

**North Carolina Advisory Council on Cannabis
Market and Regulatory Subcommittee**

Co-Chairs:

Daniel Hirschman, General Counsel, NC Division of Environmental Quality

Missy Welch, Executive Director, Alcoholic Beverage Control Commission

Meeting Minutes

July 17, 2026, 1:00-3:00pm

Virtual via Teams

Attendees

Council Members Present – Patrick Brown; Kris Gardner; Daniel Hirschman; Gary H. Sikes; Missy P. Welch; Patrick Oglesby; Larry Greenblatt; John R. Bell; Proxy for Forrest G. Parker

Staff Members Present -- Renee Metz; Kirstin Greene; Charles Mitchell; Kaycee Deen; Anne Doyle; Lee Miller

Council Members Absent - Bill P. Rabon

Guest Speakers – Lee Miller, Deputy General Counsel, North Carolina DHHS; Kaycee Deen, Agency Legal Consultant for North Carolina DHHS, Division of Public Health; Renee Metz, Assistant General Counsel, Alcoholic Beverage Commission

Agenda

- I. Welcome and Meeting Purpose
- II. Introductions
- III. Looking Back: Phase 1 Accomplishments
- IV. Defining the Scope of Phase 2
- V. Policy Priorities Discussion
- VI. Planning the Remaining Meetings
- VII. Other Business and Next Steps

Meeting Purpose

Purpose Statement: The Market Structure and Regulatory Agency Structure Subcommittee will review market structure and regulatory agency structure considerations related to cannabis regulation and develop recommendations on oversight agency structure, licensing and compliance standards, and manufacturing requirements to support a well-regulated, safe, and economically viable cannabis market in North Carolina

Looking Back: Phase 1 Accomplishments (Lee Miller)

- Central issues that the Subcommittee and Council want to address: what market structure is best for NC (vertical market structure versus segmented); hemp versus marijuana; licensing structure (how to issue, number of licenses, requirements, etc.); social equity, etc.
- Previous speakers: Speakers on hemp enforcement; hearing from regulators outside Washington

from the Cannabis and Liquor Board; subject matter experts on agriculture and the history of cannabis; Andrea Steel (private attorney, Texas); and hemp retailers in North Carolina

Presentation - Lee Miller

- Pros and cons of limited licensing: Right now, there is merit in a limited auction competitive applications; however, there are equity concerns with a lottery system.
- Segmented Model: each different aspect of the industry/market (cultivation, manufacturing, etc.) can be outsourced to different types of entities. This model requires time and greater regulation. It could be less profitable for retailers.
- Factors for consideration: licensing concerns; capital requirements (minimum barrier for entry?); residency requirement (NC residency requirement to obtain a license?); social equity priority (should historically marginalized populations receive priority in the license application process?); transferability (should there be a restriction on the transferability of licenses?)

Defining the Scope of Phase 2

- Things rapidly change with federal requirements because the same product can be Schedule III in one state and then the next state doesn't have a medical program so it's Schedule I.
- Considering intrastate and global commerce if legality changes, so considering what is best

Policy Priorities

- Continuing market structure topics, as needed
- Defining regulatory structure
- Oversight agency design
- Staffing and resource needs
- Facility inspections, violations and penalties
- Standards for cultivation and manufacturing processes
- Standards for environmental protection
- Renee Metz notes from [*A Policy Playbook for Building and Fixing Adult-Use Cannabis Markets*](#) (Perez-Davila, Iliff, & Hahn, 2026)
 - Report/Research on ABC State-Run Model
 - One point of sale system. Three tier system for retail and must have a dispensary permit in which hemp is the only thing sold. No convenience or health stores. Bud tender permit or license that requires certain training before being able to sell, focusing on public health.
 - Would also require lab test results for every product via QR code on the label so that any consumer can review product details and lab results (e.g., damaging products, contaminants, etc.).
 - Every retailer would have the same point of sale system, so the ABC Commission can monitor.
 - Smurfing and looping
 - Temporary permits and then investigations (application fee that is not charged until approved)
 - Criteria such as population density, etc.
 - This would be a centralized agency (whether it's ABC or cannabis) that DHHS could play a large role in

- Considerations: Price controls, franchise rights, setting up rules and having hearings on violations of law, enforcement in the beginning stages, etc.

Planning the Remaining Meetings

- Review the Guidance Document and Recommendation Form
 - Ensure all subcommittee members have access
- Integrating other recommendations from other states and subcommittees

Learning Resources

- Perez-Davila, S., Iliff, C., & Hahn, R. (2026). *A policy playbook for building and fixing adult-use cannabis markets*. Niskanen Center. <https://www.niskanencenter.org/a-policy-playbook-for-building-and-fixing-adult-use-cannabis-markets/>
 - [AI Summary Podcast](#)

Action Items / Next Steps

- Renee Metz to provide a more detailed overview of the policy playbook study
- Potential speaker recommendations for future meetings:
 - Hear from experts about a model for hemp that parallels NC Alcoholic Beverage Control (ABC), which would mean that the state would dispense and have closer oversight and control of the product.
 - Speakers for social equity revolving around market structure and licensing

Adjournment

Meeting concluded at 2:45 pm.

Next Meeting Date: Friday, August 21