, derivative, or preparation of coca leaves,  
16           any salt, compound, isomer, derivative, or preparation thereof which is chemically  
17           equivalent or identical with any of these substances, but not including  
18           decocainized coca leaves or extractions of coca leaves which do not contain  
19           cocaine or ecgonine.

20 ~~20-19.~~ "Opiate" means any substance having an addiction-forming or addiction-sustaining  
21 liability similar to morphine or being capable of conversion into a drug having  
22 addiction-forming or addiction-sustaining liability. The term does not include, unless  
23 specifically designated as controlled under section 19-03.1-02, the dextrorotatory  
24 isomer of 3-methoxy-n-methylmorphinan and its salts (dextromethorphan). The term  
25 includes its racemic and levorotatory forms.

26 ~~21-20.~~ "Opium poppy" means the plant of the species *papaver somniferum* L., except its  
27 seeds.

28 ~~22-21.~~ "Over-the-counter sale" means a retail sale of a drug or product other than a  
29 controlled, or imitation controlled, substance.

Sixty-seventh  
Legislative Assembly

- 1 ~~23-22.~~ "Person" means individual, corporation, limited liability company, government or  
2 governmental subdivision or agency, business trust, estate, trust, partnership or  
3 association, or any other legal entity.
- 4 ~~24-23.~~ "Poppy straw" means all parts, except the seeds, of the opium poppy, after mowing.
- 5 ~~25-24.~~ "Practitioner" means:
- 6 a. A physician, dentist, veterinarian, pharmacist, scientific investigator, or other  
7 person licensed, registered, or otherwise permitted by the jurisdiction in which the  
8 individual is practicing to distribute, dispense, conduct research with respect to,  
9 or to administer a controlled substance in the course of professional practice or  
10 research.
- 11 b. A pharmacy, hospital, or other institution licensed, registered, or otherwise  
12 permitted to distribute, dispense, conduct research with respect to, or to  
13 administer a controlled substance in the course of professional practice or  
14 research in this state.
- 15 ~~26-25.~~ "Production" includes the manufacturing, planting, cultivating, growing, or harvesting of  
16 a controlled substance.
- 17 ~~27-26.~~ "Sale" includes barter, exchange, or gift, or offer therefor, and each such transaction  
18 made by a person, whether as principal, proprietor, agent, servant, or employee.
- 19 ~~28-27.~~ "Scheduled listed chemical product" means a product that contains ephedrine,  
20 pseudoephedrin, or phenylpropanolamine, or each of the salts, optical isomers, and  
21 salts of optical isomers of each chemical, and that may be marketed or distributed in  
22 the United States under the Federal Food, Drug, and Cosmetic Act [21 U.S.C. 301  
23 et seq.] as a nonprescription drug unless prescribed by a licensed physician.
- 24 ~~29-28.~~ "State" when applied to a part of the United States includes any state, district,  
25 commonwealth, territory, insular possession thereof, and any area subject to the legal  
26 authority of the United States.
- 27 ~~30-29.~~ "Ultimate user" means an individual who lawfully possesses a controlled substance for  
28 the individual's own use or for the use of a member of the individual's household or for  
29 administering to an animal owned by the individual or by a member of the individual's  
30 household.

1       **SECTION 2. AMENDMENT.** Subdivision n of subsection 5 of section 19-03.1-05 of the  
2 North Dakota Century Code is amended and reenacted as follows:

3           n. (1) Tetrahydrocannabinols, meaning tetrahydrocannabinols naturally contained  
4                   in a plant of the genus Cannabis (cannabis plant), as well as synthetic  
5                   equivalents of the substances contained in the cannabis plant, or in the  
6                   resinous extractives of such plant, including synthetic substances,  
7                   derivatives, and their isomers with similar chemical structure and  
8                   pharmacological activity to those substances contained in the plant;  
9                   ~~excluding tetrahydrocannabinols found in hemp as defined in title 4.1;~~ such  
10                  as the following:

11               ~~(1)~~(a) Delta-1 cis or trans tetrahydrocannabinol, and their optical isomers.

12                               Other names: Delta-9-tetrahydrocannabinol.

13               ~~(2)~~(b) Delta-6 cis or trans tetrahydrocannabinol, and their optical isomers.

14                               Other names: Delta-8-tetrahydrocannabinol.

15               ~~(3)~~(c) Delta-3,4 cis or trans tetrahydrocannabinol, and its optical isomers.

16                               (Since nomenclature of these substances is not internationally standardized,  
17                               compounds of these structures, regardless of numerical designation of atomic  
18                               positions covered.)

19               (2) Tetrahydrocannabinols do not include:

20                               (a) The allowable amount of total tetrahydrocannabinol found in hemp as  
21                               defined in chapter 4.1-18.1; or

22                               (b) A prescription drug approved by the United States food and drug  
23                               administration under section 505 of the Federal Food, Drug, and  
24                               Cosmetic Act [21 U.S.C. 355].

25                               (c) Adult-use cannabis products purchased, possessed, or consumed by  
26                               an adult-use cannabis consumer in accordance with chapter 19-24.2.

27       **SECTION 3. AMENDMENT.** Subsection 1 of section 19-03.1-22.2 of the North Dakota  
28 Century Code is amended and reenacted as follows:

29           1. For purposes of this section:

30           a. "Chemical substance" means a substance intended to be used as a precursor in  
31                   the manufacture of a controlled substance or any other chemical intended to be

1                   used in the manufacture of a controlled substance. Intent under this subsection  
2                   may be demonstrated by the substance's use, quantity, manner of storage, or  
3                   proximity to other precursors or to manufacturing equipment.

4                   b. "Child" means an individual who is under the age of eighteen years.

5                   c. "Controlled substance" means the same as that term is defined in section  
6                   19-03.1-01, except the term does not include less than ~~one-half~~one ounce [28.35  
7                   grams] of marijuana or an amount up to the applicable maximum possession  
8                   amount of tetrahydrocannabinol.

9                   d. "Drug paraphernalia" means the same as that term is defined in section  
10                  19-03.4-01.

11                  e. "Prescription" means the same as that term is described in section 19-03.1-22.

12                  f. "Vulnerable adult" means a vulnerable adult as the term is defined in section  
13                  50-25.2-01.

14                  **SECTION 4. AMENDMENT.** Section 19-03.1-22.3 of the North Dakota Century Code is  
15                  amended and reenacted as follows:

16                  **19-03.1-22.3. Ingesting a controlled substance - Venue for violation - Penalty.**

17                  1. Except as provided in subsection 2, a person who intentionally ingests, inhales,  
18                  injects, or otherwise takes into the body a controlled substance, unless the substance  
19                  was obtained directly from a practitioner or pursuant to a valid prescription or order of  
20                  a practitioner while acting in the course of the practitioner's professional practice, is  
21                  guilty of a class A misdemeanor. This subsection does not apply to ingesting, inhaling,  
22                  injecting, or otherwise taking into the body marijuana or tetrahydrocannabinol.

23                  2. A person who is under twenty-one years of age and intentionally ingests, inhales,  
24                  injects, or otherwise takes into the body a controlled substance that is marijuana or  
25                  tetrahydrocannabinol, unless the substance was medical marijuana obtained in  
26                  accordance with chapter 19-24.1, is guilty of ~~a class B misdemeanor~~an infraction.

27                  3. The venue for a violation of this section exists in either the jurisdiction in which the  
28                  controlled substance was ingested, inhaled, injected, or otherwise taken into the body  
29                  or the jurisdiction in which the controlled substance was detected in the body of the  
30                  accused.



1       **SECTION 5. AMENDMENT.** Section 19-03.1-23 of the North Dakota Century Code is  
2 amended and reenacted as follows:

3       **19-03.1-23. Prohibited acts - Penalties.**

4       1. Except as authorized by this chapter, it is unlawful for a person to willfully, as defined  
5 in section 12.1-02-02, manufacture, deliver, or possess with intent to manufacture or  
6 deliver, a controlled substance, or to deliver, distribute, or dispense a controlled  
7 substance by means of the internet, but a person who violates section 12-46-24 or  
8 12-47-21 may not be prosecuted under this subsection. A person who violates this  
9 subsection with respect to:

- 10       a. A controlled substance classified in schedule I or II which is a narcotic drug, or  
11       methamphetamine, is guilty of a class B felony.  
12       b. Any other controlled substance classified in schedule I, II, or III, or a controlled  
13       substance analog is guilty of a class B felony.  
14       c. A substance classified in schedule IV, is guilty of a class C felony.  
15       d. A substance classified in schedule V, is guilty of a class A misdemeanor.

16       2. A prior misdemeanor conviction under subsection 7 or a prior conviction under  
17       subsection 3 or 4 of section 19-03.4-03 may not be considered a prior offense under  
18       subsection 1.

19       3. Except as authorized by this chapter, it is unlawful for any person to willfully, as  
20       defined in section 12.1-02-02, create, deliver, distribute, or dispense a counterfeit  
21       substance by means of the internet or any other means, or possess with intent to  
22       deliver, a counterfeit substance by means of the internet or any other means, but any  
23       person who violates section 12-46-24 or 12-47-21 may not be prosecuted under this  
24       subsection. Any person who violates this subsection with respect to:

- 25       a. A counterfeit substance classified in schedule I, II, or III, is guilty of a class B  
26       felony.  
27       b. A counterfeit substance classified in schedule IV, is guilty of a class C felony.  
28       c. A counterfeit substance classified in schedule V, is guilty of a class A  
29       misdemeanor.

30       4. A person at least eighteen years of age who solicits, induces, intimidates, employs,  
31       hires, or uses a person under eighteen years of age to aid or assist in the

1 manufacture, delivery, or possession with intent to manufacture or deliver a controlled  
2 substance for the purpose of receiving consideration or payment for the manufacture  
3 or delivery of any controlled substance is guilty of a class B felony. It is not a defense  
4 to a violation of this subsection that the defendant did not know the age of a person  
5 protected under this subsection.

- 6 5. Except for a prior conviction equivalent to a misdemeanor violation of subsection 7 or  
7 a prior conviction under subsection 3 or 4 of section 19-03.4-03, a violation of this title  
8 or a law of another state or the federal government which is equivalent to an offense  
9 with respect to the manufacture, delivery, or intent to deliver a controlled substance  
10 under this title committed while the offender was an adult and which resulted in a plea  
11 or finding of guilt must be considered a prior offense under subsection 1. The prior  
12 offense must be alleged in the complaint, information, or indictment. The plea or  
13 finding of guilt for the prior offense must have occurred before the date of the  
14 commission of the offense or offenses charged in the complaint, information, or  
15 indictment.

- 16 6. It is unlawful for a person to willfully, as defined in section 12.1-02-02:

- 17 a. Serve as an agent, intermediary, or other entity that causes the internet to be  
18 used to bring together a buyer and seller to engage in the delivery, distribution, or  
19 dispensing of a controlled substance in a manner not authorized by this chapter;  
20 or  
21 b. Offer to fill or refill a prescription for a controlled substance based solely on a  
22 consumer's completion of an online medical questionnaire.

23 A person who violates this subsection is guilty of a class C felony.

- 24 7. a. It is unlawful for any person to willfully, as defined in section 12.1-02-02, possess  
25 a controlled substance or a controlled substance analog unless the substance  
26 was obtained directly from, or pursuant to, a valid prescription or order of a  
27 practitioner while acting in the course of the practitioner's professional practice, or  
28 except as otherwise authorized by this chapter, but any person who violates  
29 section 12-46-24 or 12-47-21 may not be prosecuted under this subsection.  
30 b. Except as otherwise provided in this subsection, any person who violates this  
31 subsection is guilty of a class A misdemeanor for the first offense under this

- 1 subsection and a class C felony for a second or subsequent offense under this  
2 subsection.
- 3 c. If, at the time of the offense the person is in or on the real property comprising a  
4 public or private elementary or secondary school or a public career and technical  
5 education school, the person is guilty of a class B felony, unless the offense  
6 involves marijuana.
- 7 d. A person who ~~violates this subsection by possessing:~~
- 8 ~~(1) Marijuana in an amount of less than one-half ounce [14.175 grams] is guilty~~  
9 ~~of an infraction.~~
- 10 ~~(2) At least one-half ounce [14.175 grams] but not more than 500 grams of~~  
11 ~~marijuana is guilty of a class B misdemeanor.~~
- 12 ~~(3) More than 500 grams of marijuana is guilty of a class A misdemeanor.~~  
13 ~~under the age of twenty-one is in violation of this subsection by possessing:~~
- 14 ~~(1) Marijuana:~~
- 15 ~~(a) In an amount less than one ounce [28.35 grams] is guilty of an~~  
16 ~~infraction.~~
- 17 ~~(b) At least one ounce [28.35 grams] but not more than eight and~~  
18 ~~eighty-two hundredths ounces [250 grams] is guilty of a class B~~  
19 ~~misdemeanor.~~
- 20 ~~(c) More than eight and eighty-two hundredths ounces [250 grams] but~~  
21 ~~less than seventeen and sixty-four hundredths ounces [500 grams] is~~  
22 ~~guilty of a class A misdemeanor.~~
- 23 ~~(d) More than seventeen and sixty-four hundredths ounces [500 grams] is~~  
24 ~~guilty of a class C felony.~~
- 25 ~~(2) Tetrahydrocannabinol:~~
- 26 ~~(a) In an amount up to the applicable maximum possession amount~~  
27 ~~authorized by chapter 19-24.2 is guilty of an infraction.~~
- 28 ~~(b) More than the applicable maximum possession amount authorized by~~  
29 ~~chapter 19-24.2 but less than four times the applicable maximum~~  
30 ~~possession amount of tetrahydrocannabinol authorized by chapter~~  
31 ~~19-24.2 is guilty of a class B misdemeanor.~~

- 1                   (c) At least four times the applicable maximum possession amount  
2                   authorized by chapter 19-24.2 but less than eight times the applicable  
3                   maximum possession amount of tetrahydrocannabinol authorized by  
4                   chapter 19-24.2 is guilty of a class A misdemeanor.
- 5                   (d) More than eight times the applicable maximum possession amount of  
6                   tetrahydrocannabinol authorized by chapter 19-24.2 is guilty of a  
7                   class C felony.
- 8           e. A person age twenty-one or older is in violation of this section by possessing:
- 9                   (1) Marijuana:
- 10                   (a) More than one ounce [28.35 grams] but not more than eight and  
11                   eighty-two hundredths ounces [250 grams] is guilty of a class B  
12                   misdemeanor.
- 13                   (b) More than eight and eighty-two hundredths ounces [250 grams] but  
14                   less than seventeen and sixty-four hundredths ounces [500 grams] is  
15                   guilty of a class A misdemeanor.
- 16                   (c) More than seventeen and sixty-four hundredths ounces [500 grams] is  
17                   guilty of a class C felony.
- 18                   (2) Tetrahydrocannabinol:
- 19                   (a) More than the applicable maximum possession amount of  
20                   tetrahydrocannabinol authorized by chapter 19-24.2 but less than four  
21                   times the applicable maximum possession amount of  
22                   tetrahydrocannabinol authorized by chapter 19-24.2 is guilty of a  
23                   class B misdemeanor.
- 24                   (b) At least four times the applicable maximum possession amount of  
25                   tetrahydrocannabinol authorized by chapter 19-24.2 but less than  
26                   eight times the applicable maximum possession amount of  
27                   tetrahydrocannabinol authorized by chapter 19-24.2 is guilty of a  
28                   class A misdemeanor.
- 29                   (c) More than eight times the applicable maximum possession amount of  
30                   tetrahydrocannabinol authorized by chapter 19-24.2 is guilty of a  
31                   class C felony.

- 1 e-f. If an individual is sentenced to the legal and physical custody of the department  
2 of corrections and rehabilitation under this subsection, the department may place  
3 the individual in a drug and alcohol treatment program designated by the  
4 department. Upon the successful completion of the drug and alcohol treatment  
5 program, the department shall release the individual from imprisonment to begin  
6 any court-ordered period of probation.
- 7 f-g. If the individual is not subject to any court-ordered probation, the court shall order  
8 the individual to serve the remainder of the sentence of imprisonment on  
9 supervised probation subject to the terms and conditions imposed by the court.
- 10 g-h. Probation under this subsection may include placement in another facility,  
11 treatment program, or drug court. If an individual is placed in another facility or  
12 treatment program upon release from imprisonment, the remainder of the  
13 sentence must be considered as time spent in custody.
- 14 h-i. An individual incarcerated under this subsection as a result of a second probation  
15 revocation is not eligible for release from imprisonment upon the successful  
16 completion of treatment.
- 17 i-j. A person who violates this subsection regarding possession of five or fewer  
18 capsules, pills, or tablets of a schedule II, III, IV, or V controlled substance or  
19 controlled substance analog is guilty of a class A misdemeanor.
- 20 8. Except as provided by section 19-03.1-45, a court may order a person who violates  
21 this chapter or chapter 19-03.4 to undergo a drug addiction evaluation by a licensed  
22 addiction counselor. The evaluation must indicate the prospects for rehabilitation and  
23 whether addiction treatment is required. If ordered, the evaluation must be submitted  
24 to the court before imposing punishment for a felony violation or a misdemeanor  
25 violation.
- 26 9. If a person pleads guilty or is found guilty of a first offense regarding possession of  
27 one ounce [28.35 grams] or less of marijuana or an amount up to the applicable  
28 maximum possession amount of tetrahydrocannabinol authorized by chapter 19-24.2  
29 and a judgment of guilt is entered, a court, upon motion, shall seal the court record of  
30 that conviction if the person is not subsequently convicted within two years of a further

1 violation of this chapter. Once sealed, the court record may not be opened even by  
2 order of the court.

3 10. Upon successful completion of a drug court program, a person who has been  
4 convicted of a felony under this section and sentenced to drug court is deemed to  
5 have been convicted of a misdemeanor.

6 11. If a person convicted of a misdemeanor under this section is sentenced to drug court  
7 and successfully completes a drug court program, the court shall dismiss the case and  
8 seal the file in accordance with section 12.1-32-07.2.

9 **SECTION 6. AMENDMENT.** Subsection 1 of section 19-03.1-23.1 of the North Dakota  
10 Century Code is amended and reenacted as follows:

11 1. A person who violates section 19-03.1-23 is subject to the penalties provided in  
12 subsection 2 if:

13 a. The offense was committed during a school sponsored activity or was committed  
14 during the hours of six a.m. to ten p.m. if school is in session, the offense  
15 involved the manufacture, delivery, or possession, with intent to manufacture or  
16 deliver a controlled substance in, on, or within three hundred feet [91.4 meters] of  
17 the real property comprising a preschool facility, a public or private elementary or  
18 secondary school, or a public career and technical education school, the  
19 defendant was at least twenty-one years of age at the time of the offense, and  
20 the offense involved the delivery of a controlled substance to a minor;

21 b. The offense involved:

22 (1) Fifty grams or more of a mixture or substance containing a detectable  
23 amount of heroin;

24 (2) Fifty grams or more of a mixture or substance containing a detectable  
25 amount of:

26 (a) Coca leaves, except coca leaves and extracts of coca leaves from  
27 which cocaine, ecgonine, and derivatives of ecgonine or their salts  
28 have been removed;

29 (b) Cocaine, its salts, optical and geometric isomers, and salts of  
30 isomers;

31 (c) Ecgonine, its derivatives, their salts, isomers, and salts of isomers; or

1 (d) Any compound, mixture, or preparation that contains any quantity of  
2 any of the substance referred to in subparagraphs a through c;

3 (3) Twenty-eight grams or more of a mixture or substance described in  
4 paragraph 2 which contains cocaine base;

5 (4) Ten grams or more of phencyclidine or one hundred grams or more of a  
6 mixture or substance containing a detectable amount of phencyclidine;

7 (5) One gram, one hundred dosage units, or one-half liquid ounce or more of a  
8 mixture or substance containing a detectable amount of lysergic acid  
9 diethylamide;

10 (6) Forty grams or more of a mixture or substance containing a detectable  
11 amount of N-phenyl-N-[1-(2-phenylethyl)-4-piperidiny] propanamide or ten  
12 grams or more of a mixture or substance containing a detectable amount of  
13 any analog of N-phenyl-N-[1-(2-phenylethyl)-4-piperidiny] propanamide;

14 (7) Fifty grams or more of a mixture or substance containing a detectable  
15 amount of methamphetamine;

16 (8) Ten grams, one hundred dosage units, or one-half liquid ounce or more of a  
17 mixture or substance containing a detectable amount of  
18 3,4-methylenedioxy-N-methylamphetamine, C<sub>11</sub>H<sub>15</sub>NO<sub>2</sub>;

19 (9) One hundred dosage units or one-half liquid ounce of a mixture or  
20 substance containing a detectable amount of gamma-hydroxybutyrate or  
21 gamma-butyrolactone or 1,4 butanediol or any substance that is an analog  
22 of gamma-hydroxybutyrate; or

23 (10) One hundred dosage units or one-half liquid ounce of a mixture or  
24 substance containing a detectable amount of flunitrazepam; or

25 ~~(11) Five hundred grams or more of marijuana; or~~

26 c. The defendant had a firearm in the defendant's actual possession at the time of  
27 the offense.

28 **SECTION 7. AMENDMENT.** Subsection 12 of section 19-03.4-01 of the North Dakota  
29 Century Code is amended and reenacted as follows:

- 1       12.   Objects used, intended for use, or designed for use in ingesting, inhaling, or otherwise  
2       introducing marijuana, or cocaine,~~hashish,~~~~or hashish oil~~ into the human body,  
3       including:
- 4       a.    Metal, wooden, acrylic, glass, stone, plastic, or ceramic pipes with or without
  - 5       screens, permanent screens,~~hashish heads,~~ or punctured metal bowls.
  - 6       b.    Water pipes.
  - 7       c.    Carburetion tubes and devices.
  - 8       d.    Smoking and carburetion masks.
  - 9       e.    Objects, sometimes commonly referred to as roach clips, used to hold burning
  - 10      material, for example, a marijuana cigarette, that has become too small or too
  - 11      short to be held in the hand.
  - 12      f.    Miniature cocaine spoons and cocaine vials.
  - 13      g.    Chamber pipes.
  - 14      h.    Carburetor pipes.
  - 15      i.    Electric pipes.
  - 16      j.    Air-driven pipes.
  - 17      k.    Chillums.
  - 18      l.    Bongs.
  - 19      m.   Ice pipes or chillers.

20       **SECTION 8.** Two new subsections to section 19-03.4-02 of the North Dakota Century Code  
21   are created and enacted as follows:

22       Whether the object is used by a registered qualifying patient, registered designated  
23       caregiver, compassion center, or compassion center agent in accordance with chapter  
24       19-24.1.

25  
26       Whether the object is used by an adult-use cannabis consumer, adult-use cannabis  
27       business, or adult-use cannabis business agent in accordance with chapter 19-24.2.

28       **SECTION 9. AMENDMENT.** Section 19-03.4-03 of the North Dakota Century Code is  
29   amended and reenacted as follows:



1       **19-03.4-03. Unlawful possession of drug paraphernalia - Penalty.**

- 2       1. A person may not use or possess with intent to use drug paraphernalia to plant,  
3       propagate, cultivate, grow, harvest, manufacture, compound, convert, produce,  
4       process, prepare, test, analyze, pack, repack, store, contain, or conceal a controlled  
5       substance in violation of chapter 19-03.1. A person violating this subsection is guilty of  
6       a class C felony if the drug paraphernalia is used, or possessed with intent to be used,  
7       to manufacture, compound, convert, produce, process, prepare, test, or analyze a  
8       controlled substance, other than marijuana or tetrahydrocannabinol, classified in  
9       schedule I, II, or III of chapter 19-03.1.
- 10      2. A person may not use or possess with the intent to use drug paraphernalia to inject,  
11      ingest, inhale, or otherwise induce into the human body a controlled substance, other  
12      than marijuana or tetrahydrocannabinol, classified in schedule I, II, or III of  
13      chapter 19-03.1. A person violating this subsection is guilty of a class A misdemeanor.  
14      If a person previously has been convicted of an offense under this title, other than an  
15      offense related to marijuana or tetrahydrocannabinol, or an equivalent offense from  
16      another court in the United States, a violation of this subsection is a class C felony.
- 17      3. A person may not use or possess with intent to use drug paraphernalia to plant,  
18      propagate, cultivate, grow, harvest, manufacture, compound, convert, produce,  
19      process, prepare, test, analyze, pack, or repack marijuana or tetrahydrocannabinol in  
20      violation of chapter 19-03.1. A person violating this subsection is guilty of a class A  
21      misdemeanor. An adult-use cannabis business or adult-use cannabis business agent  
22      acting in accordance with chapters 19-24.1 and 19-24.2 is not subject to prosecution  
23      under this subsection.
- 24      4. A person may not use or possess with the intent to use drug paraphernalia to ingest,  
25      inhale, or otherwise introduce into the human body marijuana or tetrahydrocannabinol  
26      or possess with the intent to use drug paraphernalia to store or contain marijuana or  
27      tetrahydrocannabinol in violation of chapter 19-03.1. A person violating this subsection  
28      is guilty of an infraction. The following persons are not subject to prosecution under  
29      this subsection:
- 30      a. A registered qualifying patient, registered designated caregiver, compassion  
31      center, or compassion center agent acting in accordance with chapter 19-24.1.

1            b. An adult-use cannabis consumer, adult-use cannabis business, or adult-use  
2            cannabis business agent acting in accordance with chapter 19-24.2.

3            5. A person sentenced to the legal and physical custody of the department of corrections  
4            and rehabilitation under this section may be placed in a drug and alcohol treatment  
5            program as designated by the department. Upon the successful completion of the drug  
6            and alcohol treatment program, the department shall release the person from  
7            imprisonment to begin any court-ordered period of probation. If the person is not  
8            subject to court-ordered probation, the court may order the person to serve the  
9            remainder of the sentence of imprisonment on supervised probation subject to the  
10           terms and conditions imposed by the court.

11           6. Probation under this section may include placement in another facility, treatment  
12           program, or drug court. If the person is placed in another facility or treatment program  
13           upon release from imprisonment, the remainder of the sentence must be considered  
14           as time spent in custody.

15           **SECTION 10. AMENDMENT.** Section 19-03.4-04 of the North Dakota Century Code is  
16 amended and reenacted as follows:

17           **19-03.4-04. Unlawful manufacture or delivery of drug paraphernalia - Penalty.**

18           1. A person may not deliver, possess with intent to deliver, or manufacture with intent to  
19           deliver, drug paraphernalia, if that person knows or should reasonably know that the  
20           drug paraphernalia will be used to plant, propagate, cultivate, grow, harvest,  
21           manufacture, compound, convert, produce, process, prepare, test, analyze, pack,  
22           repack, store, contain, conceal, inject, ingest, inhale, or otherwise introduce into the  
23           human body a controlled substance in violation of chapter 19-03.1. Any person  
24           violating this section is guilty of a class C felony if the drug paraphernalia will be used  
25           to manufacture, compound, convert, produce, process, prepare, test, inject, ingest,  
26           inhale, or analyze a controlled substance, other than marijuana or  
27           tetrahydrocannabinol, classified in schedule I, II, or III of chapter 19-03.1. Otherwise, a  
28           violation of this section is a class A misdemeanor.

29           2. The following persons are not subject to prosecution under this subsection:

30           a. A registered designated caregiver, compassion center, or compassion center  
31           agent acting in accordance with chapter 19-24.1.

- 1           b. An adult-use cannabis business or adult-use cannabis business agent acting in  
2           accordance with chapter 19-24.2.

3           **SECTION 11.** Chapter 19-24.2 of the North Dakota Century Code is created and enacted  
4 as follows:

5           **19-24.2-01. Definitions.**

6           As used in this chapter, unless the context indicates otherwise:

- 7           1. "Adult-use cannabinoid capsule" means a small, soluble container, usually made of  
8           gelatin, which encloses a dose of an adult-use cannabinoid product or an adult-use  
9           cannabinoid concentrate intended for consumption. The maximum concentration or  
10           amount of tetrahydrocannabinol permitted in a serving of an adult-use cannabinoid  
11           capsule is ten milligrams.
- 12           2. "Adult-use cannabinoid concentrate" means an adult-use cannabinoid concentrate or  
13           extract obtained by separating cannabinoids from cannabis by a mechanical,  
14           chemical, or other process.
- 15           3. "Adult-use cannabinoid edible product" means a soft or hard lozenge in a geometric  
16           square shape into which an adult-use cannabinoid concentrate or the dried leaves or  
17           flowers of the plant of the genus cannabis is incorporated. The maximum  
18           concentration or amount of tetrahydrocannabinol permitted in a serving of an adult-use  
19           cannabinoid edible product is ten milligrams and in a package is one hundred  
20           milligrams.
- 21           4. "Adult-use cannabinoid product" means a product intended for human consumption or  
22           use which contains cannabinoids.
- 23           a. Adult-use cannabinoid products are limited to the following forms:
- 24               (1) Adult-use cannabinoid solution;
- 25               (2) Adult-use cannabinoid capsule;
- 26               (3) Adult-use cannabinoid transdermal patch;
- 27               (4) Adult-use cannabinoid topical; and
- 28               (5) Adult-use cannabinoid edible product.
- 29           b. The term does not include:
- 30               (1) An adult-use cannabinoid concentrate by itself; or
- 31               (2) The dried leaves or flowers of the plant of the genus cannabis by itself.

- 1       5. "Adult-use cannabinoid solution" means a solution consisting of a mixture created from  
2       an adult-use cannabinoid concentrate and other ingredients. A container holding an  
3       adult-use cannabinoid solution for dispensing may not exceed thirty milliliters.
- 4       6. "Adult-use cannabinoid topical" means an adult-use cannabinoid product intended to  
5       be applied to the skin or hair. The maximum concentration or amount of  
6       tetrahydrocannabinol permitted in an adult-use cannabinoid topical is six percent.
- 7       7. "Adult-use cannabinoid transdermal patch" means an adhesive substance applied to  
8       the skin which contains an adult-use cannabinoid product or an adult-use cannabinoid  
9       concentrate for absorption into the bloodstream. The maximum concentration or  
10       amount of tetrahydrocannabinol permitted in a serving of an adult-use cannabinoid  
11       transdermal patch is ten milligrams.
- 12       8. "Adult-use cannabis" means the dried leaves or flowers of the plant of the genus  
13       cannabis.
- 14       9. "Adult-use cannabis business" means a manufacturing facility or dispensary.
- 15       10. "Adult-use cannabis business agent" means a principal officer, board member,  
16       member, manager, governor, employee, volunteer, or agent of an adult-use cannabis  
17       business. The term does not include a lawyer representing an adult-use cannabis  
18       business in civil or criminal litigation or in an adversarial administrative proceeding.
- 19       11. "Adult-use cannabis consumer" means an individual, twenty-one years of age or older,  
20       who purchases approved adult-use cannabis products for personal use, but not for  
21       resale to others.
- 22       12. "Adult-use cannabis product" means adult-use cannabis, an adult-use cannabinoid  
23       concentrate, or adult-use cannabinoid product.
- 24       13. "Cannabinoid" means a chemical compound that is one of the active constituents of  
25       cannabis.
- 26       14. "Cannabis" is a genus of flowering plants within the Cannabaceae family and means  
27       all parts of the plant, whether growing or not; the seeds of the plant; the resin  
28       extracted from any part of the plant; and every compound, manufacturer, salt,  
29       derivative, mixture, or preparation of the plant, its seeds or resin. The term does not  
30       include:
- 31       a. Hemp regulated under chapter 4.1-18.1; or

- 1            b. A prescription drug approved by the United States food and drug administration  
2            under section 505 of the Federal Food, Drug, and Cosmetic Act [21 U.S.C. 355].
- 3        15. "Cannabis waste" means unused, surplus, returned, or out-of-date adult-use cannabis  
4            products; recalled adult-use cannabis products; unused cannabis; or plant debris of  
5            the plant of the genus cannabis, including dead plants and all unused plant parts and  
6            roots.
- 7        16. "Cardholder" means an adult-use cannabis business agent who has been issued and  
8            possesses a valid registry identification card.
- 9        17. "Department" means the state department of health.
- 10       18. "Dispensary" means an entity registered by the department as an adult-use cannabis  
11           business authorized to sell adult-use cannabis products.
- 12       19. "Enclosed and locked facility" means a closet, room, greenhouse, building, or other  
13           enclosed area equipped with locks or other security devices that permit access limited  
14           to individuals authorized under this chapter or rules adopted under this chapter.
- 15       20. "Manufacturing facility" means an entity registered by the department as an adult-use  
16           cannabis business authorized to produce and process cannabis and to sell adult-use  
17           cannabis products to a dispensary.
- 18       21. "Maximum concentration or amount of tetrahydrocannabinol" means the total amount  
19           of tetrahydrocannabinol and tetrahydrocannabinolic acid in an adult-use cannabinoid  
20           concentrate or an adult-use cannabinoid product.
- 21       22. "Owner" means an individual or an organization with an ownership interest in an  
22           adult-use cannabis business.
- 23       23. "Ownership interest" means an aggregate ownership interest of five percent or more in  
24           an adult-use cannabis business, unless such interest is solely a security, lien, or  
25           encumbrance, or an individual that will be participating in the direction, control, or  
26           management of the adult-use cannabis business.
- 27       24. "Processing" or "process" means the compounding or conversion of cannabis into an  
28           adult-use cannabinoid concentrate or adult-use cannabinoid product.
- 29       25. "Producing", "produce", or "production" mean the planting, cultivating, growing,  
30           trimming, or harvesting of cannabis or the drying of the leaves or flowers of cannabis.

- 1        26. "Registration certificate" means written authorization provided by the department  
2            under this chapter permitting an adult-use cannabis business to engage in a specified  
3            activity authorized pursuant to this chapter.
- 4        27. "Registry identification card" means a document issued by the department which  
5            identifies an individual as a registered adult-use cannabis business agent.
- 6        28. "School" means an institution of learning and education especially for children, the  
7            collective body of students under instruction in an institution of learning, and a group of  
8            individuals adhering to the same philosophy or system of beliefs.
- 9        29. "Substantial corporate change" means:
- 10        a. For a corporation, a change of ten percent or more of the officers or directors, or  
11            a transfer of ten percent or more of the stock of such corporation, or an existing  
12            stockholder obtaining ten percent or more of the stock of the corporation;
- 13        b. For a limited liability company, a change of ten percent or more of the managing  
14            members of the company, or a transfer of ten percent or more of the ownership  
15            interest in the company, or an existing member obtaining a cumulative of ten  
16            percent or more of the ownership interest in the company; or
- 17        c. For a partnership, a change of ten percent or more of the managing partners of  
18            the partnership, or a transfer of ten percent or more of the ownership interest in  
19            the partnership, or an existing member obtaining a cumulative of ten percent or  
20            more of the ownership interest in the partnership.
- 21        30. "Tetrahydrocannabinol" means tetrahydrocannabinols naturally contained in a plant of  
22            the genus Cannabis, and synthetic equivalents of the substances contained in the  
23            cannabis plant, or in the resinous extractives of the plant, including synthetic  
24            substances, derivatives, and their isomers with similar chemical structure and  
25            pharmacological activity to those substances contained in the plant, including:
- 26        a. Delta-1 cis or trans tetrahydrocannabinol, and their optical isomers.  
27            Other names: Delta-9-tetrahydrocannabinol.
- 28        b. Delta-6 or trans tetrahydrocannabinol, and their optical isomers.  
29            Other names: Delta-8 tetrahydrocannabinol.
- 30        c. Delta-3, 4 cis or trans tetrahydrocannabinol, and its optical isomers.

1 (Since nomenclature of these substances is not intentionally standardized, compounds  
2 of these structures, regardless of numerical designation or atomic positions covered.)

3 Tetrahydrocannabinol does not include:

4 (1) The allowable amount of total tetrahydrocannabinol found in hemp as  
5 defined in chapter 4.1-18.1; or

6 (2) A prescription drug approved by the United States food and drug  
7 administration under section 505 of the Federal Food, Drug, and Cosmetic  
8 Act [21 U.S.C. 355].

9 31. "Total tetrahydrocannabinol" means the sum of the percentage by weight of  
10 tetrahydrocannabinolic acid multiplied by eight hundred seventy-seven thousandths  
11 plus the percentage of weight of tetrahydrocannabinol.

12 32. "Verification system" means the system maintained by the department for verification  
13 of registry identification cards.

14 **19-24.2-02. Adult-use cannabis program.**

15 The department shall establish and implement an adult-use cannabis program to allow for  
16 the production and processing of cannabis and the sale of adult-use cannabis products to an  
17 individual who is twenty-one years of age and older, subject to the provisions of this chapter. A  
18 person may not produce, process, sell, possess, consume, transport, or transfer cannabis or  
19 adult-use cannabis products unless the person is authorized to do so in accordance with this  
20 chapter or by rule adopted pursuant to this chapter.

21 **19-24.2-03. Adult-use cannabis business.**

22 1. A person may not process, produce, or transfer adult-use cannabis products or  
23 otherwise act as an adult-use cannabis business in this state unless the person is  
24 registered as an adult-use cannabis business.

25 2. As of July 1, 2023, the department may not register more than:

26 a. Seven adult-use cannabis businesses with the sole purpose of operating as a  
27 manufacturing facility; and

28 b. Eighteen adult-use cannabis businesses with the sole purpose of operating as a  
29 dispensary.

30 3. An adult-use cannabis business registered under this chapter may not sell adult-use  
31 cannabis products to adult-use cannabis consumers until July 1, 2022.

- 1       4. An adult-use cannabis business registered under this chapter shall provide registered  
2       qualifying patients and registered designated caregivers access to usable marijuana in  
3       accordance with chapter 19-24.1. An adult-use cannabis business shall comply with all  
4       requirements in chapter 19-24.1.
- 5       5. The department shall establish an open application period for the submission of  
6       adult-use cannabis business applications. At the completion of the open application  
7       period, the department shall review each complete application using a competitive  
8       process established in accordance with rules adopted under this chapter and shall  
9       determine which applicants to register as adult-use cannabis businesses.
- 10      6. If the department revokes or does not renew an adult-use cannabis business  
11      registration certificate, the department may establish an open application period for the  
12      submission of adult-use cannabis business applications.
- 13      7. The department of commerce may not certify an adult-use cannabis business as a  
14      primary sector business.

15      **19-24.2-04. Adult-use cannabis business - Authority - Ownership.**

- 16      1. The activities of a manufacturing facility are limited to producing, processing, and  
17      related activities, including acquiring, possessing, storing, transferring, and  
18      transporting cannabis and adult-use cannabis products, for the sole purpose of selling  
19      adult-use cannabis products to a dispensary.
- 20      2. The activities of a dispensary are limited to purchasing adult-use cannabis products  
21      from a manufacturing facility and related activities, including storing, delivering,  
22      transferring, and transporting adult-use cannabis products, for the sole purpose of  
23      dispensing adult-use cannabis products to adult-use cannabis consumers.
- 24      3. The activities of a dispensary includes providing education material and selling  
25      supplies related to the consumption and storage of adult-use cannabis products. A  
26      dispensary may sell only supplies related to the consumption and storage of adult-use  
27      cannabis products to an adult-use cannabis consumer. All education material and  
28      supplies related to the consumption and storage of adult-use cannabis products are  
29      subject to prior department approval.
- 30      4. An individual or an organization may not hold an ownership interest in:  
31      a. More than one manufacturing facility.



- 1           b. More than four dispensaries.
- 2           c. More than one dispensary within a twenty-mile [32.19 kilometers] radius of  
3           another dispensary.
- 4        5. A manufacturing facility and dispensary may not enter an agreement under which a  
5        dispensary agrees to limit purchases or sales of adult-use cannabis products to one  
6        manufacturing facility.

7        **19-24.2-05. Adult-use cannabis business - Application.**

- 8        1. The department shall establish forms for an applicant to be registered as an adult-use  
9        cannabis business. For an adult-use cannabis business registration application to be  
10       complete and eligible for review, the applicant shall submit to the department:
- 11        a. A nonrefundable application fee, not to exceed five thousand dollars, made  
12        payable to the "State Department of Health".
- 13        b. The legal name, articles of incorporation or articles of organization, and bylaws or  
14        operating agreement of the proposed adult-use cannabis business applicant.
- 15        c. Evidence of the proposed adult-use cannabis business applicant's registration  
16        with the secretary of state and certificate of good standing.
- 17        d. The physical address of the proposed location of the proposed adult-use  
18        cannabis business and:
- 19           (1) Evidence of approval from local officials as to the proposed adult-use  
20           cannabis business applicant's compliance with local zoning laws for the  
21           physical address to be used by the proposed cannabis business; and
- 22           (2) Evidence the physical address of the proposed adult-use cannabis business  
23           is not located within one thousand feet [304.80 meters] of a property line of  
24           a pre-existing public or private school.
- 25        e. For a manufacturing facility applicant, a description of the enclosed and locked  
26        facility that would be used in the production and processing of cannabis,  
27        including steps that will be taken to ensure the production and processing is not  
28        visible from the street or other public areas.
- 29        f. The name, address, and date of birth of each principal officer and board member,  
30        or of each member-manager, manager, or governor, of the proposed adult-use  
31        cannabis business applicant and verification each officer and board member, or

- 1                   each member-manager, manager, or governor, has consented to a criminal  
2                   history record check conducted under section 12-60-24.
- 3           g.   For each of the proposed adult-use cannabis business applicant's principal  
4                   officers and board members, or for each of the proposed adult-use cannabis  
5                   business applicant's member-managers, managers, or governors, a description  
6                   of that individual's relevant experience, including training or professional licensing  
7                   related to medicine, pharmaceuticals, natural treatments, botany, food science,  
8                   food safety, production, processing, and the individual's experience running a  
9                   business entity.
- 10           h.   A description of proposed security and safety measures.
- 11           i.   An example of the design and security features of adult-use cannabis product  
12                   containers.
- 13           j.   A complete operations manual.
- 14           k.   A description of the plans for making usable marijuana available on an affordable  
15                   basis to registered qualifying patients with limited financial resources in  
16                   accordance with chapter 19-24.1.
- 17           l.   A list of all individuals and business entities having direct or indirect authority over  
18                   the management or policies of the proposed adult-use cannabis business  
19                   applicant.
- 20           m.   A list of all individuals and business entities having an ownership interest in the  
21                   proposed adult-use cannabis business applicant, whether direct or indirect, and  
22                   whether the interest is in profits, land, or building, including owners of any  
23                   business entity that owns all or part of the land or building.
- 24           n.   The identity of any creditor holding a security interest in the proposed adult-use  
25                   cannabis business premises.
- 26           2.   The department is not required to review an application submitted under this section  
27                   unless the department determines the application is complete. The criteria considered  
28                   by the department in reviewing an application must include:
- 29           a.   The suitability of the proposed adult-use cannabis business location, including  
30                   compliance with any local zoning laws, and the geographic convenience to

- 1           access adult-use cannabis businesses for adult-use consumers throughout the  
2           state;
- 3           b. The character and relevant experience of the principal officers and board  
4           members, or of the member-managers, managers, or governors, including  
5           training or professional licensing and business experience;
- 6           c. The applicant's plan for operations and services, including staffing and training  
7           plans, whether the applicant has sufficient capital to operate, and the applicant's  
8           ability to provide an adequate supply of adult-use cannabis products and usable  
9           marijuana as defined in chapter 19-24.1;
- 10          d. The sufficiency of the applicant's plans for recordkeeping;
- 11          e. The sufficiency of the applicant's plans for safety, security, and the prevention of  
12          diversion, including the proposed location and security devices employed;
- 13          f. The applicant's plan for making usable marijuana, as defined in chapter 19-24.1,  
14          available on an affordable basis to registered qualifying patients with limited  
15          financial resources;
- 16          g. The applicant's plan for safe and accurate packaging and labeling of adult-use  
17          cannabis products; and
- 18          h. The applicant's plans for testing adult-use cannabis products and cannabis.
- 19          3. Following completion of the review under subsection 2, the department shall select the  
20          applicants eligible for registration.

21          **19-24.2-06. Adult-use cannabis business - Registration.**

- 22          1. Upon receiving notification by the department that an adult-use cannabis business  
23          application is eligible for registration, the applicant shall submit all of the following  
24          items to the department to qualify for registration:
- 25          a. A certification fee, made payable to the "State Department of Health", in an  
26          amount not to exceed ninety thousand dollars for a dispensary and one hundred  
27          ten thousand dollars for a manufacturing facility.
- 28          b. A financial assurance or security bond to ensure the protection of the public  
29          health and safety and the environment in the event of abandonment, default, or  
30          other inability or unwillingness to meet the requirements of this chapter.

- 1           c. The physical address of the proposed adult-use cannabis business; confirmation  
2           the information in the application regarding the physical location of the proposed  
3           adult-use cannabis business has not changed, and if the information has  
4           changed the department shall determine whether the new information meets the  
5           requirements of this chapter; and a current certificate of occupancy, or equivalent  
6           document, to demonstrate compliance with the provisions of state and local fire  
7           code for the physical address of the proposed adult-use cannabis business. It is  
8           not necessary for an applicant to resubmit any information provided in the initial  
9           application unless there has been a change in that information.
- 10          d. An update to previously submitted information, including information about  
11          adult-use cannabis business agents.

- 12          2. If an applicant complies with subsection 1, the department shall issue the applicant a  
13          registration certificate.

14          **19-24.2-07. Adult-use cannabis business - Renewal.**

- 15          1. An adult-use cannabis business registration certificate expires two years after  
16          issuance. An adult-use cannabis business may submit a renewal application at any  
17          time beginning ninety calendar days before the expiration of the registration certificate.  
18          An adult-use cannabis business shall submit a renewal application a minimum of sixty  
19          calendar days before the expiration of the registration certificate to avoid suspension  
20          of the certificate.
- 21          2. The department shall approve an adult-use cannabis business's renewal application  
22          within sixty calendar days of submission if:
- 23               a. The adult-use cannabis business submits a renewal fee, in the amount not to  
24               exceed ninety thousand dollars for a dispensary and one hundred ten thousand  
25               dollars for a manufacturing facility, which the department shall refund if the  
26               department rejects the renewal application;
- 27               b. The adult-use cannabis business submits a complete renewal application;
- 28               c. The department has at no time suspended the adult-use cannabis business's  
29               registration for violation of this chapter or chapter 19-24.1;
- 30               d. Inspections conducted under this chapter do not raise any serious concerns  
31               about the continued operation of the adult-use cannabis business; and

1           e. The adult-use cannabis business continues to meet all the requirements for the  
2           operation of an adult-use cannabis business as set forth in this chapter, chapter  
3           19-24.1, and rules adopted under this chapter.

4           3. If an adult-use cannabis business does not meet the requirements for renewal, the  
5           department may not issue a registration certificate and the department shall provide  
6           the adult-use cannabis business with written notice of the determination. If an  
7           adult-use cannabis business's certificate is not renewed, the adult-use cannabis  
8           business shall dispose of all cannabis and adult-use cannabis products in accordance  
9           with rules adopted under this chapter.

10           **19-24.2-08. Adult-use cannabis business - Registration certificates.**

11           A registration certificate authorizing the operation of an adult-use cannabis must include:

- 12           1. The name and address of the adult-use cannabis business;  
13           2. Whether the type of adult-use cannabis business is a manufacturing facility or  
14           dispensary;  
15           3. A unique license number issued by the department; and  
16           4. Any other information deemed necessary by the department.

17           **19-24.2-09. Adult-use cannabis business - Notification of changes.**

- 18           1. Upon application of an adult-use cannabis business to the department, a registration  
19           certificate of an adult-use cannabis business may be amended to authorize a change  
20           in the authorized physical location of the adult-use cannabis business, or to amend the  
21           ownership or organizational structure of the adult-use cannabis business with the  
22           registration certificate. An adult-use cannabis business shall provide the department a  
23           written notice of any change described under this section at least sixty calendar days  
24           before the proposed effective date of the change.  
25           2. A registration certificate authorizing the operation of an adult-use cannabis business is  
26           void upon a change in ownership, substantial corporate change, change in location, or  
27           discontinued operation, without prior approval of the department. The health council  
28           may adopt rules allowing for certain types of changes in ownership without the need  
29           for prior written approval from the department.  
30           3. The department shall authorize the use of additional structures located within five  
31           hundred feet [152.40 meters] of the location described in the original application.

1 unless the department makes an affirmative finding the use of additional structures  
2 would jeopardize public health or safety or would result in the cannabis business being  
3 within one thousand feet [304.80 meters] of a property line of a pre-existing public or  
4 private school. The department may waive all or part of the required advance notice to  
5 address emergent or emergency situations.

6 **19-24.2-10. Adult-use cannabis business - Agents - Registry identification cards.**

- 7 1. Upon issuance of an adult-use cannabis business registry certificate, the department  
8 shall issue a registry identification card to each qualified adult-use cannabis business  
9 agent associated with the adult-use cannabis business.
- 10 2. To qualify to be issued a registry identification card, each adult-use cannabis business  
11 agent must be at least twenty-one years of age and shall submit all of the following  
12 registry identification card application material to the department:
- 13 a. A photographic copy of the agent's department-approved identification. The agent  
14 shall make the identification available for inspection and verification by the  
15 department.
- 16 b. A recent two-by-two inch [5.08-by-5.08 centimeter] photograph of the agent.
- 17 c. A written and signed statement from an officer or executive staff member of the  
18 adult-use cannabis business stating the applicant is associated with the adult-use  
19 cannabis business and the capacity of the association.
- 20 d. The name, address, and telephone number of the agent.
- 21 e. The name, address, and telephone number of the adult-use cannabis business  
22 with which the agent is associated.
- 23 f. The agent's signature and the date.
- 24 g. A nonrefundable application or renewal fee in the amount of two hundred dollars.
- 25 3. Each adult-use cannabis business agent shall consent to a criminal history record  
26 check conducted under section 12-60-24 to demonstrate compliance with the eligibility  
27 requirements.
- 28 a. All applicable fees associated with the required criminal history record checks  
29 must be paid by the adult-use cannabis business or the agent.

- 1           b. A criminal history record check must be performed upon initial application and  
2           biennially upon renewal. An adult-use cannabis business agent shall consent to a  
3           criminal history record check at any time the department determines necessary.
- 4           c. An individual convicted of a drug-related misdemeanor offense within the  
5           five-year period before the date of application or a felony offense is prohibited  
6           from being an adult-use cannabis business agent.
- 7           4. The department shall notify the adult-use cannabis business in writing of the purpose  
8           for denying an adult-use cannabis business agent application for a registry  
9           identification card. The department shall deny an application if the agent fails to meet  
10           the registration requirements or to provide the information required, or if the  
11           department determines the information provided is false. The cardholder may appeal a  
12           denial or revocation of a registry identification card to the district court of Burleigh  
13           County. The court may authorize the cardholder to appear by reliable electronic  
14           means.
- 15           5. The department shall issue an adult-use cannabis business agent a registry  
16           identification card within thirty calendar days of approval of an application.
- 17           6. Within ten calendar days of a change in the cardholder's name or address or  
18           knowledge of a change that would render the adult-use cannabis business agent no  
19           longer eligible to be a cardholder, an adult-use cannabis business agent with a registry  
20           identification card shall notify the department in a manner prescribed by the  
21           department.
- 22           7. If an adult-use cannabis business agent loses the agent's registry identification card,  
23           that agent shall notify the department in writing within twenty-four hours of becoming  
24           aware the card has been lost.
- 25           8. If a cardholder notifies the department of items listed in this section but the nature of  
26           the item reported results in the cardholder remaining eligible, the department may  
27           issue the cardholder a new registry identification card with a new random ten-digit  
28           alphanumeric identification number within twenty calendar days of approving the  
29           updated information and the cardholder shall pay a fee, not to exceed twenty-five  
30           dollars. If a cardholder notifies the department of an item that results in the cardholder  
31           being ineligible, the registry identification card becomes void immediately.

1       9. An adult-use cannabis business shall notify the department in writing within two  
2       calendar days of the date an adult-use cannabis business agent ceases to work for or  
3       be associated with the adult-use cannabis business. Upon receipt of the notification,  
4       that individual's registry identification card is void.

5       10. The registry identification card of an adult-use cannabis business agent expires one  
6       year after issuance or upon the termination of the adult-use cannabis business's  
7       registration certificate, whichever occurs first. To prevent interruption of possession of  
8       a valid registry identification card, an adult-use cannabis business agent shall renew a  
9       registry identification card by submitting a complete renewal application no fewer than  
10      forty-five calendar days before the expiration date of the existing registry identification  
11      card.

12      **19-24.2-11. Registry identification card - Nontransferable.**

13      A registry identification card of an adult-use cannabis business agent is not transferable, by  
14      assignment or otherwise, to another person. If a person attempts to transfer a card in violation  
15      of this section, the registry identification card is void and the person is prohibited from all  
16      privileges provided under this chapter.

17      **19-24.2-12. Registry identification card.**

- 18      1. The registry identification card of an adult-use cannabis business agent must include:  
19          a. The name of the cardholder;  
20          b. The cardholder's affiliated adult-use cannabis business;  
21          c. The date of issuance and expiration date;  
22          d. A random ten-digit alphanumeric identification number containing at least four  
23             numbers and at least four letters which is unique to the cardholder;  
24          e. A photograph of the cardholder; and  
25          f. The phone number or website address at which the card can be verified.  
26      2. Except as otherwise provided in this section or rule adopted under this chapter, a  
27      registry identification card expiration date is one year after the date of issuance.



1           **19-24.2-13. Adult-use cannabis business - Adult-use cannabis agents - Suspension -**  
2 **Revocation.**

- 3           1. The department may suspend or revoke the registry identification card of an adult-use  
4 cannabis business agent or a registration certificate of an adult-use cannabis business  
5 for a material misstatement by an applicant in an application or renewal.
- 6           2. The department may suspend or revoke a registry identification card of an adult-use  
7 cannabis business agent or registration certificate of an adult-use cannabis business  
8 for a violation of this chapter or rules adopted under this chapter.
- 9           3. If an adult-use cannabis business agent or an adult-use cannabis business sells or  
10 otherwise transfers cannabis or adult-use cannabis products to a person not  
11 authorized to possess cannabis or adult-use cannabis products under this chapter, the  
12 department may suspend or revoke the registry identification card of the adult-use  
13 cannabis business agent or the registration certificate of the adult-use cannabis  
14 business, or both.
- 15           4. If an adult-use cannabis business agent or an adult-use cannabis business sells or  
16 otherwise transfers cannabis or adult-use cannabis products in a form not authorized  
17 under this chapter or chapter 19-24.1, the department may suspend or revoke the  
18 registry identification card of the adult-use cannabis business agent or the registration  
19 certificate of the adult-use cannabis business, or both.
- 20           5. The department shall provide written notice of suspension or revocation of a registry  
21 identification card or registration certificate.
- 22           a. A suspension may not be for a period longer than six months.
- 23           b. A manufacturing facility may continue to produce, process, and possess cannabis  
24 and adult-use cannabis products during a suspension, but may not transfer or  
25 sell adult-use cannabis products.
- 26           c. A dispensary may continue to possess adult-use cannabis products during a  
27 suspension, but may not purchase or transfer adult-use cannabis products.
- 28           d. An adult-use cannabis business agent or adult-use cannabis business may  
29 appeal a suspension or revocation of a registry identification card or registration  
30 certificate to the district court of Burleigh County. The court may authorize the

1                   adult-use cannabis business agent or adult-use cannabis business to appear by  
2                   reliable electronic means.

3           6.   If the department revokes a registry identification card of an adult-use cannabis  
4           business agent under this chapter, the adult-use cannabis business agent is  
5           disqualified from further participation under this chapter.

6           **19-24.2-14. Adult-use cannabis business - Adult-use cannabis business agents -**  
7           **Violations - Penalties.**

- 8           1.   An adult-use cannabis business agent or adult-use cannabis business that fails to  
9           provide a notice as required under this chapter shall pay to the department a fee in an  
10          amount established by the department, not to exceed one hundred fifty dollars.
- 11          2.   In addition to any other penalty applicable in law, a manufacturing facility or an  
12          adult-use cannabis business agent of a manufacturing facility is guilty of a class B  
13          felony for intentionally selling or otherwise transferring cannabis or adult-use cannabis  
14          products in any form, to a person other than a dispensary, or for intentionally selling or  
15          otherwise transferring cannabis in any form other than adult-use cannabis products, to  
16          a dispensary.
- 17          3.   In addition to any other penalty applicable in law, a dispensary or an adult-use  
18          cannabis business agent of a dispensary for intentionally selling or otherwise  
19          transferring adult-use cannabis products, to an individual who is under twenty-one  
20          years of age, in a form not allowed under this chapter, or in an amount that would  
21          cause the adult-use cannabis consumer to purchase or possess more than the  
22          amount of adult-use cannabis products authorized by this chapter is guilty of a class B  
23          felony.
- 24          4.   In addition to any other penalty applicable in law, a dispensary or an adult-use  
25          cannabis business agent of a dispensary which intentionally sells or otherwise  
26          transfers paraphernalia, to an individual who is under twenty-one years of age, or in a  
27          form not allowed under this chapter is guilty of a class A misdemeanor. A dispensary or  
28          an adult-use cannabis business agent is not subject to prosecution under this  
29          subsection for selling paraphernalia to a registered qualifying patient who is nineteen  
30          years of age or older under chapter 19-24.1.

- 1        5. In addition to any other penalty applicable in law, an adult-use cannabis business or  
2        an adult-use cannabis business agent that intentionally sells or otherwise transfers  
3        adult-use cannabis products in a form not allowed under this chapter is guilty of a  
4        class B felony.
- 5        6. An adult-use cannabis business or an adult-use cannabis business agent that  
6        knowingly submits false records or documentation required by the department to  
7        certify an adult-use cannabis business under this chapter is guilty of a class C felony.
- 8        7. In addition to any other penalty applicable in law, if an adult-use cannabis business  
9        violates this chapter the department may fine the adult-use cannabis business up to  
10       one thousand dollars per violation, per day, and upon subsequent violations a fine not  
11       to exceed five thousand dollars per violation, per day.
- 12       8. In addition to any other penalty applicable in law, an adult-use cannabis consumer  
13       who intentionally sells or otherwise transfers adult-use cannabis products, to an  
14       individual who is under twenty-one years of age, is guilty of a class B felony. An  
15       individual convicted under this subsection is disqualified from further participation  
16       under this chapter.
- 17       9. An individual who knowingly submits false records or documentation required by the  
18       department to receive an adult-use cannabis business agent registry identification  
19       card is guilty of a class A misdemeanor. An individual convicted under this subsection  
20       may not continue to be affiliated with an adult-use cannabis business.

21       **19-24.2-15. Adult-use cannabis business - Transfer - Sale.**

- 22       1. An adult-use cannabis business shall comply with the transfer and sale requirements  
23       of this section.
- 24       2. Design and security features of adult-use cannabis products containers must be in  
25       accordance with rules adopted under this chapter.
- 26       3. A manufacturing facility or an adult-use cannabis business agent of the manufacturing  
27       facility may not transfer or sell cannabis or adult-use cannabis products. A  
28       manufacturing facility or an adult-use cannabis business agent of a manufacturing  
29       facility may sell adult-use cannabis products to a dispensary.
- 30       4. A dispensary or an adult-use cannabis business agent of the dispensary may not sell  
31       or provide adult-use cannabis products to:

- 1           a. An individual under twenty-one years of age, unless the individual is a registered  
2           qualifying patient and the sale or dispensing is in accordance with chapter  
3           19-24.1; or
- 4           b. An adult-use cannabis consumer in an amount that would cause the adult-use  
5           cannabis consumer to purchase or possess more adult-use cannabis products  
6           than permitted by this chapter.
- 7        5. Before selling or providing an adult-use cannabis product to an individual, a  
8        dispensary or an adult-use cannabis business agent of the dispensary shall verify:
- 9           a. The age of the individual by requiring the individual to produce one of the  
10          following pieces of identification:
- 11           (1) The individual's passport, issued by the United States or a foreign  
12           government;
- 13           (2) The individual's driver's license, issued by the state or another state of the  
14           United States;
- 15           (3) An identification card issued by the state;
- 16           (4) A United States military identification card;
- 17           (5) An identification card issued by a federally recognized Indian tribe; or  
18           (6) Any other identification card issued by a state or territory of the United  
19           States which bears a picture of the individual, the name of the individual, the  
20           individual's date of birth, and a physical description of the individual.
- 21          b. The purchase history of the adult-use cannabis consumer using the department-  
22          approved information technology system to ensure the adult-use cannabis  
23          consumer does not purchase more than the amount of adult-use cannabis  
24          products authorized by this chapter.
- 25        6. The health council may adopt rules requiring a dispensary to use an age verification  
26        scanner or any other equipment used to verify the age of an individual for the purpose  
27        of ensuring that the dispensary does not sell adult-use cannabis products to an  
28        individual who is under twenty-one years of age. Information obtained under this  
29        section may not be retained after verifying the age of an individual and may not be  
30        used for any purpose other than verifying the age of an individual.

1 **19-24.2-16. Maximum purchase amount for adult-use cannabis consumers.**

2 The maximum amount an adult-use cannabis consumer is authorized to purchase for:

3 1. The first day of a calendar month through the fifteenth day of the same calendar  
4 month:

5 a. Twenty-one grams of adult-use cannabis;

6 b. One gram of adult-use cannabinoid concentrates; and

7 c. Three hundred milligrams of total tetrahydrocannabinol in the form of adult-use  
8 cannabinoid products.

9 2. The sixteenth day of the calendar month through the last day of the same calendar  
10 month:

11 a. Twenty-one grams of adult-use cannabis;

12 b. One gram of adult-use cannabinoid concentrates; and

13 c. Three hundred milligrams of total tetrahydrocannabinol in the form of adult-use  
14 cannabinoid products.

15 **19-24.2-17. Maximum possession amount for adult-use cannabis consumer.**

16 1. It is unlawful for an adult-use cannabis consumer to possess more than the following:

17 a. One ounce [28.35 grams] of adult-use cannabis;

18 b. One and one-half grams of an adult-use cannabinoid concentrate; and

19 c. Four hundred milligrams of total tetrahydrocannabinol in the form of an adult-use  
20 cannabinoid product.

21 2. An adult-use cannabis consumer who possesses more than the maximum possession  
22 amount of adult-use cannabis products authorized by this chapter is subject to  
23 prosecution under chapter 19-03.1.

24 **19-24.2-18. Adult-use cannabis business - Inspection.**

25 1. An adult-use cannabis business is subject to random inspection by the department.

26 During an inspection, the department may review the records of the adult-use  
27 cannabis business, including the adult-use cannabis business's financial, inventory,  
28 and sales records.

29 2. The department shall conduct inspections of adult-use cannabis businesses to ensure  
30 compliance with this chapter and chapter 19-24.1. The department shall conduct  
31 inspections of manufacturing facilities for the presence of contaminants. The

1           department shall select a certified laboratory to conduct random quality sampling  
2           testing in accordance with rules adopted under this chapter. An adult-use cannabis  
3           business shall pay the cost of all random quality sampling testing.

4           3.   The provisions of chapter 54-44.4 do not apply to the selection of a certified laboratory  
5           required by this chapter.

6           **19-24.2-19. Adult-use cannabis business - Pesticide testing.**

7           A manufacturing facility shall test cannabis at a manufacturing facility for the presence of  
8           pesticides. If a cannabis test indicates the presence of a pesticide, the manufacturing facility  
9           immediately shall report the test result to the department and to the agriculture commissioner.  
10          Upon the order of the department or agriculture commissioner, the manufacturing facility  
11          immediately shall destroy all affected or contaminated cannabis and adult-use cannabis  
12          products inventory in accordance with rules adopted under this chapter and shall certify to the  
13          department and to the agriculture commissioner that all affected or contaminated inventory has  
14          been destroyed.

15          **19-24.2-20. Adult-use cannabis business - Cannabis plant.**

16          1.   A manufacturing facility may have no more than ten thousand plants. For every five  
17          hundred plants in excess of one thousand plants that a manufacturing facility  
18          possesses, the manufacturing facility shall pay the department an additional  
19          certification fee of ten thousand dollars. This fee is due at the time of increase and  
20          again at renewal of the adult-use cannabis business registration certificate.

21          2.   A dispensary may not possess more than three thousand five hundred ounces [99.22  
22          kilograms] of adult-use cannabis products at any time, regardless of formulation.

23          3.   The health council shall adopt rules to allow a manufacturing facility to possess no  
24          more than an additional fifty plants for the exclusive purpose of department-authorized  
25          research and development related to production and processing. These plants are not  
26          counted in a manufacturing facility possession amount and are not subject to an  
27          additional fee.

28          **19-24.2-21. Adult-use cannabis business - Security and safety.**

29          1.   In compliance with rules adopted under this chapter, an adult-use cannabis business  
30          shall implement appropriate security and safety measures to deter and prevent the

- 1           unauthorized entrance to areas containing cannabis and adult-use cannabis products  
2           and to prevent the theft of cannabis and adult-use cannabis products.
- 3        2. An adult-use cannabis business shall limit entry to an area in which production or  
4           processing takes place or in which cannabis or adult-use cannabis products are held  
5           and access is limited to authorized personnel.
- 6        3. An adult-use cannabis business must have a fully operational security alarm system at  
7           the authorized physical address which includes an electrical support backup system  
8           for the alarm system to provide suitable protection against theft and diversion.
- 9        4. An adult-use cannabis business shall maintain documentation in an auditable form for:
- 10       a. All maintenance inspections and tests conducted under this section, and any  
11           servicing, modification, or upgrade performed on the security alarm system;
- 12       b. An alarm activation or other event that requires response by public safety  
13           personnel; and
- 14       c. Any breach of security.

15       **19-24.2-22. Adult-use cannabis business - Inventory control.**

- 16       1. An adult-use cannabis business shall comply with the inventory control requirements  
17           provided under this section and rules adopted under this chapter.
- 18       a. A manufacturing facility shall:
- 19           (1) Employ a bar coding inventory control system to track batch, strain, and  
20           amounts of cannabis and adult-use cannabis products in inventory and to  
21           track amounts of adult-use cannabis products sold to dispensaries; and
- 22           (2) Host a secure computer interface to transfer inventory amounts and  
23           dispensary purchase information to the department.
- 24       b. A dispensary shall:
- 25           (1) Employ a bar coding inventory control system to track batch, strain, and  
26           amounts of adult-use cannabis products in inventory and to track amounts  
27           sold to adult-use cannabis consumers; and
- 28           (2) Host a secure computer interface to transfer inventory amounts and  
29           adult-use cannabis consumer purchase information to the department.

- 1        2. An adult-use cannabis business shall store the adult-use cannabis business's  
2        cannabis and adult-use cannabis products in an enclosed and locked facility with  
3        adequate security, in accordance with rules adopted under this chapter.
- 4        3. An adult-use cannabis business shall conduct inventories of cannabis and adult-use  
5        cannabis products at the authorized location at the frequency and in the manner  
6        provided by rules adopted under this chapter. If an inventory results in the  
7        identification of a discrepancy, the adult-use cannabis business immediately shall  
8        notify the department and appropriate law enforcement authorities within seventy-two  
9        hours. An adult-use cannabis business shall document each inventory conducted by  
10       the adult-use cannabis business.
- 11       4. The provisions of chapter 54-44.4 do not apply to the selection of the information  
12       technology system selected by the department.

13       **19-24.2-23. Adult-use cannabis business - Operating manual - Training.**

- 14       1. An adult-use cannabis business shall maintain a current copy of the operating manual  
15       of the adult-use cannabis business which meets the requirements of rules adopted  
16       under this chapter.
- 17       2. An adult-use cannabis business shall develop, implement, and maintain on the  
18       premises an onsite training curriculum or shall enter contractual relationships with  
19       outside resources capable of meeting adult-use cannabis business agent training  
20       needs.

21       **19-24.2-24. Adult-use cannabis business - Bylaws and operating agreements.**

22       As part of the initial application of a proposed adult-use cannabis business, the applicant  
23       shall provide to the department a current copy of the applicant's bylaws or operating agreement.  
24       Upon receipt of a registration certificate, an adult-use cannabis business shall maintain the  
25       bylaws or operating agreement in accordance with this chapter. In addition to any other  
26       requirements, the bylaws or operating agreement must include the ownership or management  
27       structure of the adult-use cannabis business; the composition of the board of directors, board of  
28       governors, member-managers, or managers; and provisions relative to the disposition of  
29       revenues and earnings.



1       **19-24.2-25. Adult-use cannabis business - Retention of and access to records and**  
2 **reports.**

3       1. An adult-use cannabis business shall keep detailed financial reports of proceeds and  
4 expenses. An adult-use cannabis business shall maintain all inventory, sales, and  
5 financial records in accordance with generally accepted accounting principles. The  
6 adult-use cannabis business shall maintain all reports and records required under this  
7 section for a period of seven years. An adult-use cannabis business shall allow the  
8 department, or an audit firm contracted by the department, access at all times to all  
9 books and records kept by the adult-use cannabis business.

10       2. At least once every two years, an adult-use cannabis business must undergo an audit  
11 performed by a private certified public accountant or a private licensed public  
12 accountant. In lieu of an audit, the department may authorize an adult-use cannabis  
13 business to engage a private certified public accountant or a private licensed public  
14 accountant to perform an agreed upon procedures engagement. The department must  
15 approve the agreed upon procedures engagement.

16       **19-24.2-26. Adult-use cannabis business - Recordkeeping - Adult-use cannabis**  
17 **business agents - Registry identification cards.**

18       1. Each adult-use cannabis business shall maintain:  
19       a. In compliance with rules adopted under this chapter, a personnel record for each  
20 adult-use cannabis business agent for a period of at least three years following  
21 termination of the individual's affiliation with the adult-use cannabis business. The  
22 personnel record must comply with minimum requirements set by rule adopted  
23 under this chapter.  
24       b. A record of the source of funds that will be used to open or maintain the adult-use  
25 cannabis business, including the name, address, and date of birth of any  
26 investor.  
27       c. A record of each instance in which a current or prospective board member,  
28 member-manager, manager, or governor, who managed or served on the board  
29 of a business or not-for-profit entity and in the course of that service was  
30 convicted, fined, or censured or had a registration or license suspended or  
31 revoked in any administrative or judicial proceeding.

1       2. Each adult-use cannabis business agent shall hold a valid registry identification card.

2       **19-24.2-27. Verification system.**

3       1. The department shall maintain a confidential list of cardholders and each cardholder's  
4       registry identification number.

5       2. The department shall establish a secure verification system. The verification system  
6       must allow law enforcement personnel twenty-four hour access to enter a registry  
7       identification number to determine whether the number corresponds with a current  
8       valid registry identification card. The system may disclose:

9       a. Whether an identification card is valid;

10      b. The name of the cardholder; and

11      c. The cardholder's affiliated adult-use cannabis business.

12      **19-24.2-28. Protections.**

13      Except as provided in sections 19-24.2-14 and 19-24.1-28:

14      1. An adult-use cannabis consumer is not subject to arrest or prosecution or the denial of  
15      any right or privilege, including a civil penalty or disciplinary action by a court or  
16      occupational or professional regulating entity for the acquisition, use, consumption, or  
17      possession of adult-use cannabis products or related supplies under this chapter.

18      2. It is presumed an adult-use cannabis consumer is engaged in the acquisition, use,  
19      consumption, or possession of adult-use cannabis products or related supplies in  
20      accordance with this chapter if the adult-use consumer is not in possession of adult-  
21      use cannabis products in an amount that exceeds what is authorized under this  
22      chapter. This presumption may be rebutted by evidence that the conduct related to  
23      acquisition, use, consumption, or possession of adult-use cannabis products or related  
24      supplies was not in accordance with this chapter.

25      3. A manufacturing facility is not subject to prosecution, search or inspection, or seizure,  
26      except by the department or the department's designee, under this chapter for acting  
27      under this chapter to:

28      a. Produce, process, or conduct related activities for the sole purpose of selling  
29      adult-use cannabis products to a dispensary; or

- 1           b. Transfer, transport, or deliver cannabis or adult-use cannabis products to and  
2           from a department designee or manufacturing facility in accordance with this  
3           chapter.
- 4       4. A dispensary is not subject to prosecution, search or inspection, or seizure, except by  
5       the department or the department's designee, under this chapter for acting under this  
6       chapter to:
- 7           a. Purchase adult-use cannabis products from a manufacturing facility and  
8           conducting related activities for the sole purpose of selling adult-use cannabis  
9           products and related supplies, and providing educational materials to adult-use  
10          cannabis consumers; or
- 11          b. Transfer adult-use cannabis products to and from a department designee or  
12          related manufacturing facility in accordance with this chapter.
- 13       5. If the action performed by the adult-use cannabis business agent on behalf of the  
14       adult-use cannabis business is authorized under this chapter, a registered adult-use  
15       cannabis business agent is not subject to arrest or prosecution or the denial of any  
16       right or privilege, including a civil penalty or disciplinary action by a court or  
17       occupational or professional regulating entity, for working or volunteering for an adult-  
18       use cannabis business.
- 19       6. The sale and possession of supplies related to possession and consumption of adult-  
20       use cannabis products by a dispensary is lawful if in accordance with this chapter.
- 21       7. The adult-use of cannabis by an adult-use cannabis consumer or the producing and  
22       processing and the selling of adult-use cannabis products by an adult-use cannabis  
23       business is lawful if in accordance with this chapter.
- 24       8. An adult-use cannabis consumer, adult-use cannabis business agent, or adult-use  
25       cannabis business is not subject to arrest or prosecution for use of drug paraphernalia  
26       or possession with intent to use drug paraphernalia in a manner consistent with this  
27       chapter.
- 28       9. A person in possession of cannabis waste in the course of transporting or disposing of  
29       the waste under this chapter and rules adopted under this chapter may not be subject  
30       to arrest or prosecution for that possession or transportation.

1        10. A person in possession of cannabis, adult-use cannabis products, or cannabis waste  
2            in the course of performing laboratory tests as provided under this chapter and rules  
3            adopted under this chapter is not subject to arrest or prosecution for possession or  
4            testing.

5        **19-24.2-29. Limitations.**

6        1. An adult-use cannabis consumer only may use adult-use cannabis products in the  
7            following locations:

8            a. A private residence, including the person's curtilage, or yard;

9            b. On private property, not generally accessible by the public, if the adult-use  
10            cannabis consumer is explicitly permitted to consume the adult-use cannabis  
11            products on the property by the owner of the property.

12        2. a. An adult-use cannabis consumer is prohibited from using or consuming adult-use  
13            cannabis products:

14            (1) In any public place, including an indoor or outdoor area used by, or open to,  
15            the general public, or on any form of public transportation.

16            (2) On the grounds of any adult-use cannabis business; or

17            (3) In a motor vehicle as defined by chapter 39-01.

18            b. Unless a greater penalty is otherwise provided by law, an adult-use cannabis  
19            consumer who violates this subsection is guilty of an infraction.

20        3. An adult-use cannabis consumer may not undertake an activity under the influence of  
21            cannabis if doing so would constitute negligence or professional malpractice. An  
22            adult-use cannabis consumer who violates this subsection may be subject to civil  
23            liability, criminal liability, or any other penalty as otherwise provided by law.

24        4. a. An adult-use cannabis consumer may not possess, use, or consume adult-use  
25            cannabis products:

26            (1) On a schoolbus or school van used for school purposes.

27            (2) On the grounds of any public or private school, including all facilities,  
28            whether owned, rented, or leased, and all vehicles owned, leased, rented,  
29            contracted for, or controlled by a public or private school.

30            (3) At any location while a public or private school-sanctioned event is  
31            occurring.

- 1           (4) On state or federal property, including all facilities whether owned, rented, or  
2           leased, and all vehicles leased, rented, contracted for, or controlled by the  
3           state or federal government.
- 4           (5) On the grounds of a correctional facility.
- 5           (6) On the grounds of a child care facility or licensed home day care unless  
6           authorized under the rules adopted by the department of human services.
- 7           b. Unless a greater penalty is otherwise provided by law, an adult-use cannabis  
8           consumer who violates this subsection is guilty of an infraction.
- 9           5. An adult-use cannabis consumer may not use or consume an adult-use cannabis  
10           product if the smoke or vapor of an adult-use cannabis product would be inhaled by an  
11           individual who is under twenty-one years of age. Unless a greater penalty is otherwise  
12           provided by law, an adult-use cannabis consumer who violates this subsection is guilty  
13           of an infraction.
- 14           6. An adult-use cannabis consumer is prohibited from operating, navigating, or being in  
15           actual physical control of a motor vehicle, aircraft, train, snowmobile, or motorboat  
16           while under the influence of cannabis. An adult-use cannabis consumer may not be  
17           considered to be under the influence of cannabis solely because of the presence of  
18           metabolites or components of cannabis that appear in insufficient concentration to  
19           cause impairment. An adult-use cannabis consumer who violates this subsection may  
20           be subject to civil liability, criminal liability, or any other penalty as otherwise provided  
21           by law.
- 22           7. This chapter does not require:
- 23           a. A person in lawful possession of property to allow a guest, client, customer, or  
24           other visitor to possess or consume adult-use cannabis products on or in the  
25           property; or
- 26           b. A landlord to allow production and processing of cannabis or possession and  
27           consumption of adult-use cannabis products on rental property.
- 28           8. This chapter does not prohibit an employer from:
- 29           a. Disciplining or terminating the employment of an employee for possessing or  
30           consuming adult-use cannabis products in the workplace or for working while

1                   under the influence of cannabis. "Working" as used in this subdivision includes  
2                   when an employee is on call.

3           b. Adopting reasonable zero tolerance or drug-free workplace policies, or  
4           employment policies concerning drug testing, smoking, consumption, storage, or  
5           use of cannabis in the workplace or while on call provided that the policy is  
6           applied in a nondiscriminatory manner.

7           c. Disciplining or terminating the employment of an employee for violating an  
8           employer's employment policies or workplace drug policy.

9           9. An employer may consider an employee to be impaired or under the influence of  
10           cannabis if the employer has a good-faith belief that an employee manifests specific,  
11           articulable symptoms while working which decrease or lessen the employee's  
12           performance of the duties or tasks of the employee's job position, including symptoms  
13           of the employee's speech, physical dexterity, agility, coordination, demeanor, irrational  
14           or unusual behavior, or negligence or carelessness in operating equipment or  
15           machinery; disregard for the safety of the employee or others, or involvement in any  
16           accident that results in serious damage to equipment or property; disruption of a  
17           production or manufacturing process; or carelessness that results in any injury to the  
18           employee or others. If an employer elects to discipline an employee on the basis that  
19           the employee is under the influence or impaired by cannabis, the employer shall afford  
20           the employee a reasonable opportunity to contest the basis of the determination.

21           10. This chapter does not create or imply a cause of action for any person against an  
22           employer for:

23           a. Actions, including subjecting an employee or applicant to reasonable drug and  
24           alcohol testing under the employer's workplace drug policy, including an  
25           employee's refusal to be tested or to cooperate in testing procedures or  
26           disciplining termination of employment, based on the employer's good-faith belief  
27           that an employee used or possessed cannabis in the employer's workplace or  
28           while performing the employee's job duties or while on call in violation of the  
29           employer's employment policies;

30           b. Actions, including discipline or termination of employment, based on the  
31           employer's good-faith belief that an employee was impaired as a result of the use

1 of cannabis, or under the influence of cannabis, while at the employer's  
2 workplace or while performing the employee's job duties or while on call in  
3 violation of the employer's workplace drug policy; or

4 c. Injury, loss, or liability to a third party if the employer did not know or have a  
5 reason to know the employee was impaired.

6 11. This chapter may not be construed to interfere with any federal, state, or local  
7 restrictions on employment, including the United States department of transportation  
8 regulation under title 49, Code of Federal Regulations, part 40, section 40.151(e) or  
9 impact an employer's ability to comply with federal or state law or cause it to lose a  
10 federal or state contract or funding.

11 **19-24.2-30. Health council - Rules.**

12 1. The health council shall adopt rules as necessary for the implementation and  
13 administration of this chapter, including transportation and storage of cannabis and  
14 adult-use cannabis products, advertising, packaging and labeling, standards for testing  
15 facilities, inventory management, and accurate recordkeeping.

16 2. The health council may adopt rules regarding the operation and governance of  
17 additional categories of registered adult-use cannabis businesses.

18 **19-24.2-31. Confidentiality.**

19 1. Except as provided under subsection 2, information kept or maintained by the  
20 department is confidential, including information in a registration application or renewal  
21 and supporting information submitted by an adult-use cannabis business, proposed  
22 adult-use cannabis business, or adult-use cannabis business agent. Information kept  
23 or maintained by the department which could be used to identify an adult-use  
24 cannabis consumer is confidential.

25 2. Information kept or maintained by the department may be disclosed as necessary for:

26 a. The verification of registration certificates and registry identification cards under  
27 this chapter;

28 b. Notification of state or local law enforcement of an apparent criminal violation;

29 c. Notification of state and local law enforcement about falsified or fraudulent  
30 information submitted for purposes of obtaining or renewing a registry  
31 identification card; or

1           d. Data for statistical purposes in a manner such that an individual person or adult-  
2           use cannabis business is not identified.

3           3. Information submitted to a local government to demonstrate compliance with any  
4           security requirements required by local zoning ordinances or regulations is  
5           confidential.

6           **19-24.2-32. Report to the legislative management.**

7           By July first of each year, the department shall submit a report to the legislative  
8           management. The report must be written in a manner such that no individual, person, or adult-  
9           use cannabis business can be identified and must include:

- 10          1. The number and type of adult-use cannabis businesses;  
11          2. Revenue and expenses of the department related to the implementation of this  
12          chapter;  
13          3. Sales data by product type; and  
14          4. Information for statistical purposes.

15          **19-24.2-33. Adult-use cannabis fees.**

16          The department shall deposit all fees collected under this chapter in the fund established  
17          under section 19-24.1-40.

18          **SECTION 12. AMENDMENT.** Subsection 1 of section 39-20-01 of the North Dakota  
19          Century Code is amended and reenacted as follows:

- 20          1. Any individual who operates a motor vehicle on a highway or on public or private  
21          areas to which the public has a right of access for vehicular use in this state is deemed  
22          to have given consent, and shall consent, subject to the provisions of this chapter, to a  
23          chemical test, or tests, of the blood, breath, ~~saliva~~oral fluid, or urine for the purpose of  
24          determining the alcohol concentration or presence of other drugs, or combination  
25          thereof, in the individual's blood, breath, ~~saliva~~oral fluid, or urine. As used in this  
26          chapter, the word "drug" means any drug or substance or combination of drugs or  
27          substances which renders an individual incapable of safely driving, and the words  
28          "chemical test" or "chemical analysis" mean any test to determine the alcohol  
29          concentration or presence of other drugs, or combination thereof, in the individual's  
30          blood, breath, or urine, approved by the director of the state crime laboratory or the  
31          director's designee under this chapter.



1       **SECTION 13. AMENDMENT.** Section 39-20-14 of the North Dakota Century Code is  
2 amended and reenacted as follows:

3       **39-20-14. Screening tests.**

- 4       1. Any individual who operates a motor vehicle upon the public highways of this state is  
5 deemed to have given consent to submit to an onsite screening test or tests of the  
6 individual's breath or oral fluid for the purpose of estimating the alcohol concentration  
7 or presence of drugs or substances in the individual's breath or oral fluid upon the  
8 request of a law enforcement officer who has reason to believe that the individual  
9 committed a moving traffic violation or a violation under section 39-08-01 or an  
10 equivalent offense, or was involved in a traffic accident as a driver, and in conjunction  
11 with the violation or the accident the officer has, through the officer's observations,  
12 formulated an opinion that the individual's body contains alcohol or other drugs or  
13 substances that render the individual incapable of safely operating a motor vehicle.
- 14       2. An individual may not be required to submit to a screening test or tests of breath or  
15 oral fluid while at a hospital as a patient if the medical practitioner in immediate charge  
16 of the individual's case is not first notified of the proposal to make the requirement, or  
17 objects to the test or tests on the ground that such would be prejudicial to the proper  
18 care or treatment of the patient.
- 19       3. The screening test or tests must be performed by an enforcement officer certified as a  
20 chemical test operator by the director of the state crime laboratory or the director's  
21 designee and according to methods and with devices approved by the director of the  
22 state crime laboratory or the director's designee. The results of such screening test  
23 must be used only for determining whether or not a further test shall be given under  
24 the provisions of section 39-20-01. The officer shall inform the individual that North  
25 Dakota law requires the individual to take the screening test to determine whether the  
26 individual is under the influence of alcohol or other drugs or substances and that  
27 refusal of the individual to submit to a screening test may result in a revocation for at  
28 least one hundred eighty days and up to three years of that individual's driving  
29 privileges. If such individual refuses to submit to such screening test or tests, none  
30 may be given, but such refusal is admissible in a court proceeding if the individual was  
31 arrested in violation of section 39-08-01 and did not take any additional chemical tests

1 requested by the law enforcement officer. Such refusal is sufficient cause to revoke  
2 such individual's license or permit to drive in the same manner as provided in section  
3 39-20-04, and a hearing as provided in section 39-20-05 and a judicial review as  
4 provided in section 39-20-06 must be available.

5 4. The director must not revoke an individual's driving privileges for refusing to submit to  
6 a screening test requested under this section if the individual provides a sufficient  
7 breath, blood, oral fluid, or urine sample for a chemical test requested under section  
8 39-20-01 for the same incident.

9 5. No provisions of this section may supersede any provisions of chapter 39-20, nor may  
10 any provision of chapter 39-20 be construed to supersede this section except as  
11 provided herein.

12 6. For the purposes of this section, "chemical test operator" means an individual certified  
13 by the director of the state crime laboratory or the director's designee as qualified to  
14 perform analysis for alcohol or other drugs or substances in an individual's blood,  
15 breath, oral fluid, or urine.

16 **SECTION 14. AMENDMENT.** Subsection 12 of section 65-05-08 of the North Dakota  
17 Century Code is amended and reenacted as follows:

18 12. The organization may not pay wage loss benefits if the wage loss is related to the use  
19 or presence of medical marijuana of usable marijuana or adult-use cannabis products,  
20 or the presence of tetrahydrocannabinol.

21 **SECTION 15. EFFECTIVE DATE.** Sections 1, 2, 3, 4, 5, 6, 7, 8, 9, and 10 of this Act  
22 become effective on July 1, 2022.