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**§ 34-1 Definitions**

Unless otherwise noted in these Rules and Regulations or if the context requires otherwise, the definitions as provided in Title 19, chapter 34 section 776 of the Virgin Islands Code shall apply. In addition to the definitions contained in Title 19, chapter 34, section 776, the following words and terms shall have the following meanings, except as the context clearly otherwise requires:

(a) "Act" means the Virgin Islands Medicinal Cannabis Patient Care Act as codified in Title 19, chapter 34 of the Virgin Islands Code.

(b) "Adverse Health Event" means any health condition associated with the use of Cannabis that includes any unfavorable or unintended symptom, such as a hospitalization, emergency room visit, abnormal laboratory finding, outbreak, death, disease, or any other negative symptom temporally associated with the use of Cannabis regulated by the Act or these Rules and Regulations and which also includes the concerns or reports regarding the quality, labeling, or possible adverse reactions to a specific Cannabis Item.

(c) "Advertising" or "Advertisement" means the act of providing consideration for the publication, dissemination, solicitation, or circulation of visual, oral, or written communication to directly induce any person to patronize a particular Medical Cannabis Establishment. "Advertising" does not include packaging and labeling, consumer education material, or branding. Rather, "Advertising" concerns a commercial transaction or otherwise constitutes commercial speech.

(d) "Applicant" means a Person or Business Entity who has submitted an application for a Registry Identification Card, Agent Identification Card, Third-Party Vendor Certification or an application to operate a Medicinal Cannabis Establishment, renewal, change of ownership, or change of location pursuant to the Act, which application has been accepted for review but has not yet been approved or denied by the OCR.

(e) "Batch" means the established segregation of a group of plants at the time of planting for the control of quantity, traceability, and/or strain, which will remain with the segregated plants through harvest to final packaging with the batch number included on the label of the package distributed to the end user.

(f) "Biosecurity" means a set of preventative measures designed to reduce the risk of transmission of infectious diseases in crops, quarantined pests, invasive alien species, and living modified programs.

(g) "Board" means the Virgin Islands Cannabis Advisory Board as established by the Act.

(h) "Branding" means promotion of a business' brand through publicizing a Medicinal Cannabis Establishment by name, logo, or distinct design features of the brand.

(i) "Business Entity" means a legal entity incorporated pursuant to Title 13 or formed under Title 26 of the Virgin Islands Code, whose shareholders, officers, directors, members, partners, or owners seek to operate a Medicinal Cannabis Establishment.

(j) "Cannabis Concentrate" means a specific subset of Cannabis Items that were produced by extracting cannabinoids, through a solvent or non-solvent manufacturing process from Cannabis or by combining extracted cannabinoids with Cannabis or other ingredients and are intended for use by smoking or vaporizing.

(k) "Cannabis Item" means raw Cannabis plant material, Cannabis Concentrate, and Cannabis Products.

(l) "Cannabis Paraphernalia" means any equipment, products, or material of any kind which are used, intended for use, or designed for use in planting, propagating, cultivating, growing, harvesting, composting, manufacturing, compounding, converting, producing, processing, preparing, testing, analyzing, packaging, repackaging, storing, vaporizing, or containing Cannabis, or for ingesting, inhaling, or otherwise introducing Cannabis into the human body.

(m) "Cannabis Product" means Cannabis that has undergone a process whereby the plant material has been transformed into a concentrate, edible, topical or other product containing Cannabis or concentrated Cannabis and other ingredients.

(n) "Cannabis Testing Facility" means a public or private laboratory licensed and certified, and approved by the OCR to examine, analyze or test samples and to perform testing and research on Cannabis.

(o) "Child Resistant" means special packaging that is:

(1) Designed or constructed to be significantly difficult for children under five (5) years of age to open and not difficult for normal adults to use properly as defined by 16 C.F.R. § 1700.20 (1995);
(2) Opaque so that the packaging does not allow the product to be seen without opening the packaging material; and
(3) Resealable for any product intended for more than a single use or containing multiple servings.

(p) "Consultant" means a Person who visits the premises of a Medicinal Cannabis Establishment on a temporary basis to perform a service related to advising a Medicinal Cannabis Establishment Licensee regarding the cultivation, curing, processing, internal-testing, storing, packaging, labeling, manufacturing, transportation, transfer, purchase, and sale of Cannabis Items.

(q) "Container" means the sealed package in which Cannabis Items are placed for sale to a Qualifying Patient.

(r) "Contractor" means a Person other than a Medicinal Cannabis Establishment Agent, who visits the premises of a Medicinal Cannabis Establishment on a temporary basis to perform a service, maintenance, or repair in a manner that does not render the person a Consultant.

(s) "Deliver" means the commercial transfer of Cannabis Items from a Medicinal Cannabis Dispensary to a Qualifying Patient. "Delivery" also includes the use of any technology platform that enables Qualifying Patients to arrange for or facilitate the commercial transfer by a Medicinal Cannabis Dispensary of Cannabis Items. Any and all deliveries shall comply with federal laws and regulations.

(t) "Director" means the Director of the OCR as appointed by the Virgin Islands Cannabis Advisory Board pursuant to Title 19, chapter 34, section 777(a).

(u) "Domicile" means a Person's primary residence from which a person has no intention of permanent departure.

(v) "Edible Cannabis Product" means a Cannabis Infused Product that is intended to be taken by mouth, swallowed, and is primarily absorbed through the gastrointestinal tract. Edible cannabis-infused products may be psychoactive when used as intended. Without limitation,

edible cannabis-infused products may be in the form of a food, beverage, capsule or tablet.

(w) "Existing Farmer" means an individual or Business Entity that has engaged in any business whose income is wholly or partially derived from the production and sale of food and who meets the five (5) year residency requirement to operate a Medicinal Cannabis Establishment.

(x) "Financial Interest" means any right or entitlement to any portion of revenue or profit from the sales of a Medicinal Cannabis Establishment.

(y) "Financial Interest Holder" means any Person entitled to a Financial Interest pursuant to this Act.

(z) "Flowering Canopy" means the total square feet of all Flowering Medicinal Cannabis Plants on the Licensed Premises of a Cultivation Licensee.

(aa) "Flowering Medicinal Cannabis Plants" means Cannabis plants in a light cycle intended to stimulate production of flowers, trichromes, and cannabinoids characteristic of Cannabis.

(bb) "Immature Plant" means a nonflowering Cannabis plant that is no taller than eight (8) inches and no wider than eight (8) inches, is produced from a cutting, clipping, or seedling, and is in a cultivating device.

(cc) "Inventory Tracking System" means an electronic tracking system approved by the OCR pursuant to section 34-17 of these Rules and Regulations that all Medicinal Establishment Licensees are required to utilize and that tracks Cannabis Items from the seed or immature plant stage until the Cannabis Item is sold to a Qualifying Patient or is destroyed. Medicinal Cannabis Establishment Licensees may utilize a third-party seed-to-sale tracking system if such system is approved by the OCR and is able to transmit required information to the OCR's "Inventory Tracking System."

(dd) "Licensed Premises" means the premises specified in an application for a License under the Act, which are owned or in possession of the Licensee and within which the Licensee is authorized to cultivate, manufacture, distribute, or sell Cannabis Items.

(ee) "Limited Access Area" means a building, room, or other contiguous area upon the Licensed Premises where Cannabis is grown, cultivated, manufactured, stored, weighed, packaged, sold, possessed for sale, and processed under the control of the Licensee, with access limited to only those persons 21 years of age or older, who are Medicinal Cannabis Business Agents authorized by the OCR, and visitors escorted by a person authorized by the OCR.

(ff) "Majority Ownership" or "Majority Owner" means a Person, group of Persons, a Business Entity or group of Business Entities who are Owners of, or control more than fifty-one (51%) of the equity interest, voting rights, and profits interest in a Medicinal Cannabis Establishment on a fully diluted basis.

(gg) "Manager" means any Person who is not an Owner or holder of a Financial Interest and to whom a Medicinal Cannabis Establishment Licensee has delegated discretionary authority to organize, direct, carry on, manage, or supervise day-to-day operations.

(hh) "Manufacture" means the drying, processing, compounding, or conversion of Cannabis into Cannabis Items. "Manufacture" does not include packaging or labeling.

(ii) "Medicinal Cannabis Business Agent" has the meaning set forth in section 776(s) of the Act

and means an Owner, officer, board member, employee, Manager, and volunteer and shall not include a Consultant or Contractor.

(jj) "Medicinal Cannabis Establishment Licensee" or "Licensee" means a Person or Business Entity licensed pursuant to the Act and includes Cultivation Licensees, Dispensary Licensees, Cannabis Product Manufacturer Licensees, and Research and Development Licensees.

(kk) "Medicinal Cannabis Program" means the administrative and regulatory scheme administered by the OCR to manage to regulate the cultivation, manufacturing, retail, distribution, and use of medicinal Cannabis, to include issuance of registry identification cards, agent identification cards, and licensing of medicinal cannabis business establishments.

(ll) "Merit-Based Application Process" means the process by which the OCR selects Medicinal Cannabis Establishment Licensees.

(mm) "Minority Ownership" or "Minority Owner" means a Person, group of Persons, a Business Entity, or group of Business Entities who is an Owner of, or controls less than fifty percent (50%) of a Medicinal Cannabis Business Establishment on a fully diluted basis.

(nn) "Opaque" refers to packaging that does not allow the product to be seen without opening the packaging material.

(oo) "Owner" means a natural Person or Business Entity that owns any share of stock or membership interest in a license for a Medicinal Cannabis Establishment, including but not limited to, the officers, directors, members, or partners of a Medicinal Cannabis Establishment Licensee, and any Person in receipt of or who has the right to receive any share of the revenue or profits derived from the Medicinal Cannabis Establishment that is not a Financial Interest Holder. "Owner" shall include any and all types of legal entities, individually or as a group, that may be formed for the purpose of being an Owner or participating, in any manner, in the rights and/or entitlements typically reserved for Owners.

(pp) "Person" means a natural Person, partnership, association, company, corporation, limited liability company, organization, trust or similar entity, estate, joint venture, or a manager, agent, owner, director, servant, officer, or employee thereof; except that "Person" does not include any governmental organization.

(qq) "Pesticide" means (a) a substance or mixture of substances intended for preventing, destroying, repelling, or mitigating any pest, or (b) any substance or mixture of substances intended for use as a plant regulator, defoliant, or dessicant. For the purposes of this chapter, the definition includes herbicides regulated under the Federal Insecticide Fungicide and Rodenticide Act.

(rr) "Quarantine" means the storage or identification of Cannabis or a Cannabis Item, to prevent distribution or transfer of the Cannabis or Cannabis Item, in a physically separate area clearly identified for such use or through other procedures.

(ss) "Resealable" means that the package continues to function within effectiveness specifications, which shall be established by the OCR similar to the federal "Poison Prevention Packaging Act of 1970" as codified in 15 U.S.C. § 1471, *et. seq*., for the number of openings and closings customary for its size and contents.

(tt) "Research and Development Facility" means a Person authorized to grow, cultivate, manufacture and possess Cannabis and to transfer Cannabis to another Research and Development Facility for research and development purposes, to a licensed facility for

cultivation, or to a testing facility.

(uu) "Reasonable Cause" means just or legitimate grounds based in law and in fact to believe that a violation has occurred and the particular action to correct the violation furthers the purposes of the Act and protects the public health and safety.

(vv) "Resident" means any United States citizen currently domiciled in the Virgin Islands for one-year or more or the holder of an alien registration receipt card domiciled in the Virgin Islands for one-year or more and who establishes residency pursuant to section 34-6(b).

(ww) "Restricted Access Area" means a designated and secure area within a Licensed premises where Cannabis Products are sold, possessed for sale, and displayed for sale, and where no one under the age of twenty-one (21) is permitted.

(xx) "Sale" or "Sell" includes to exchange, barter, or traffic in, to solicit or receive, and order except through a Medicinal Establishment Licensee licensed pursuant to the Act, to deliver for value in any way other than gratuitously, to peddle or possess with intent to sell, or to traffic in for any consideration.

(yy) "School" refers to a public, private, or parochial school that is a preschool, elementary, middle, junior, or high school.

(zz) "Shipping Container" means any container or wrapping used solely for the transport of Medicinal Cannabis Items in bulk to other Medicinal Cannabis Licensees.

(aaa) "Smoking" means the burning of a lighted cigarette, cigar, pipe, or any other matter or substance that contains Cannabis. Smoking does not include vaporization, sublimation, or any other chemical.

(bbb) "Standard Symbol" means the image established by the OCR and made available to Licensees to indicate that an item contains Cannabis.

(ccc) "Test Batch" means a sample or group of samples derived from a single batch or inventory tracking system package, and that are collectively submitted to a Cannabis Testing Facility for testing purposes.

(ddd) "THC" means the compound tetrahydrocannabinol.

(eee) "Third-Party Vendor" means a third-party person that is separate from a Medicinal Cannabis Establishment Licensee that provides goods, services, or intellectual property to a Licensee in exchange for renumeration, but not an ownership interest, pursuant to a contract or agreement and who, as a result of the goods, services, or intellectual property provided must be authorized to possess an agent identification card. A "Third-Party Vendor" may be a Contractor.

(fff) "Transfer" means to grant, convey, hand over, assign, sell, exchange, donate, or barter, in any manner or by any means, without or without consideration, any Cannabis or Cannabis Item from one Licensee to another Licensee, to a Qualifying Patient, or to a Testing Facility. A Transfer includes the movement of Cannabis or Cannabis Items from one Licensed Premises to another, even if the premises are shared, contiguous, owned by a single person, and also includes a virtual transfer in the Inventory Tracking System even if no physical movement of the Cannabis or Cannabis Item occurs.

(ggg) "Transporter" means a Third-Party Vendor licensed to transport Cannabis and Cannabis Items from one Licensee to another, to a Qualifying Patient, or to a Testing Facility. It does not include a Licensee that transports its own Cannabis and Cannabis Items as authorized by the OCR.

(hhh) "Unaffiliated Third Party" means a Person or Business Entity who has no ownership or financial interest in a certain Medicinal Cannabis Establishment.

(iii) "Usable Cannabis" means the seeds, leaves, buds, and flowers of the Cannabis Plant, and any mixture or preparation thereof, including the resin extracted from any part of the plant, but does not include the stalk and roots of the plant. It does not include the weight of any non-Cannabis ingredients combined with Cannabis, such as ingredients added to prepare a topical administration, food, or drink.

(jjj) "Vegetative" means the state of the Cannabis plant during which plants do not produce resin or flowers and are bulking up to a desired production size for flowering.

**§ 34-2 Duties of OCR Director**

In addition to and in furtherance of the duties identified in section 777(e) of the Act, the OCR Director shall have the following duties:

(a) Any functions delegated to the Director by the Department of Licensing and Consumer Affairs and the Board that are related to the day-to-day operations of the OCR and the implementation of the Act.

(b) To enter into agreements with other departments, divisions, and agencies of the Virgin Islands Government to further the purposes of and to implement the requirements of the Act and these Regulations.

(c) To establish an Inventory Tracking System pursuant to the requirements set forth in section 34-17.

(d) To establish and implement a Responsible Vendor Training Program, which shall be required of all employees that work at a Medicinal Cannabis Establishment, Cannabis Testing Facility, or with a Third-Party Vendor prior to an employee's or agent's first day of work.

(e) To establish a Cannabis quality assurance program with set standards for the safety and potency of Cannabis Items prior to sale at a dispensary.

(f) To consult with any territorial department, agency, or division for the purpose of managing the day-to-day operations of the OCR and the implementation of the Act.

(g) To hire and authorize staff of the OCR to perform tasks in furtherance of the day-to-day operations of the OCR and the implementation of the Act.

(h) To contract consultants as needed to perform tasks in furtherance of the operations of the OCR and the implementation of the Act.

(i) To establish and maintain a secure phone or web-based verification system for law enforcement personnel to confirm the status of a cardholder, Licensee, or Third-Party Vendor.

(j) To implement and execute a Merit-Based Application Process to evaluate competing Medicinal

Cannabis Establishment applicants that includes an analysis of:

(1) The sustainability of proposed Medicinal Cannabis Establishments and their accessibility for patients;
(2) The character, veracity, background, qualification, and relevant experience of principal officers, board members, members, and managers of an applicant;
(3) The economic benefits to the residents of the Virgin Islands to include employment and other opportunities; and
(4) The business plan proposed by the applicant, which, in the case of cultivation facilities and dispensaries, must include the ability to maintain an adequate supply of Cannabis, plans to ensure the safety and security of Qualifying Patients and the community, procedures to be used to prevent diversion, and any plan for making Cannabis available to low-income registered Qualifying Patients.

**§ 34-3 Protections for the Medicinal Use of Cannabis**

(a) While within a private residence, a Qualifying Patient may possess, use, display, consume, and process up to:

(i) Four (4) ounces of Medicinal Cannabis;
(ii) One (1) ounce of Medicinal Cannabis Concentrate for inhalation; and
(iii) One (1) ounce of THC contained in Medicinal Cannabis Products.

(b) While outside a private residence, a Qualifying Patient may possess, display, purchase from a dispensary, consume, process, transport, and transfer for no remuneration to another Qualifying Patient up to:

(1) Four (4) ounces of Medicinal Cannabis;
(2) Ten (10) grams of Medical Cannabis Concentrate for inhalation; and
(3) Twenty (20) grams of THC contained in Medicinal Cannabis Products**.**

(c) A Qualifying Patient that possesses a registry identification card allowing for cultivation may possess, use, grow, or process no more than six (6) Flowering Medicinal Cannabis Plants for personal medicinal-use, provided that the Flowering Medical Cannabis Plants are cultivated on private property with the express consent of the landowner and the Cannabis produced from these plants is not sold, nor made available for sale or transported away from the designated private property. Notwithstanding the possession limits set forth in paragraphs (a) and (b) above, a Qualifying Patient may possess all of the Cannabis produced by Cannabis Plants cultivated at that address.

(d) The OCR shall inspect the private property designated for cultivation to determine whether it is suitable for cultivation and shall consider:

(1) safety and security of the designated cultivation area;
(2) neighboring properties;
(3) proximity of the property to schools and houses of worship; and
(4) the consent of the property owner.

(e) Notwithstanding the above, there may be no more than six (6) Flowering Medicinal Cannabis Plants for personal medical use cultivated at any time at a single address.

(f) Flowering Medical Cannabis Plants cultivated pursuant to a Cultivation License shall not be considered for personal medicinal use, provided the plants and all Medicinal Cannabis produced from those plants is clearly segregated and not comingled with Flowering Medical Cannabis Plants and Medicinal Cannabis designated for personal medicinal-use.

## § 34-4 Addition of Debilitating Medical Condition

(a) Any resident of the Virgin Islands, including a Practitioner, may petition the OCR to add an additional medical condition or its treatment to the list of Debilitating Medical Conditions listed in section 776(j) of the Act. Such petition must be submitted in a form provided by the OCR and be accompanied by a certification from a Practitioner describing the nature of the medical condition and the benefit that would be derived from the use of Cannabis to treat that medical condition. The OCR shall approve or deny a petition within 180 days of submission of the petition and, upon approval, shall add the additional medical condition to the list of Debilitating Medical Conditions maintained by the OCR. The OCR shall consider the requested additional condition and the benefit that would be derived from the use of Cannabis for the treatment of that additional condition as follows:

(1) the OCR shall accept petitions for a one (1) month period annually to be announced three (3) months in advance to allow a prospective petitioner sufficient time to gather the information necessary to support the petition;

(2) during this one (1) month open period, the OCR shall accept petitions from any resident of the Virgin Islands, including a Practitioner, requesting the addition of an additional Debilitating Medical Condition to the list of approved Debilitating Medical Conditions;

(3) each petition shall be limited to one proposed Debilitating Medical Condition, but a resident may submit more than one (1) petition;

(4) each petitioner shall file one (1) original petition by completing and submitting the form provided by the OCR, which shall require submission of the following information:

(i) proof of one (1) year residency, which may be established by submission of a valid Virgin Islands driver's license, other official Virgin Islands identification, or other evidence clearly establishing that the petitioner is a Virgin Islands resident;

(ii) a specific description of the medical condition that is the subject of the petition;

(iii) the extent to which the condition itself or the treatments cause severe suffering, such as severe or chronic pain, severe nausea or vomiting, or otherwise severely impairs a person's ability to comfortably conduct day-to-day activities;

(iv) information about why conventional medical treatments are not sufficient to alleviate the suffering caused by the condition and its treatment;

(v) the proposed benefits from the medicinal use of Cannabis specific to the medical condition;

(vi) evidence from the medical community, including, but not limited to practitioners, healthcare providers, and any other medical experts, supporting the use of Cannabis to alleviate the suffering caused by the condition;

(vii) letters of support from physicians, health care providers, or experts knowledgeable about the condition and its treatment, including, if feasible, a treating physician or other healthcare provider with whom the petitioner has a bona fide practitioner-patient relationship; and

(viii) any additional medical, testimonial, or scientific documentation.

(5) a petition may be submitted by a caregiver, parent, custodian, or guardian of an individual who suffers from a medical condition and who is otherwise unable to participate in the petition process as a result of a medical condition, age, or other disabling circumstance.

(b) Upon receipt of a petition, the OCR shall within ten (10) business days:
(1) determine whether the petition is complete and meets the requirements of subsection (a)(4) above and, if so, shall notify the petitioner that the petition is accepted for further review; or
(2) deny the petition as deficient if it fails to meet the requirements of subsection (a)(4) above.

(c) If a petition is denied as deficient, the petitioner may correct the deficiencies and re-submit the petition within the same open period or any other future open period.

(d) At the conclusion of the one-month open period, the OCR shall publish notice of a public hearing to be held on all accepted petitions submitted during that open period. The notice shall be published thirty (30) days in advance of the hearing and on the OCR website, local print and online newspapers, and any other platform to allow for wide dissemination of the notice to the public.

(e) The public hearing shall be transcribed and the transcript maintained as part of the OCR's records.

(f) The Director, after the public notice and hearing, shall recommend the approval or denial of the petition and submit the recommendation to the Board.

(g) The Board, during a public board meeting, shall consider the petition and approve or deny the petition and state the reasons for such approval or denial.

(h) The petitioner may withdraw his or her petition by submitting a written statement to the OCR indicating withdrawal.

(i) A petitioner whose petition is denied by the Board may appeal the denial by requesting a hearing pursuant to the provisions of section 34-25.

**§ 34-5 Registry**

(a) The OCR shall create and maintain a confidential registry (the "Registry") of patients who have applied for and are entitled to receive a registry identification card as follows:
(1) All medical records and personal identifying information obtained and maintained by the OCR in compliance with these regulations shall be confidential information;
(2) No person shall be permitted to gain access to any information about patients in this registry, or any information otherwise maintained in the registry by the OCR about patients or healthcare practitioners in the registry, except for authorized employees of the OCR in the course of their official duties and authorized employees of territorial law enforcement agencies which have stopped or arrested a person who claims to be engaged in the medicinal use of Cannabis and in possession of a registry identification card, or the functional equivalent of the registry identification card;
(3) OCR employees may, upon receipt of an inquiry from a law enforcement agency, confirm that a registry identification card has been suspended or revoked;
(4) OCR employees may respond to an inquiry from a law enforcement agency regarding the registry status of a patient or designated caregiver by confirming that the person is or is not registered. The information released to the law enforcement agency must be the minimum information necessary to confirm registry status;
(5) Authorized employees of territorial law enforcement agencies shall be granted access to the information contained within the OCR's registry only for the purpose of verifying that an individual who has presented a registry identification card to a

territorial law enforcement official is lawfully in possession of such card. The OCR shall report to authorized territorial law enforcement officials whether a patient's registry identification card has been suspended or revoked. Law enforcement agencies shall immediately notify the OCR when any person in possession of a registry identification card has been determined by a court of law to have willfully violated the provisions of this Regulation or the Act, or has pled guilty to such offense.

(6) Law enforcement personnel shall validate their inquiry of a patient or designated caregiver by producing the registry identification card number of a patient, or name, date of birth, and last four digits of the person's social security number if the person under inquiry does not have a registry identification card in his or her possession at the time of the encounter with law enforcement;

(7) OCR employees may confirm a waiver for homebound or minor patients' transportation of medicinal Cannabis or a waiver for a designated caregiver serving more than five patients, upon inquiry from a law enforcement egency. The minimum necessary information shall be communicated to confirm or deny the existence of a waiver;

(8) The OCR may release information concerning a specific patient to that patient with the written authorization of such patient;

(9) Designated caregivers and potential designated caregivers may authorize the inclusion of their contact information in the voluntary designated caregiver registry maintained by the OCR to allow authorized OCR staff to release their contact information to new registry patients.

(b) The OCR shall establish and maintain a secure phone or web-based verification system. The verification system must allow law enforcement personnel and Medicinal Cannabis Establishments to enter a registry identification number and determine whether the number corresponds with a current, valid registry identification card. The system shall disclose the following information only:

(1) Whether the registry identification card is valid;
(2) The name of the cardholder;
(3) Whether the cardholder is a Qualifying Patient or Designated Caregiver;
(4) Whether the cardholder is authorized to cultivate Cannabis Plants; and
(5) The registry identification number of any affiliated registered Qualifying Patient to a Designated Caregiver.

(c) Any officer or employee or agent of the OCR who violates this regulation by releasing or making public confidential information in the registry shall be subject to administrative disciplinary action, up to and including termination, and any existing statutory penalties for breach of confidentiality of the registry or a patient's information.

### § 34-6 Issuance and Denial of Registry Identification Cards

(a) In order to be placed in the registry and to receive a registry identification card, an applicant must be eighteen (18) years of age or older, be a Resident, complete an application supplied by the OCR, and have submitted such signed application along with the requisite fee. The applicant must provide the following information with the application:

(1) The applicant's name, address, date of birth, and social security number and if an application is submitted on behalf of a minor then the minor's name, address, date of birth, social security number, and designated caregiver;

(2) If a designated caregiver is selected on the application, the applicant will identify the designated caregiver's name, phone number, and address. This information will be entered into the applicant's record and reflected on the registration card.
(3) Written documentation from the applicant's practitioner asserting that the applicant has been diagnosed with a Debilitating Medical Condition as defined in §776(j) of the Act and the practitioner 's conclusion that the applicant might benefit from the medicinal use of Cannabis;
(4) A statement from the practitioner if the patient is homebound and, if applicable, the name, phone number, and address of the designated caregiver;
(5) The name, address, and telephone number of the practitioner, if required, who has certified that the applicant suffers from a Debilitating Medical Condition and might benefit from the medicinal use of Cannabis; and
(6) A copy of a secure and verifiable identity document for the patient and designated caregiver, if any is designated.

(b) Proof of current residency in the Virgin Islands for a period of one (1) year immediately preceding the date of submission of the application must be established at time of application. Proof of residency must contain a photograph and date of birth. The following can be used to establish proof of residence by using the date of issuance information:
(1) Virgin Islands driver's license;
(2) Virgin Islands identification card, such as a voter's registration card;
(3) A W-2.; or
(4) A permanent resident card

No combination of identification or documents may be used to establish residency, unless such combination establishes proof of residence for a period of one (1) year immediately preceding submission of the application.

(c) Applicants who are unable to provide the above-required proof of identification and/or residency paperwork may submit a request for a documentation waiver. When evaluating a request for waiver of the above proof of residency requirements, the OCR will consider the totality of the valid documentation. Some factors that may be considered when determining residency include:
(1) Whether the applicant can document that his primary or principal home or place of abode is in the Virgin Islands;
(2) Whether the applicant can provide evidence of Virgin Islands business pursuits, place of employment, or income sources;
(3) Whether the applicant can document Virgin Islands residency for income or other tax purposes;
(4) If the applicant can document the age and residence of parents, spouse and children, if any, who live in the Virgin Islands;
(5) The situs of the applicant's personal and real property;
(6) The existence of any other residences outside of the Virgin Islands and the amount of time spent at each such residence;
(7) Any motor vehicle or vessel registration, or;
(8) Recent property tax receipts, recent income tax returns where a Virgin Islands mailing address is used as the primary address, current voter registration cards, or other similar public records.

(d) Minor Applicants. In order for a minor applicant to be placed in the registry and to receive a registry identification card, the minor applicant must reside in the Virgin Islands and a parent, with legal custody, or legal guardian residing in the Virgin

Islands must consent in writing to serve as the minor applicant's designated caregiver. Such parent or legal guardian must complete an application provided by the OCR and have such application signed and include fee payment. The parent or legal guardian of the minor applicant must provide the following information with the application:

(1) The applicant's name, address, date of birth, and social security number;
(2) Written documentation from two of the applicant's practitioners stating that the applicant has been diagnosed with a Debilitating Medical Condition as defined in section 776(j) of the Act; or,
(3) Written documentation from two practitioners, one of whom must be a board-certified pediatrician, a board-certified family practitioner, or a board-certified child and adolescent psychiatrist who attests that he or she is part of the minor patient's primary care provider team and that the patient has been diagnosed with a Debilitating Medical Condition as defined in section 776(j);
(4) The name, address, and telephone number of the two practitioners identified in the application;
(5) Consent from each of the applicant's parents or legal guardians residing in the Virgin Islands affirming that the applicant may engage in the medicinal use of Cannabis; and
(6) Documentation that at least one of the practitioners referred to in this subsection in the application has concluded that the minor patient might benefit from the medicinal use of Cannabis and has explained the possible risks and benefits of medicinal use of Cannabis to the applicant and each of the applicant's parents or legal guardians residing in the Virgin Islands.

(e) To maintain an effective registry identification card, a patient must annually resubmit to the OCR, at least thirty (30) days prior to the expiration date, but no sooner than sixty (60) days prior to the expiration date, updated written documentation of the information required in this section and on renewal forms provided by the OCR, along with payment of the requisite renewal application fee.

(f) A patient may change his or her designated caregiver by submitting such information, in a form provided by the OCR, within ten (10) days of the change occurring.

(g) Rejected applications. Rejected applications shall not be considered pending applications and shall not be subject to any requirement that inaction by the OCR within a defined time period results in a deemed approval. The OCR may reject as incomplete any application for any of the following reasons:
(1) If information contained in the application is illegible or missing; or
(2) If required, the practitioner(s) is/are not authorized to recommend the use of Cannabis.

An applicant shall have sixty (60) days from the date the OCR notifies the applicant of the rejected application to make corrections and resubmit the application.

(h) Denied applications. The OCR may deny an application for any of the following reasons:
(1) The practitioner's recommendation is falsified;
(2) Any other information on the application is falsified;
(3) The identification card that is presented with the application is not the patient's identification card;
(4) The applicant is not a Virgin Islands resident;

(5) If the OCR has twice rejected the patient's application, the applicant's third submission may only be submitted with the assistance of a healthcare professional. Proof of such assistance, taking the form of a certified attestation by the health-care professional, shall be filed concurrently with and affixed upon such application.

If the OCR denies an application, then the applicant may not submit a new application until six (6) months following the date of denial and may not use the application as a registry card. If the basis for denial is falsification, the OCR shall refer the evidence of falsification to law enforcement.

(i) The OCR may revoke a registry identification card for one (1) year if the patient has been found to have willfully violated the provisions of the Act, any rules promulgated pursuant to the Act, and any other laws or regulations pertaining to the use, possession, cultivation, production, or sale of Cannabis in the Virgin Islands.

(j) A patient who has been convicted of a territorial criminal offense or sentenced or ordered by a court to drug or substance abuse treatment while a cardholder shall be subject to immediate revocation of his or her registry identification card and must remit the registry identification card within 24 hours of the conviction, sentence, or court order, whichever is sooner. Such patient may submit a new application for a registry identification card after he or she has satisfied the terms of his or her sentence or the drug or substance abuse treatment, whichever is later.

(k) If the OCR denies an application or suspends or revokes a registry identification card, the OCR shall provide the applicant/patient with notice of the grounds for the denial, suspension, or revocation, and shall inform the patient of their right to request a hearing pursuant to section 34-25.

(l) The OCR shall verify information contained in the patient's application within fifteen (15) business days of receiving the application. Where required, verification of medical information shall consist of determining that there is documentation establishing the applicant has a current diagnosis of a Debilitating Medical Condition as defined in the statute, by a practitioner who has a current, active, unrestricted and unconditional license to practice medicine in the Virgin Islands, which license is in good standing, and who has a bona fide practitioner-patient relationship with the patient, and who provides a written certification dated no less than ninety (90) days immediately preceding the date of the application. No more than five (5) business days after verifying the information of the applicant, the OCR shall issue a serially-numbered registry identification card to the patient. The card shall state the following:
(1) The patient's name, address, and date of birth;
(2) That the patient has been certified by the OCR as a Qualifying Patient, whereby the patient may engage in the medicinal use of Cannabis;
(3) The date of issuance of such card and the date of expiration, which shall be one (1) year from the date of issuance;
(4) The name and address of the patient's designated caregiver, if any is designated at the time of application; and
(5) How to notify the OCR of any change in name, address, medical status, practitioner, or primary caregiver.

(m) Except for minor applicants with a Debilitating Medical Condition, where the OCR fails within twenty-five (25) business days of receipt of application to issue a registry

identification card or fails to issue written notice of denial of such application, the patient's application for such card will be deemed to have been approved and a stamped receipt copy of the application submitted to the OCR shall suffice as the registry identification card until a registry identification card is issued to the applicant. "Stamped Receipt" shall be deemed to have occurred upon delivery to the OCR as indicated by a date stamped application evidencing receipt by the OCR. No application shall be deemed received prior to December 1, 2019.

(n) The OCR shall deny the application if it determines that information has been falsified or it cannot verify the information as provided in subsection (l) of this section. A patient whose application has been denied by the OCR may not reapply during the six (6) months following the date of denial. The denial of a registry identification card shall be considered a final agency action subject to administrative appeal as set forth in section 34-25.

(o) Application fee. The applicant shall submit the requisite application fee set forth in section 34-16 below at the time of application to offset the direct and indirect costs to administer the medicinal use of Cannabis program, unless the applicant meets the criteria set forth in subsection (p) below establishing indigence. Such fee shall not be refundable to the applicant if the application is denied or revoked or if the patient no longer has a Debilitating Medical Condition.

(p) Indigence fee waiver. Any individual submitting an application for the registry may request an indigence fee waiver on a form to be provided by the OCR if he or she submits at the time of application a copy of the applicant's territorial tax return certified by the Bureau of Revenue that confirms that the applicant's income does not exceed one hundred percent of the federal poverty line, adjusted for family size.

(q) Notification of indigent status. Applicants who meet the indigence standard after they have been approved for a registry identification card may request a fee waiver at the time of application for renewal of a registry identification card.

(r) A patient who no longer has a Debilitating Medical Condition shall return his or her registry identification card to the OCR within twenty-four (24) hours of receiving such diagnosis by his or her practitioner.

## § 34-7 Designated Caregivers

(a) Designated Caregivers. The OCR may authorize an individual to serve as a Designated Caregiver to a Qualifying Patient if the caregiver meets the following qualifications:
(1) is twenty-one (21) years of age or older;
(2) has agreed to assist with a Qualifying Patient's medicinal use of Cannabis;
(3) has not been convicted of a disqualifying felony offense as defined in section 776(m) of the Act;
(4) assists no more than three (3) Qualifying Patients, including him or herself, with the medicinal use of Cannabis, unless the caregiver's Qualifying Patients each reside in or is admitted to a healthcare facility where the caregiver is employed.

(b) The OCR's approval of a Qualifying Patient's designation of a caregiver is subject to the following limitations:
(1) A Qualifying Patient who designates a caregiver for him or herself cannot also be a designated caregiver to another patient;

(2)If the Qualifying Patient designates more than one caregiver at any given time, the Qualifying Patient must provide documentation demonstrating that a greater number of designated caregivers are needed due to the Qualifying Patient's age or medical condition; and
(2) If the Qualifying Patient is authorized to cultivate Cannabis Plants, then the Designated Caregiver's registry identification card must indicate that the Designated Caregiver is authorized to possess and cultivate Cannabis Plants for the Qualifying Patient's medicinal use.

(c) An existing Designated Caregiver may indicate to the OCR, at the time of registration and in the manner determined by the OCR, that the Designated Caregiver is available to serve additional patients.

(d) A Designated Caregiver, if asked by law enforcement, shall provide a list of registry identification numbers for each Qualifying Patient. If a waiver has been granted for a cultivating or transporting caregiver to serve more than five patients, this must be registered on the OCR's record of cultivating and transporting caregivers and will be available for verification to law enforcement upon inquiry to the OCR.

(e) A Designated Caregiver shall have his or her registry identification card available on his or her person at all times when in possession of Cannabis and produce it at the request of law enforcement. The only exception to this shall be when it has been more than twenty-five (25) days since the date the patient filed his or her medicinal Cannabis application and the OCR has not yet issued or denied a registry identification card. In such case, a copy of the patient's application along with proof of the date of submission as evidenced by the OCR stamped copy of the application shall be in the Designated Caregiver's possession at all times that the Designated Caregiver is in possession of Cannabis. The Designated Caregiver may redact all confidential patient information from the application other than the patient's name and date of birth.

(f) A Designated Caregiver shall not delegate the responsibility of provision of medicinal Cannabis for a Qualifying Patient to another person.

(g) A Designated Caregiver shall not:

(1) Facilitate the use of medicinal Cannabis in a way that endangers the health and well-being of a person;
(2) Facilitate the use of medicinal Cannabis in plain view of or in a place open to the general public;
(3) Undertake any task while under the influence of medicinal Cannabis, when doing so would constitute negligence or professional malpractice; or
(4) Provide medicinal Cannabis to a patient who is not authorized to engage in the medicinal use of Cannabis.

## § 34-8 Practitioner Registration

(a) Practitioner Requirements. A practitioner who provides a Written Certification for an applicant for inclusion in the registry shall comply with all of the following requirements:
(1) Virgin Islands license to practice. The practitioner shall have a valid, unrestricted Virgin Islands license to practice medicine, which license is in good

standing. For the purposes of certifying a Debilitating Medical Condition of an applicant for inclusion in the registry, "in good standing" means:

(2) The practitioner holds a valid license to practice osteopathic, naturopathic, homeopathic, or chiropractic medicine in the Virgin Islands that does not contain a restriction or condition that prohibits the recommendation of the use of medicinal Cannabis; and

(3) The practitioner has a valid and unrestricted United States Department of Justice Federal Drug Enforcement Administration controlled substances registration.

(b) Bona fide practitioner-patient relationship. A practitioner who meets the requirements in subsection (a) above and who has a bona fide practitioner-patient relationship with a particular patient may certify to the OCR that the patient has a Debilitating Medical Condition and that the patient may benefit from the use of medicinal Cannabis. The practitioner shall specify the Debilitating Medical Condition, and, if known, the cause or source of the Debilitating Medical Condition. Bona fide practitioner-patient relationship, for purposes of the medicinal Cannabis program, means:

(1) The practitioner and a patient have a treatment or consulting relationship, in the course of which the practitioner has completed a full assessment of the patient's medical history, including reviewing any previous diagnosis for a Debilitating Medical Condition, and current medical condition, including an appropriate personal physical examination;

(2) The practitioner has consulted with the patient with respect to the patient's Debilitating Medical Condition before the patient applies for a registry identification card; and

(3) The practitioner is available to or offers to provide follow-up care and treatment to the patient, including but not limited to patient examinations, to determine the efficacy of the use of medicinal Cannabis as a treatment of the patient's Debilitating Medical Condition.

(c) The practitioner making medical Cannabis recommendations shall comply with generally accepted standards applicable to the practice of medicine in the Virgin Islands.

(d) Medical records. The practitioner shall maintain a record-keeping system for all patients for whom the practitioner has recommended the medicinal use of Cannabis. Pursuant to an investigation initiated by the Virgin Islands Board of Medical Examiners, the practitioner shall produce such medical records to the Virgin Islands Board of Medical Examiners after redacting any patient or caregiver identifying information.

(e) Financial prohibitions. A practitioner shall not:

(1) Accept, solicit, or offer any form of pecuniary remuneration from or to a designated caregiver, Medicinal Cannabis Establishment, Medicinal Cannabis Establishment Agent, or any other provider of medicinal Cannabis;

(2) Offer a discount or any other thing of value to a patient who uses or agrees to use a particular designated caregiver, Medicinal Cannabis Establishment, or other provider of medicinal Cannabis to procure medicinal Cannabis;

(3) Examine a patient for purposes of diagnosing a Debilitating Medical Condition at a location where medicinal Cannabis is sold or distributed; or

(4) Hold an economic interest in an enterprise that provides or distributes medicinal Cannabis if the practitioner certifies the Debilitating Medical Condition of a patient for inclusion in the registry.

(f) Reasonable cause for referral of a practitioner to the Virgin Islands Board for Medical Examiners. For reasonable cause, the OCR may refer a practitioner who has certified a Debilitating Medical Condition of an applicant to the medicinal Cannabis registry to the Virgin Islands Board for Medical Examiners for potential violations of the Act or this Regulation.

(g) Reasonable cause for administrative sanctions concerning practitioners. For reasonable cause, the OCR may sanction a practitioner who certifies a Debilitating Medical Condition for an applicant to the medicinal Cannabis registry for violations of this Regulation. Reasonable cause shall include, but not be limited to:

(1) The practitioner is housed onsite and/or conducts patient evaluations for purposes of certifying patients for inclusion in the registry at a location where medicinal Cannabis is sold or distributed, such as a cultivation facility, dispensary, or other producer or distributor of medicinal Cannabis;
(2) A practitioner who holds an economic interest in Medicinal Cannabis Establishment;
(3) The practitioner accepts, offers or solicits any form of pecuniary remuneration from or to a designated caregiver, Medicinal Cannabis Establishment, Medicinal Cannabis Establishment Agent, or any other producer or distributor of medicinal Cannabis; and
(4) The practitioner offers a discount or any other thing of value, including but not limited to a coupon for reduced-price medicinal Cannabis or a reduced fee for practitioner services, to a patient who agrees to use a particular Medicinal Cannabis Establishment.

(h) Sanctions. For reasonable cause, the OCR may propose any of the following sanctions against a practitioner:

(1) Revocation of the practitioner's ability to certify a Debilitating Medical Condition to a patient for inclusion in the registry;
(2) Revocation of the practitioner's ability to petition the OCR for the inclusion of additional medical conditions in the list of Debilitating Medical Conditions; or
(3) Immediate suspension of the practitioner's ability to certify a Debilitating Medical Condition to a patient for inclusion in the registry when the OCR reasonably and objectively believes that a practitioner has deliberately and willfully violated the Act or these Regulations and the public health, safety and welfare requires emergency action.

(i) Appeals. A practitioner who is sanctioned pursuant to these Regulations may appeal the sanction by requesting a hearing pursuant to section 34-25.

## § 34-9 Licensing of Medicinal Cannabis Establishments

(a) The OCR shall open the license application process for Medicinal Cannabis Establishment licenses within ninety (90) days of the promulgation of these Rules and Regulations. Beginning two (2) years after the first round of Cannabis Licenses are issued, the Board shall review the number of licenses per district and determine whether the number of licenses issued should be increased or decreased, so long as the number of licenses do not exceed the amount of licenses set forth in subsection (b) below.

(b) Number of Licenses: The OCR may issue the following Medicinal Cannabis Business Licenses up to the following amounts:

(1) In the district of St. Thomas/St. John:

(i) Twelve (12) Level 1 Cultivation Licenses, with eight (8) for the island of St. Thomas and Four (4) for the island of St. John;

(ii) Eight (8) Level II Cultivation Licenses, with Six (6) for the island of St. Thomas and Two (2) or the island of St. John;

(iii) Five (5) Level III Cultivation Licenses, with four (4) for the island of St. Thomas and one (1) for the island of St. John;

(iv) Seven (7) Dispensary Licenses, with five (5) licenses for the island of St. Thomas with not more than two (2) licenses in the historic district of Charlotte Amalie and two (2) licenses for the island of St. John;

(v) Cannabis Product Manufacturer Licenses in an amount to be determined by the Board; and

(vi) Research and Development Licenses in amount to be determined by the Board.

(2) In the district of St. Croix:

(i) Twelve (12) Level 1 Cultivation Licenses;

(ii) Eight (8) Level II Cultivation Licenses;

(iii) Five (5) Level III Cultivation Licenses;

(iv) Four (4) Dispensary Licenses, with no more than one (1) license for each town district in Frederiksted and Christiansted;

(v) Cannabis Product Manufacturer Licenses in an amount to be determined by the Board; and

(vi) Research and Development Licenses in amount to be determined by the Board.

(c) Application Fee. The applicant shall submit the requisite application fee set forth in section 34-16 below at the time of application to offset the direct and indirect costs to administer the medicinal use of Cannabis program. Unsuccessful applicants shall receive a reimbursement in an amount equal to fifty percent (50%) of the application fee.

(d) General Application Requirements.

(1) The receipt of a Medicinal Cannabis Establishment License is a revocable privilege. The burden of proving an applicant's qualifications for a Cannabis license rests at all times with the applicant.

(2) All applications for a Medicinal Cannabis Establishment License authorized pursuant to the Act shall be made upon forms provided by the OCR.

(3) All applications must include all information required by the OCR related to the applicant's proposed Financial Interest Holders and all other direct and indirect financial interests in the applicant.

(4) Evidence that the applicant is qualified to do business in the Virgin Islands.

(5) Information To Be Provided Truthfully. All applicants shall submit information to the OCR in a full, faithful, truthful and fair manner and under the penalties of perjury. The OCR may recommend denial of an application where the applicant made misstatements, misrepresentations, omissions, or untruths in the application or in connection with the applicant's background investigation. This type of conduct may be considered as the basis for additional administrative action and possible sanctions against the applicant and it may also be the basis for a referral to a territorial law enforcement department or agency for criminal charges against the applicant. A finding of misstatements, omissions, misrepresentations, or untruths in the application may result in a permanent bar from licensing under the Act and this Regulation.

(e) Specific Application Requirements. Each applicant for a new license will be expected to provide at the time of submission of the application, the following information:

(1) Applicant's fingerprints and, if the applicant is a business entity, the fingerprints of each Owner, Member, Partner.

(2) Personal history concerning the applicant's qualifications for a License, including name, all physical and mailing address for the past five (5) years, email address, telephone number, and social security number for each Owner and Financial Interest Holder.

(3) if the applicant is a partnership, including a limited partnership, the name and percentage interest of each partner holding any interest in the partnership, the partnership agreement, and certification of residency for each partner, including and without limitation all secured and unsecured lenders with equity conversion rights or royalty, revenue or profit interests.

(4) If the applicant is a limited liability company, the name and percentage interest of each member holding any membership interest, the limited liability company agreement, the name of each officer, and certification of residency for each member comprising the majority ownership of the company, including without limitation all secured and unsecured lenders with equity conversion right or royalty, revenue, or profit interests.

(5) If the applicant is a corporation, each owner of any of the corporation's stock, the certificate of corporation, a copy of its articles of incorporation or organization, the name of each corporate officer, a list of all shareholders with a percentage of ownership, and certification of residency for each shareholder comprising the majority ownership of the corporation, including and without limitation all secured and unsecured lenders with equity conversion right or royalty, revenue or profit interests.

(6) A list of all officers with day-to-day operational control over the business, including and without limitation all secured and unsecured lenders with equity conversion right or royalty, revenue, or profit interests.

(7) For each Business Entity, Owner and Financial Interest Holder, all requested information concerning financial and controlling associations and interests of other Persons associated with the business, and classes of stock or membership interest; including and without limitation all secured and unsecured lenders with equity conversion right or royalty, revenue or profits interests.

(8) Evidence that the applicant is qualified to do business in the Virgin Islands.

(9) Supporting documentation to establish the following:

(i) That the applicant, including each Owner, on a fully diluted basis, is a Bona-fide Virgin Islands resident as defined in section 776(c) of the Act including the dates when continuous legal residence in the Virgin Islands began for each legal resident that has any ownership interest in the applicant;

(ii) That all Owners and Medicinal Cannabis Business Agents of the Applicant are not less than twenty-one (21) years of age; and

(iii) That the applicant and its Medicinal Cannabis Business Agents do not have any disqualifying criminal convictions as set forth in Section 776(m).

(10) All civil litigation in the past ten (10) years and all criminal convictions in the history of any Owner, Financial Interest Holder, Medicinal Cannabis Business Agent, executive officer, director and principal employee, of the applicant;

(11) A description of the corporate structure of the applicant, including any parent, intermediary, or subsidiary of the applicant, and whether any parent or subsidiary is publicly traded on a securities exchange and whether such Person bears any relationship to the Medicinal Cannabis Establishment; including and without limitation all secured and unsecured lenders with equity conversion right or royalty, revenue or profits interests.

(12) A description of all outstanding securities, including a clear diagram with descriptions of corporate structure, capitalization, and ownership, including voting rights of the applicant and its holding company's subsidiary and intermediary companies and a list of all Financial Interest Holders thereto; including and without limitation all secured and unsecured lenders with equity conversion right or royalty, revenue or profits interests.

(13) For each Medical Cannabis Establishment applicant and Financial Interest Holder, documentation verifying and confirming the lawful source of funds used for the operation of the proposed business; including and without limitation all secured and unsecured lenders with equity conversion right or royalty, revenue or profits interests.

(14) The address and detailed diagram of the proposed Licensed Premise showing all areas of ingress, egress, placement of cameras, boundaries of the premises, Limited Access Areas, and Restricted Access Areas;

(15) Proof of possession of the proposed Licensed Premises by applicant, with specific reference to the proposed use of those Premises:

(16) An affidavit by each Owner and Financial Interest Holder declaring, under penalty of perjury, that the information contained in its application is accurate, true and complete in all material aspects.

(17) Federal employer identification number of the applicant; and

(18) Remittance of the required fees.

(f) Applicants must submit a complete application to the OCR before it will be accepted and processed through the OCR's Merit-Based Application Process. An application shall be considered complete when:

(i) all fields are completed with information that is accurate in every detail;

(ii) it includes all attachments or supplemental information requested in the form; and

(iii) is accompanied by the required application fee as set forth in section 34-16, which fee shall be reviewed and adjusted as necessary by the Board on a bi-annual basis.

(g) Additional Information May Be Required. Upon request by the OCR, an applicant shall provide any additional information required to process and fully investigate the application and all direct and indirect persons associated with the applicant. The additional information must be provided to the OCR no later than ten (10) business days after the request is made unless otherwise specified by the OCR. An applicant's failure to provide the information requested by the OCR's deadline may be grounds for denial of the application.

(h) Merit-Based Application Process. The OCR shall issue Cannabis Licenses pursuant to a Merit-Based Application Process whereby Cannabis Licenses are awarded to applicants with the highest application score for the specific License Type and on the specific island being sought based on the following criteria:

(1) Filing of Virgin Islands tax returns and payment of Virgin Islands taxes;
(2) Applicant's experience in operating a regulated business;
(3) Whether applicant has had a Cannabis License revoked or was otherwise sanctioned for failing to comply with requirements of operating a Cannabis business;
(4) Satisfactory criminal background check;
(5) Submission of business plan that includes satisfactory operation plans, security measures, odor filtration systems, staff training plan, inventory tracking system, and illicit diversion prevention plan;
(6) Evidence of adequate capital and liquidity;
(7) Satisfactory charitable contribution plan; and

(8) Evidence of community engagement and support from community members.

(i) The OCR shall review applications submitted to a Merit-Based Application Process and publish a list of successful applicants, as well as the score for each applicant no later than ninety (90) days after the application deadline.

(j) Conditional licenses shall be awarded to the applicants receiving the highest number of points. The OCR shall not issue a license until it has inspected and approved the Licensed Premises and verified that the premises and operational plans are in compliance with the Act and this Regulation, including payment of the Certificate to Operate fee pursuant to the fee schedule in section 34-16.

(k) In the event two or more qualified applicants receive the same total score and the number of applicants with the same highest score exceed the amount of licenses available, the OCR shall distribute the affected license or licenses via a lottery system amongst the applicants with the highest and same total score.

(l) Should the applicant be awarded a license, the terms and statements represented in the application may become mandatory conditions of the license. Should the Licensee fail to comply with the mandatory conditions of the license, the OCR may assess a penalty, to include suspension or revocation of the license.

(m) An Applicant is prohibited from operating a Medicinal Cannabis Business prior to obtaining all necessary licenses or approvals from the OCR and the Department of Licensing and Consumer Affairs.

(n) Each Financial Interest is void and of no effect unless and until approved by the OCR. A Financial Interest shall not exercise any right or privilege associated with the proposed financial interest until such interest is approved by the OCR.

(o) Denial of Applications.
(1) The OCR may deny any application for any of the following reasons:
(i) It contains falsified information;
(ii) The applicant fails to meet the residency requirements; and
(iii) The OCR has twice rejected the application for failure to comply with the Act and these Rules and Regulations.
(2) If the OCR denies an application, then the applicant may not submit a new application until the next round of solicitation for Licensees. If the basis for the denial is falsification, the OCR shall refer the evidence of falsification to law enforcement.
(3) If the OCR denies an application, the OCR shall provide the applicant with notice of the grounds for the denial and shall inform the applicant of the right to appeal.
(4) The denial of an application shall be considered a final agency action subject to administrative appeal as set forth in section 34-25.

(p) General Requirements of Licensees. Each Licensee shall:
(1) Not be located less than five-hundred (500) feet of a public or private school in existence before the date of submission of the application for a license.
(2) Maintain a complete set of all records containing all business transactions for the current tax year and the immediate five (5) tax years, all of which shall be available for inspection and examination by the OCR or its duly authorized representatives. The OCR may require any Licensee to furnish such information the OCR considers

necessary for the proper administration and enforcement of the Act and these rules and regulations.

(3) Each Licensed Premises shall be subject to inspection and investigation by the OCR during all business hours and other times of activity for the examination of any inventory and records. Where any part of the Licensed Premises consists of a locked area, such area shall be made available for inspection by the OCR without delay.

(4) Permit representatives of licensed, independent Cannabis Testing Facilities to make scheduled and unscheduled visits to their premises or order to obtain random samples of Cannabis Items to be transported to Cannabis Testing Facilities for inspection and testing to certify compliance with health, safety, and potency standards established by the OCR.

(5) Test all usable Cannabis, Cannabis Items, and Cannabis Products prior to the sale distribution, or use of Cannabis, Cannabis Items, and Cannabis Products by submitting appropriate samples to a licensed, independent Cannabis Testing Facility authorized pursuant to section 34-__ of this Regulation to perform the following tests in accordance with the sampling protocols established by this regulation:
(i) microbiological test;
(ii) mycotoxin test;
(iv) Residual solvent test;
(v) Potency test;
(vi) Heavy metal test;
(vii) Pesticide test;
(viii) Moisture content test; and
(ix) Any additional testing as may be required by the OCR.

(6) Maintain a current list of all Medicinal Cannabis Business Agents and Consultants at its Licensed Premises.

(7) Maintain documentation evidencing that all Medicinal Cannabis Business Agents were a Bona-Fide Virgin Islands Resident and over the age of twenty-one (21) at the time of hire or association with the Licensee and have had an annual criminal background check every year since the date of hire.

(8) Maintain documentation evidencing that all Consultants are over the age of twenty-one (21) at the time of retention and have had annual criminal background checks every year since the date of hire.

(9) Maintain documentation evidencing a written policy that requires all Medicinal Cannabis Business Agents and Consultants to sign an attestation to disclose all criminal convictions.

(10) Not hire any employees, Consultants, or Contractors under the age of twenty-one (21).

(11) Ensure that all individuals that enter a Licensed Premises and who is not an Owner, Medicinal Cannabis Business Agent, Consultant, Contractor of the Licensee, or law enforcement personnel, shall be admitted as a visitor and given a visitor identification badge upon entry.

(12) Any Person in a Limited Access Area that does not have an agent identification card is considered a visitor, must be 21 years of age, and must be escorted at all times by a Person who possesses on his or her person an agent identification card. Failure by a Licensee to continuously escort a visitor in any Limited Access Area is considered violation affecting public safety.

(13) The Licensee shall maintain a log of all visitor activity, for any purpose, within the Limited Access Area and shall make such logs available for inspection by the OCR.

(14) All areas of ingress and egress to Limited Access Areas on the Licensed Premises shall be clearly identified by the posting of a sign, which shall not be less than 12 inches wide and 12 inches long, composed of letters not less than a half-inch in

height, which shall state -DO NOT ENTER-LIMITED ACCESS AREA-ACCESS LIMITED TO LICENSED PERSONNEL AND ESCROTED VISITORS ONLY.

(15) Develop and implement an on-site training curriculum or contract outside resources to provide onsite training in the areas of professional conduct, ethics, territorial and federal laws regarding patient confidentiality, information developments regarding the medicinal use of Cannabis, the proper use of security measures and controls that have been adopted by the Licensee, and specific procedural instructions for responding to natural disasters, emergencies, theft and other crimes.

(16) Not sell any Cannabis Items, nor transfer Cannabis Items from one Licensed Premises to another, without having had completed all mandatory Quality Assurance Tests.

(17) Ensure that its Licensed Premises is maintained and operations conducted, in a sanitary manner and in accordance with these Rules and Regulations, to reduce the potential for contamination during cultivation, manufacturing, transporting, and dispensing.

(q) General License Restrictions.

(1) A license is not transferable in whole or in part without the written advance approval of the OCR.

(2) No person shall begin working at a cultivation facility prior to receiving his or her agent identification card.

(r) Inventory. Each Medicinal Cannabis Establishment shall comply with the following Inventory requirements:

(1) Prior to commencing business, a Medicinal Cannabis Establishment shall conduct an initial comprehensive inventory of all Cannabis and Cannabis items at the Licensed Premises. If there is no Cannabis or Cannabis Items at the premises prior to commencement of business, then the absence of Cannabis or Cannabis Items shall be recorded as the initial inventory;

(2) Establish ongoing inventory controls and procedures for the conduct of inventory reviews, which shall enable the Medicinal Cannabis Establishment to detect any diversion, theft, or loss in a timely manner;

(3) Upon commencement of business, conduct a physical weekly inventory of Cannabis and Cannabis items to include:

(i) the date of inventory;

(ii) the quantity of Cannabis or Cannabis items identified by batch number, product name, and any other identifiers;

(iii) summary of the inventory findings; and

(iv) the name, signature and title of the individuals who conducted the inventory, and the specific agent in charge for the performance of the inventory.

(4) The record of all Cannabis sold or otherwise disposed of shall indicate:

(i) the date of sale;

(ii) the name of the Medicinal Cannabis Establishment to which the Cannabis was sold;

(iii) the batch number, product name, and quantity of Cannabis sold; and

(iv) the batch number, product name, and quantity of any Cannabis destroyed or otherwise disposed of with a summary of the reasons for the destruction or disposal.

(5) A complete and accurate record of all Cannabis and Cannabis items prepared annually on the anniversary of the initial inventory.

(6) All inventories shall be maintained at the Licensed Premises and made available to the OCR upon request.

(s) Destruction and Disposal of Cannabis and Cannabis Items.

(1) Unusable Cannabis and Cannabis Items must be destroyed by rendering them unusable.
(2) Unusable Cannabis and Cannabis waste rendered unusable may be delivered to a solid waste facility for final disposition to include a landfill, incinerator, or other approved facility.
(3) All unusable Cannabis, Cannabis Items, and Cannabis waste shall be weighed, recorded, and entered into the Inventory Tracking System before rendering it unusable. Verification of this event shall be performed by an authorized agent and conducted in an area with video surveillance.
(4) Electric documentation of destruction and disposal shall be maintained for a period of five (5) years.

(t) License Renewal. Every license shall expire annually on the date it was issued. The OCR shall send written or electronic notification of the expiration of each license at least ninety (90) days prior to expiration. However, failure to receive a renewal notification from the OCR shall not excuse an untimely application for a license renewal. An application for renewal shall be processed in the following manner:
(1) A Licensee shall submit a renewal application at least thirty (30) days prior to the expiration of a License with the requisite renewal application fee;
(2) The OCR shall grant a renewal application within twenty (20) days of submission of the application if the Licensee has:
(i) submitted a completed renewal application with the requisite application fee;
(ii) continues to operate a Medicinal Cannabis Establishment in accordance with the plans submitted by the Licensee and approved by the OCR; and
(ii) the OCR has not suspended or revoked the renewal applicant's license during any prior license periods.
(3) The OCR shall review an applicant's history of compliance with requirements of the Act and these Rules and Regulations, including the number and severity of any violations, the correction of those violations, and any penalties or fines imposed.
(4) The OCR may request additional information or clarification in furtherance of its review of a renewal application.
(5) The OCR may reject any renewal applications as incomplete within ten (10) days of submission of the application, if the application is incomplete, contains illegible information, or for failure to submit the renewal application fee. An applicant may re-submit an application within ten (10) days of notification that the application has been rejected and without paying an additional renewal application fee.
(6) The OCR may deny a renewal application for any of the following reasons:
(i) any information contained therein is falsified;
(ii) a demonstrated failure to adhere to any operation plans submitted by the Licensee to the OCR and approved by the OCR;
(iii) a history of non-compliance with the Act or these Rules and Regulations, to include consideration of the number and severity of any violations, the correction or failure to correct any of these violations, penalties and fines imposed, and any other enforcement actions.
(7) The denial of a renewal application shall be considered a final agency action subject to administrative appeal as set forth in section 34-25.

(u) Agent Identification Card.
(1) Each Medicinal Cannabis Business Agent must submit an application to the OCR on a form provided by the OCR to receive an agent identification card. Along with the application, the applicant must submit:
(i) a copy of the applicant's social security card;
(ii) a copy of the applicant's driver's license or other territorial issued

identification card;
(iii) verification of the applicant's place of residency;
(iv) consent of a background check;
(v) application fee of $250 pursuant to the fee schedule in section 34-16; and
(vi) any additional information requested by the OCR.

(2) The OCR shall notify the applicant of its approval or denial of the application with 14 days of receipt and will issue an agent identification card within 14 days of approval of an application.

(3) The agent identification card issued by the OCR shall contain:
(i) the name of the cardholder, along with a photograph of the cardholder;
(ii) the date of issuance and expiration of the identification card;
(iii) an alphanumeric identification number unique to the cardholder; and
(iv) the legal name of the Medicinal Cannabis Establishment licensee that employs the cardholder.

(4) The agent identification card shall expire annually on the date it was issued.

(5) If the OCR denies an application for an agency identification card, the OCR shall provide the applicant with notice of the grounds for the denial and shall inform the applicant of his or her right to appeal.

(6) The denial of an application for an agent identification card shall be considered a final agency action subject to administrative appeal as set forth in section 34-25.

(7) An agent identification card is the property of the Government of the Virgin Islands and shall be returned to the OCR immediately upon termination of the relationship between the agent and the Licensee.

(8) Any lost or stolen agent identification card shall be reported to OCR, no later than three (3) business days of discovery of the loss, destruction or theft. The cardholder shall be issued a new card with a new registration identification number upon payment of the replacement fee of $50.

(9) An agent shall apply for renewal of an agent identification card on a form provided by the OCR no less than thirty (30) days of the expiration of the current registration identification card. The OCR shall consider the cardholder's history of compliance with the Act and these Rules and Regulations in approving or denying a renewal application for a registration identification card.

(10) The OCR shall grant a renewal application within twenty (20) days of submission of the application if the Applicant has:
(i) submitted a completed renewal application with the requisite application fee set forth in section 34-16; and
(ii) the OCR has not suspended or revoked the applicant's agent identification card during any prior issuance of the card to the agent.

(11) The denial of a renewal of an agency identification card is considered a final agency action subject to administrative appeal as set forth in section 34-25.

(12) A Medicinal Cannabis Establishment Agent shall visibly display his or her agent identification card at all times he or she is on a Licensed Premises.

(13) A Medicinal Cannabis Establishment Agent, upon termination of employment, shall immediately return his or her agent identification card to the Medicinal Cannabis Establishment Licensee and the Licensee must, within three (3) business days, return the agent identification card to the OCR.

(14) A Licensee shall promptly report an arrest and any subsequent conviction of an offense, other than a traffic offense, of any licensed Medicinal Cannabis Establishment Agent to the OCR.

(v) Reasonable Vendor Training Program. All Licensees and Third-Party Vendors who possess, transport, store, secure, or dispose of Cannabis or Cannabis Items must implement, maintain, and comply with the OCR's Responsible Vendor Training Program

that requires all agents involved in the medicinal cannabis program or who are responsible for the direct supervision of agents involved in the medicinal cannabis program to complete a training course with the first thirty (30) days of hire and annually thereafter. The training course shall:

(1) be taught in a real-time, interactive classroom setting where the instructor is able to verify the identification of each individual attending the program and certify completion of the program by the individual identified. A class may be conducted virtually only if these requirements are met; and

(2) last for at least two (2) hours of instruction time and must include instruction on the following topics and additional pertinent topics:
(i) Cannabis items' effect on the human body;
(ii) the time of impact of impairment of various Cannabis Items;
(iii) recognizing the signs of impairment;
(iv) acceptable forms of identification and how to spot false identification;
(v) how to spot false registry and agent identification cards;
(vi) health and safety standards;
(vii) permitted hours of sale;
(viii) maintenance of records;
(ix) transport manifests;
(x) privacy issues; and
(xi) prohibited purchases.

(v) Licensed Premises.

(1) A Medicinal Cannabis Establishment, unless specifically required otherwise in these Rules and Regulations:
(i) shall not be less than 500 feet of a public or private school existing before the date of the establishment's application for a license;
(ii) shall not be located in an area where it may negatively impact enterprises and entities that rely on family and youth participation, such as schools and churches, existing before the date of the establishment's application for a license;
(iii) must have comprehensive security and camera monitoring systems in place at all times and pursuant to these Regulations; and
(iv) shall maintain all buildings, facilities, and areas in a sanitary condition.

(2) A Cultivation Licensee may share a Licensed Premises with a Cannabis Dispensary Licensee, Cannabis Manufacturing Licensee, and Research and Development Licensee under the following circumstances:
(i) separate licenses are obtained and maintained for the Cultivation Facility, the Cannabis Dispensary Licensee, the Cannabis Manufacturing Licensee, and the Research and Development Licensee, regardless of ownership and geographical location; and
(ii) all Licensees comply with the requirements of their respective licenses, even if the Licensees have shared ownership.

(w) Change of Business Location. A Licensee may apply for approval to change the location of a Licensed Premises through the use of a form to be provided by the OCR and payment of the applicable application fee. The OCR shall have thirty (30) days to approve or deny and application for change of business location. After inspection and verification by the OCR that the new location is in compliance with the Act and this Regulation, the OCR shall issue a license modification reflecting the change in business location. Should the OCR approve the change in business location, the Licensee shall have a transition period of not more than ninety (90) days to transfer its inventory, supplies, and equipment and begin operations at the new location. The change in location shall proceed in the following manner:

(1) The transition period shall not commence until the new location is ready to begin operation;
(2) No Cannabis or Cannabis Items may be transferred to the new location or cultivated, manufactured, produced, stored, packaged, or sold at the new location prior to the start date of the transition period approved by the OCR;
(3) Any Cannabis or Cannabis Item remaining at the original business location at the end of the transition period shall be destroyed and disposed of pursuant to these Rules and Regulations; and
(4) The Licensee shall notify the OCR when the transition is complete and operations begin at the new location.

(x) Modifications and Alterations. A Licensee shall make no physical change, modification or alteration of the Licensed Premises that significantly alters the Licensed Premises or the usage of the Licensed Premises from the plans originally approved, without the OCR's prior written approval. A significant change includes, but is not limited to:
(1) any increase or decrease in the total physical size or capacity of the Licenses Premises;
(2) the sealing off, creation of or relocation of a common entryway, doorway, passage or other such means of public ingress or egress, when such common entryway, doorway, or passage alters or changes Limited Access and Restricted Access Areas, where the cultivation, manufacturing, testing, packaging, or storage of Cannabis occurs; and
(3) any physical modification that would require the installation or reduction of additional video surveillance cameras.

Prior to making any physical modification to a Licensed Premises, the Licensee must submit a request for modification to the OCR on a form to be provided by the OCR, along with payment of the applicable application fee. The Licensee must provide any plans and specifications as supporting documentation to the application. The OCR shall approve or deny the application for modification within ninety (90) days of submission. If approved, the OCR shall issue an amended license. The Licensee cannot commence modifications until after receipt of an amended license authorizing such modification.

(y) Closure of Operations. A Licensee shall notify the OCR at least six (6) months in advance before the closure of operations. Upon receipt of notification of Closure, the OCR must do the following:
(1) Verify the remaining inventory and seize all Cannabis or Cannabis Items, and Cannabis Product.
(2) Make arrangements for the transfer of all Cannabis or Cannabis Items to another Licensee or provide for the destruction or disposal of such Cannabis, Cannabis Items, or Cannabis product pursuant to the General Requirements set forth in subsection 34-9(p).

## § 34-10 Cannabis Cultivation Facilities

(a) A Medicinal Cannabis Cultivation Licensee ("Cultivation Licensee") shall be authorized by the OCR to cultivate, cure, process, internally-test, store, package, and label Cannabis; and to store, sell, purchase, receive, transfer, and transport Cannabis and Cannabis Items to and from other Medicinal Cannabis Establishments and testing facilities on the same island. Persons may apply to the OCR to obtain a Cannabis Cultivation License, which will be awarded pursuant to a three (3) tier system as follows:
(1) Level I: to cultivate one (1) to one hundred (100) plants;
(2) Level II: to cultivate one hundred and one (101) to five hundred (500) plants; and
(3) Level III: to cultivate five hundred and one (501) to one thousand (1000) plants.

(b) Merit-Based Application Process. To obtain a Cannabis Cultivation License, an applicant must complete and submit and application provided by the OCR, submit such signed application, submit the requisite application fee, and agree to participate in a merit-selection process as described in this subsection. The applicant must provide the following information specific to the operation of a Cultivation Facility with the application, which will be subject to the following scoring system:

(1) Applicant's Business Plan and Services to be Offered (150 points):

(i) the demonstrated business management experience of the Medicinal Cannabis Establishment agents involved in the business, to include experience in the Cannabis, agricultural or horticultural industries and the extent of their involvement in or ability to influence the day-to-day operations of the business;

(ii) a business plan that describes the proposed long-term operations of the cultivation facility with a detailed description about the amount and source of equity, the financial feasibility of the proposed financing plan, the availability of funds for capital and operating needs, and the financial capacity to operate the proposed business; and

(iii) the start-up timetable that provides an estimated time from license approval of the cultivation facility to full operation, and the assumptions used as a basis for those estimates.

(2) Cultivation Plan (150 points):

(i) the plan to provide a steady, uninterrupted supply of Cannabis to registered dispensaries;

(ii) knowledge of cultivation methods to be used, along with a description of the various strains to be cultivated and the applicant's experience, if any, with growing the described strains or comparable agricultural products;

(iii) procedures and processes to be implemented to ensure the quality, including the purity and consistency, of the Cannabis to be cultivated and provided to dispensaries, to include any procedures related to the quarantine of certain Cannabis and Cannabis items.

(3) Suitability of the Proposed Cultivation Facility and Licensed Premises (150 points):

(i) evidence that the proposed facility and premises is suitable for the effective and safe cultivation of Cannabis. That the proposed premises is sufficient in size, power allocation, air exchange and air flow, interior layout and lighting, security, and sufficient in both the interior and exterior to handle the bulk agricultural production of Cannabis, Cannabis Items, product handling, storage, trimming, packaging, loading, and shipping. The loading/unloading of Cannabis in a transport vehicle shall be enclosed, secure, and out of sight of the public;

(ii) the applicant's capacity to cultivate the amount of Cannabis authorized by the requested license and to maintain such capacity during the initial and renewal time periods of the license;

(iii) submission of an operations plan that is in compliance with the Act and these Rules and Regulations.

(4) Employee Training Plan (100 points):

(i) submission of a staffing plan that ensures adequate staffing with requisite experience for each position and that allows for safe production, sanitation, security, and theft prevention;

(ii) submission of an employee handbook that provides a working guide to employees for the day-to-day operations of the facility and which contains appropriate personnel policies and practices; and

(iii) submission of a plan to provide a safe, healthy, and economically beneficial working environment for its employees, including, but not limited to plans regarding workplace safety and environmental standards, codes of conduct, healthcare benefits,

educational benefits, retirement benefits, and living wage standards.

(5) Environmental Plan (50 points):

(i) submission of an environmental plan of action to minimize the carbon footprint, environmental impact and resource needs for the facility and the planned production of Cannabis; and

(ii) any plans for the use of alternative energy, the treatment of wastewater, and run off, and the treatment of exchanged air.

(6) Security Plan and Recordkeeping (150 points):

(i) submission of a security plan that demonstrates the applicant's ability to prevent the theft or diversion of Cannabis to comply with the Act and these Rules and Regulations, and to interface with local law enforcement. The security plan shall describe the enclosed, locked facility that will be used to secure or store Cannabis and Cannabis Items, and to ensure that Cannabis and Cannabis Items are not visible to the public;

(ii) submission of a plan for record keeping, tracking and monitoring inventory, maintaining quality control and security, and any other policies and procedures relative to security and recordkeeping;

(iii) plan for the destruction and disposal of unused or surplus Cannabis in accordance with the Act and these Rules and Regulations; and

(iv) plans for the transport of Cannabis, including any plan to apply for a transporter license or to engage a certified transporter, along with the applicant's proposed procedures to safely and securely transport and deliver Cannabis to any testing facilities, dispensaries, and Qualifying Patients.

(7) Product Safety and Labeling Plan (150 points):

(i) submission of a plan for providing safe and accurate packaging and labeling of Cannabis and Cannabis Items;

(ii) submission of a plan for the testing of Cannabis and ensuring that all Cannabis is free of contaminants, including, but not limited to pesticides, microbiological, and residual solvent. Applicant shall also provide its plan to retain quality history records showing specific testing results from testing facilities conducted on its Cannabis Items;

(iii) submission of a plan for establishing a recall of Cannabis items in the event those items are shown by testing or other means to be defective or may otherwise cause serious adverse health consequences. The plan shall include procedures for notification to the OCR, the dispensary, and to those to whom the items may have been sold and must include a plan for the destruction and disposal of the defective Cannabis Items.

(8) Emergency Plan (50 points): submission of a plan that provides for the security of the facility, Licensed Premises, Cannabis, and Cannabis Items during times of a disaster whether natural or man-made, to include details related to employees and contractors included in the plan, factors that determine the deployment of the plan, notifications to be made to the OCR, and any alternative or back-up plans.

(9) Diversity Plan (50 points): submission of a plan for diversity in ownership, management, employment, and contracting to ensure inclusion of residents, minority and women owned businesses, and veterans.

(10) A total of 100 bonus points may be awarded to applicants who include in their application, the following submissions or plans:

(i) development of an incubator program designed to increase participation in the OCR's medicinal Cannabis program and/or the applicant's cultivation business by residents and persons previously disenfranchised by arrest or incarceration for the use of Cannabis;

(ii) to provide funding or other resources towards substance abuse prevention and treatment programs; and

(iii) to providing funding or other resources to efforts to educate children and teens

regarding the potential harmful effects of Cannabis use.

(c) Application for Increased Cultivation. A Cultivation Licensee may apply to the OCR for increased cultivating capacity through use of a form to be provided by the OCR, under the following circumstances:
(1) If the Cultivation Licensee also possesses a Medicinal Cannabis Dispensary License, then the Cultivation Licensee must demonstrate that at least seventy percent (70%) of the Medicinal Cannabis Flower sold by its commonly-owned dispensary in the last six (6) months has been cultivated by a non-associated cultivation Licensee;
(2) If the Cultivation Licensee does not also possess a Medicinal Cannabis Dispensary License, then the Cultivation Licensee must demonstrate that it has sold at least eighty percent (80%) of the Medicinal Cannabis Flower it cultivated to other Medicinal Cannabis Establishments; and
(3) The Cultivation Licensee has complied with the requirements of its license and has not had its license suspended or revoked.

(d) Cultivation License Specific Requirements. In addition to the General Requirements applicable to all Licensees as stated in section 34-9(p), the following requirements shall apply to Cultivation Licensees:
(1) A Cultivation Licensee shall cultivate Cannabis in accordance with its designated tier limit only.
(2) A Cultivation Licensee must begin production of Cannabis within six (6) months of receipt of the license. Failure to begin production within six (6) months may result in suspension or revocation of the license unless good cause is shown. Good cause may include unforeseen events, acts of nature, and other events that interfere with a good faith effort to begin production, but shall not include cost overruns, insufficient financing, and other factors evidencing a lack of good faith effort.
(3) A Cultivation Licensee must maintain production consistent with its tier designation to meet the needs and demand of cardholders. A Licensee that fails to maintain production consistent with its tier designation for more than ninety (90) consecutive days after it has begun production shall provide to the OCR written notification of its failure with a written explanation as to the cause of the failure, its intention to continue operating a cultivation facility, and a detailed plan of correction to allow for cultivation to resume at the designated tier level within thirty (30) days of the notification. Failure to provide the notification or to cure the deficient or non-production may result in suspension or revocation of the license.
(4) Recordkeeping. A Cultivation Licensee must maintain records that contain the following information:
(i) the date of each sale or distribution to a Cannabis Dispensary, along with the name, address, and registration number of the dispensary;
(ii) the item number, product description, and quantity of Cannabis or Cannabis Items registered by the OCR and sold or otherwise distributed to the dispensary;
(iii) the price charged and the amount of money received for the Cannabis or Cannabis items sold or otherwise distributed to the dispensary;
(iv) if Cannabis or a Cannabis Item is distributed to a dispensary other than by sale, then the reason for the distribution;
(v) the quantity and type of Cannabis maintained at the cultivation facility on a daily basis;
(vi) the amount of plants grown at the cultivation facility on a daily basis;
(vii) A list, description, and log of all soil amendment, fertilizers, pesticides, or other crop production aids applied and used in the process of growing Cannabis plants;

(viii) Production records, including records of planting, harvest and curing, weighing, destruction of Cannabis, creation of batches of Cannabis Items, and packaging and labeling;
(ix) Documents pertaining to the disposal of Cannabis, Cannabis Items, and waste material associated with production of Cannabis;
(x) Documents pertaining to batch extracts or Cannabis items made, including the usable Cannabis or trim, leaves and other plant matter used (including the total weight of the base product used), any solvents or other compounds utilized, and the product type and the total weight of the end product produced;
(xi) Transportation records;
(xii) Inventory records;
(xiii) Documentation of all samples sent to a testing facility, including any Government testing facility, along with the corresponding quality assurance results;
(xiv) All samples provided to any entity, including the OCR, for any purpose; and
(xv) Documentation of any theft, loss, or other unaccountability pertaining to any Cannabis seedlings, clones, plants, trim, extracts, or Cannabis items.

(5) Plant Production.
(i) each cultivation facility shall operate pursuant to the operations plan submitted to and approved by the OCR as part of the application process;
(ii) a cultivation facility shall not exceed seven hundred fifty square feet (750 sq. ft.) of Flowering Canopy in aggregate at any one time without prior approval of the OCR
(iii) each production area shall maintain an open aisle on all sides of each plant group to allow for unobstructed travel, observation, and inventory of each plant group;
(iv) each production area shall be maintained free of debris;
(v) security measures consistent with the security plan submitted by the Licensee and approved by the OCR shall be maintained at all times;
(vi) a record of all crop inputs shall be maintained at the Licensed Premises for at least five (5) years and shall include, the date of application, the agent making the application, the product that was applied, the section and square footage that received the application; the amount of product applied, and a copy of the label of the product applied and shall be made available to the OCR upon request;
(vii) at the time of planting, all plants shall be accounted for as a batch with a unique batch number that shall remain with the batch through final packaging. A batch number will be assigned at the time of planting for a specified number of plants. When plants reach 6 inches in height, a specific number will be assigned for each plant within that batch and the individual tag will be recorded electronically or kept in an electronic file until harvest or destruction. The batch number will remain with the segregated plants through harvest to final packaging. The batch number will be included on the label of the package distributed to the end user;
(viii) all plants shall be physically inventoried on a weekly basis and records of the inventory shall be kept at the facility for at least five (5) years and made available to the OCR upon request;
(ix) any removal of plants from the batch shall be recorded on a permanent record to be maintained at the Licensed Premises and made available to the OCR upon request;
(x) the batch number shall be displayed on the approved label of the product designated for distribution to the dispensary;
(xi) litter and waste shall be properly removed and the operating systems for waste

disposal shall be maintained in an adequate manner so that they do not constitute a source of contamination in areas where Cannabis Plants are exposed;

(xii) floors, walls, and ceilings shall be constructed in such a manner that they may be adequately cleaned and maintained in good repair;

(xiii) there shall be sufficient lighting in all areas where Cannabis is stored and equipment is cleaned;

(xiv) there shall be adequate screening to protect against the entry of pests;

(xv) all buildings and facilities shall be maintained in a sanitary condition;

(xvi) toxic cleaning compounds, sanitizing agents, solvents, and pesticide chemicals shall be identified, held, and stored in a manner that protects against contamination of Cannabis, and in a manner that is in accordance with a local and federal laws and regulations governing the use of such products;

(xvii) Water supply shall be sufficient for the operation of the cultivation facility and shall be derived from a source approved by the OCR and that is capable of providing a safe, potable and adequate supply of water to meet the facility's needs; and

(xviii) Plumbing shall be of adequate size and design and adequately installed and maintained to carry a sufficient supply of water to required locations throughout the cultivation facility. Plumbing should also be designed and of adequate size to convey sewage and liquid disposable waste from the cultivation facility. There shall be no cross-connections between the water and waste lines.

**§ 34-11 Medicinal Cannabis Dispensaries**

(a) A Medicinal Cannabis Dispensary Licensee ("Dispensary Licensee") shall be authorized by the OCR to:
(1) Purchase Cannabis from Cultivation Licensees on the same island;
(2) Internally test, package, and label Cannabis Items;
(3) Store, sell, purchase, transfer, and transport Cannabis Items to and from other Medicinal Cannabis Business Establishments and Testing Facilities on the same island; and
(4) Sell, transfer, and deliver Cannabis Items to Qualifying Patients, Designated Caregivers, or the parent or legal guardian of a minor Qualifying Patient on the same island.

(b) Merit-Based Application Process. To obtain a Dispensary License, an applicant must complete and submit an application on a form provided by the OCR, submit such signed application, submit the requisite application fee, and agree to participate in a merit-selection process as described in this subsection. The applicant must provide the following information specific to the operation of a Cannabis Dispensary with the application, which will be subject to the following scoring system:
(1) Business Plan, Financials, and Operating and Floor Plan (250 points):
(i) a business plan that describes the proposed long-term operations of the dispensary with a detailed description about the amount and source of equity, the financial feasibility of the proposed financing plan, the availability of funds for capital and operating needs, the financial capacity to operate the proposed business, a plan for making Cannabis available to low-income Qualifying Patients, the point of sale system, integration with the OCR's Inventory Tracking System, inventory control and record keeping, purchases and denials of sale, confidentiality procedures, products and services to be offered, and best practices for the day-to-day dispensary operation and staffing;
(ii) the start-up timetable that provides an estimated time from license approval to full operation, and the assumptions used as a basis for those estimates;

(iii) location of the dispensary in an area that does not negatively impact other businesses and entities that rely on family and youth participation with a plan to ensure the safety of patrons and the community and access by Qualifying Patients; and

(iii) submission of a proposed floor plan suitable for public access, promotion of safe dispensing of Cannabis, compliance with the Americans with Disabilities Act, the facilitation of safe product handling and storage, location of Cannabis storage areas while the dispensary is open for business and when it is closed for business, location of and description of all safes and/or reinforced vaults that will be used to store Cannabis, Cannabis Items, or currency; location of each computer used to check Qualifying Patient cards and Designated Caregiver cards, location of each computer and cash register used for point of sale transactions and to access the OCR's Inventory Tracking System, location of each bathroom, breakroom , and personal storage facility, and location of each video camera.

(2) Knowledge and Experience (250 points):

(i) the demonstrated business management experience of the Medicinal Cannabis Establishment agents, primarily the principal officers and manager, to include experience in the Cannabis, tourism, and retail industries and the extent of their involvement in or ability to influence the day-to-day operations of the business;

(ii) the applicant's demonstrated knowledge of various Cannabis strains and varieties and a description of the types and quantities of products planned to be sold. This includes confirmation of whether the dispensary plans to sell Cannabis paraphernalia or edibles.

(3) Employee Staffing and Training Plan (100 points):

(i) submission of a staffing plan that ensures adequate staffing with requisite experience for each position, and includes a plan to provide a safe, healthy, and economically beneficial working environment for its employees, including, but not limited to plans regarding workplace safety and environmental standards, codes of conduct, healthcare benefits, educational benefits, retirement benefits, and living wage standards;

(ii) submission of an employee handbook that provides a working guide to employees for the day-to-day operations of the premises and which contains appropriate personnel policies and practices; and

(iii) submission of an employee training plan sufficient to demonstrate that employees will understand the rules and laws to be followed by dispensary employees, will have knowledge of security measures and operating procedures of the dispensary, will have knowledge of applicable OCR rules, regulations, requirements and restrictions; and are able to advise Qualifying Patients, Designated Caregivers, and visitors how to safely consume Cannabis and Cannabis Items.

(4) Environmental Plan (50 points): submission of an environmental plan containing a plan of action to minimize the carbon footprint, a detailed description of air treatment systems that will be installed to reduce odors, environmental impact and resource needs for the dispensary and the planned production of Cannabis, which may include plans for the use of alternative energy and the recycling of Cannabis packaging.

(5) Security Plan and Recordkeeping (250 points):

(i) submission of a security plan that demonstrates the applicant's ability to prevent the theft or diversion of Cannabis, to comply with the Act and these Rules and Regulations, and to interface with local law enforcement. The security plan shall describe the Restricted Access Area and the procedure for restricting access to that area to authorized persons only and the plan to ensure that Cannabis Items are not visible to the public;

(ii) submission of a plan for record keeping, tracking and monitoring inventory, maintaining quality control and security, and any other policies and procedures that will discourage unlawful activity;

(iii) plans for the transport of Cannabis, including any plan to apply for a transporter license or to engage a certified transporter, along with the applicant's proposed procedures to safely and securely transport and deliver Cannabis to any testing facilities, dispensaries, and Qualify Patients; and
(iv) a security plan, which identifies the private security contractor or contractors who are certified pursuant to the Act and this Regulation that will provide on-site security at all hours of the dispensary's operation.

(6) Diversity Plan (50 points): submission of a plan for diversity in ownership, management, employment and contracting to ensure inclusion of residents, minority and women owned businesses, and veterans.

(7) A total of 100 bonus points may be awarded to applicants who include in their application the following submissions or plans:
(i) development of an incubator program designed to increase participation in the medicinal Cannabis program and/or the applicant's dispensary business by residents and persons previously disenfranchised by arrest or incarceration for the use of Cannabis;
(ii) to provide funding or other resources towards substance abuse prevention and treatment programs; and
(iii) to provide funding or other resources to efforts to educate children and teens regarding the potential harmful effects of Cannabis use.

(c) Dispensary License Specific Requirements. In addition to the General Requirements applicable to all Licensees as stated in section 34-9, the following requirements shall apply to Dispensary Licensees:

(1) The permitted hours of operation of a dispensary are Monday through Sunday from 8:00 a.m. to 7:00 p.m. A Dispensary Licensee shall not operate at any time its video surveillance equipment, point of sale equipment, or lighting is inoperative or deficient.

(2) A Dispensary Licensee shall not have fewer than two (2) people working at the dispensary at any time it is open.

(3) A Dispensary Licensee shall source at least seventy percent (70%) of the Cannabis used for retail sales from Unaffiliated Third Parties. Any actual or attempted structuring or configuration of a transaction, including through use of intermediaries for the purpose of circumventing or attempting to circumvent the requirements of this provision by obtaining or attempting to obtain Cannabis from sources other than Unaffiliated Third Parties in excess of the amount or percentage permitted shall constitute a violation of the this Regulation and shall be grounds for suspension or revocation of a Dispensary License, the imposition of a fine, or both.

(4) A Dispensary Licensee must ensure that all Cannabis and Cannabis Items purchased or otherwise acquired from a Cultivation Licensee has been tested in accordance with the quality assurance requirements of this regulation.

(5) A Dispensary Licensee shall not sell Cannabis or Cannabis Items to a Person unless that person presents a valid and active registry identification card. Before a Dispensary Licensee may dispense to a cardholder, a dispensary agent must:
(i) make a diligent effort to verify that the registry identification card or alternative registration presented is valid;
(ii) make a diligent effort to verify that the person presenting the documentation is the person identified in the registry identification card or alternative registration;
(iii) not believe the amount dispensed would cause the Qualifying Patient to possess more than the allowable amount of Cannabis;
(iv) confirm the cardholder's age by a driver's license or other Government issued identification; and
(v) make a diligent effort to verify that the dispensary is the current dispensary that was designated by the Qualifying Patient.

(6) A Qualifying Patient who is twenty-one (21) years of age or older shall only be required to present his or her registry identification card as a valid form of identification for purposes of purchasing Cannabis from a Dispensary Licensee.
(7) A Dispensary Licensee shall not permit any person under twenty-one (21) years of age, including Qualified Patients under twenty-one (21) years of age, to enter its Restricted Access Area.
(8) A Dispensary Licensee shall not sell Cannabis or Cannabis Items to any person under twenty-one (21) years of age, including Qualifying Patients under twenty-one (21) years of age.
(9) A Dispensary Licensee shall not accept Cannabis or a Cannabis Item from another Licensee unless it is pre-packaged and labeled in accordance with the Act and these Rules and Regulations.
(10) A Dispensary Licensee shall inspect and count all Cannabis and Cannabis Items it receives before dispensing them.
(11) A Dispensary Licensee shall not allow consumption of Cannabis or a Cannabis Item at the dispensary.
(12) A Dispensary Licensee that sells edible cannabis-infused items must display a placard that states the following: "Edible cannabis-infused items were produced in a kitchen that may also process common food allergens." The placard shall be no smaller than 24 inches tall by 36 inches wide with typed letters no smaller than 2 inches. The placard shall be clearly visible and readable and prominently posted.
(13) Prior to completing the sale of an edible cannabis-infused items to a Qualifying Patient, the agent that completes the sale must inform the cardholder both verbally and in writing of the following: "A standard serving of edible Cannabis is ten (10) milligrams of THC. Please review the product's labeling to ensure you consume only your desired amount. The effects of edible Cannabis can take two (2) or more hours to take effect. Please consume with caution."
(14) A Dispensary Licensee must include the trade name of the dispensary on the packaging of any Cannabis Item it sells.
(15) A Dispensary Licensee shall not enter into an exclusive agreement with any Cultivation or Manufacturer Licensee. Dispensary Licensees shall provide Qualifying Patients with an assortment of Cannabis and Cannabis Items from various Cultivation and Manufacturer Licensees. The OCR may request a Dispensary Licensee diversify its produces and impose an appropriate penalty for any failure to comply with the order.
(16) A Dispensary Licensee shall not refuse to conduct business with a Cultivation or Manufacturer Facility that has the ability to properly produce and provide Cannabis and Cannabis Items.
(17) A Dispensary Licensee shall display and sell Cannabis and Cannabis Items within its designated Restricted Access Area, unless the sale is conducted pursuant to regulations allowing for delivery of Cannabis and Cannabis Items to a Qualifying Patients.
(18) Restricted Access Areas may be accessed by Medicinal Cannabis Business Establishment Agents, Consultants, Qualifying Patients, and Designated Caregivers only.
(19) A Dispensary Licensee shall not pay a referral fee to a Practitioner, Designated Caregiver, or any Person for sending Qualifying Patients to a specific dispensary.
(20) A Dispensary Licensee shall not sell Cannabis to a Qualifying Patient that it knows or has reason to suspect will re-sell or transport the Cannabis off-island.
(21) A Dispensary Licensee may not dispense to a non-resident cardholder more than seven (7) grams of Cannabis, three (3) grams of Cannabis Concentrate, and five hundred (500) milligrams of Cannabis Items to a non-resident cardholder.
(22) A Dispensary Licensee may not dispense more than two (2) ounces of Cannabis, ten (10) grams of Cannabis Concentrate, and two thousand (2,000) milligrams of Cannabis Items to a resident cardholder.

(d) Inventory Tracking System. The Dispensary Licensee shall establish an account with the OCR for access to the Inventory Tracking System to document the following:
(1) each sale transaction at the time of sale and each day's beginning inventory, acquisition, sales, disposal, and ending inventory;
(2) acquisition of Cannabis and Cannabis Items from a licensed Cultivation Facility or Manufacturer to include:
(i) a description of the Cannabis or Cannabis Item including the quantity, strain, variety and batch number of each product received;
(ii) the name and registry identification number of the Cultivation Licensee providing the Cannabis or Cannabis Item;
(v) the name and agent identification number of the individual delivering the Cannabis and Cannabis Items to the dispensary;
(vi) the name and agent identification number of the Dispensary Licensee receiving the Cannabis or Cannabis Item; and
(vii) the date of acquisition.
(1) The disposal of Cannabis or any Cannabis Items, including:
(i) a description of the Cannabis or Cannabis Items, including the quantity, strain, variety, batch number and reason for disposal;
(ii) the method of disposal; and
(iii) the date and time of disposal.
(2) If a Dispensary Licensee identifies a variance during its inventory reconciliation in the amount of Cannabis or Cannabis Items in inventory, the dispensary shall determine the cause of the variance, document the variance, and determine corrective action. If the Dispensary Licensee is unable to determine the cause of the variance, it must report the variance to the OCR within three (3) days of the discovery of the variance.
(3) If the Dispensary Licensee determines the cause of the variance is theft, criminal activity or suspected criminal activity, it should notify the OCR of the theft, criminal activity or suspected criminal activity within 24 hours of the discovery of the variance. The notification shall contain the date and time of the loss or theft, the date the loss or theft was discovered, the person who discovered the loss or theft, and the person responsible for the loss or theft and any other information pertinent to the cause of the loss or theft.
(4) A Dispensary Licensee shall use a point of sale system that establishes and maintains a real time interface with the OCR's Inventory Tracking System.

(e) Licensed Premises.
(1) A dispensary may not be located within:
(i) one thousand (1000) feet of a school or within five hundred (500) feet of a church in existence at the time of submission of an application for a Dispensary License;
(ii) one thousand (1000) feet of any cruise ship dock in Charlotte Amalie in St. Thomas, within five hundred (500) feet of the primary cruise ship dock in Frederiksted, St. Croix, and within five hundred (500) feet of a primary cruise ship tender in Cruz Bay, St. John.

(f) Security. A Dispensary Licensee shall implement and maintain the following security measures:
(1) Placement of a locked door or barrier between the dispensary's public entrance and the restricted access area;
(2) Prevention of any loitering in the restricted access area;
(3) Storage of Cannabis and Cannabis Items during all operation hours in an enclosed locked room or cabinet that is accessible to authorized agents only;
(4) Storage of Cannabis and Cannabis Items during all non-operational hours in a locked reinforced vault room or other similarly secure location that prevents diversion, theft, or loss and is locked and protected from unauthorized entry at all times; and

(5) Maintenance of a log of all agents who access the vault room.

(g) Nothing in the Act or these Regulations prohibits a Dispensary Licensee from refusing to sell Cannabis or Cannabis Items to any person, including a Qualifying Patient or Designated Caregiver.

**§ 34-12 Cannabis Manufacturing**

(a) A Cannabis Manufacturer Licensee shall be authorized by the OCR to:
(1) Purchase Cannabis from Cannabis Licensees;
(2) Manufacture, process, internally test, package, and label Cannabis Products and Concentrates; and
(3) Store, sell, purchase, receive, transfer, and transport Cannabis Items to and from other Cannabis Licensees on the same island.

(b) Merit-Based Application Process. To obtain a Cannabis Manufacturer License, an applicant must complete and submit an application supplied by the OCR, submit such signed application, submit the requisite application fee, and agree to participate in a merit-selection process as described in this section. The applicant must provide the following information specific to the operation of a Cannabis Manufacturer with the application:
(1) Applicant's Business Plan and Services to be Offered (150 points):
(i) the demonstrated business management experience of the Medicinal Cannabis Establishment agents involved in the business, to include experience in the Cannabis, agricultural or horticultural industries and the extent of their involvement in or ability to influence the day-to-day operations of the business;
(ii) a business plan that describes the proposed long-term operations of the manufacturing facility with a detailed description about the amount and source of equity, the financial feasibility of the proposed financing plan, the availability of funds for capital and operating needs, and the financial capacity to operate the proposed business; and
(iii) the start-up timetable that provides an estimated time from license approval of the cultivation facility to full operation, and the assumptions used as a basis for those estimates.
(2) Manufacturing Operations Plan (150 points):
(i) the plan to provide a steady, uninterrupted supply of Cannabis Products to registered dispensaries;
(ii) knowledge of manufacturing methods to be used, along with a description of the variety of the products to be manufactured and the applicant's experience, if any, with producing the identified products;
(iii) procedures and processes to be implemented to ensure the quality of Cannabis Items produced and provided to dispensaries, to include any procedures related to the quarantine of certain Cannabis and Cannabis items.
(3) Suitability of the Proposed Manufacturing Facility and Licensed Premises (150 points):
(i) evidence that the proposed facility and premises is suitable for the effective and safe production of Cannabis Products. That the proposed premises is sufficient in size, power allocation, air exchange and air flow, interior layout and lighting, security, and sufficient in both the interior and exterior to handle the bulk production of Cannabis Products, product handling, storage, trimming, packaging, loading, and shipping. The loading/unloading of Cannabis Products in a transport vehicle shall be enclosed, secure, and out of sight of the public;
(ii) the applicant's capacity to cultivate the amount of Cannabis authorized by the requested license and to maintain such capacity during the initial and renewal time periods of the license;

(iii) submission of an operations plan that is in compliance with the Act and these Rules and Regulations.

(4) Employee Training Plan (100 points):

(i) submission of a staffing plan that ensures adequate staffing with requisite experience for each position and that allows for safe production, sanitation, security, and theft prevention;

(ii) submission of an employee handbook that provides a working guide to employees for the day-to-day operations of the facility and which contains appropriate personnel policies and practices; and

(iii) submission of a plan to provide a safe, healthy, and economically beneficial working environment for its employees, including, but not limited to plans regarding workplace safety and environmental standards, codes of conduct, healthcare benefits, educational benefits, retirement benefits, and living wage standards.

(5) Environmental Plan (50 points):

(i) submission of an environmental plan of action to minimize the carbon footprint, environmental impact and resource needs for the facility and the planned production of Cannabis Products; and

(ii) any plans for the use of alternative energy, the treatment of wastewater, and run off, and the treatment of exchanged air.

(6) Security Plan and Recordkeeping (150 points):

(i) submission of a security plan that demonstrates the applicant's ability to prevent the theft or diversion of Cannabis to and Cannabis Products, comply with the Act and these Rules and Regulations, and to interface with local law enforcement. The security plan shall describe the enclosed, locked facility that will be used to secure or store Cannabis and Cannabis Products, and to ensure that Cannabis and Cannabis Products are not visible to the public;

(ii) submission of a plan for record keeping, tracking and monitoring inventory, maintaining quality control and security, and any other policies and procedures relative to security and recordkeeping;

(iii) plan for the destruction and disposal of unused or surplus Cannabis and Cannabis Products in accordance with the Act and these Rules and Regulations; and

(iv) plans for the transport of Cannabis and Cannabis Products, including any plan to apply for a transporter license or to engage a certified transporter, along with the applicant's proposed procedures to safely and securely transport and deliver Cannabis to any testing facilities, dispensaries, and Qualifying Patients.

(7) Product Safety and Labeling Plan (150 points):

(i) submission of a plan for providing safe and accurate packaging and labeling of Cannabis and Cannabis Products;

(ii) submission of a plan for the testing of Cannabis and Cannabis Products and ensuring that all Cannabis and Cannabis Products are free of contaminants, including, but not limited to pesticides, microbiological, and residual solvent. Applicant shall also provide its plan to retain quality history records showing specific testing results from laboratory testing conducted on its Cannabis Products;

(iii) submission of a plan for establishing a recall of Cannabis Products in the event those items are shown by testing or other means to be defective or may otherwise cause serious adverse health consequences. The plan shall include procedures for notification to the OCR, the dispensary, and to those to whom the items may have been sold and must include a plan for the destruction and disposal of the defective Cannabis Products.

(8) Emergency Plan (50 points): submission of a plan that provides for the security of the facility, Licensed Premises, Cannabis, and Cannabis Products during times of a disaster whether natural or man-made, to include details related to employees and contractors included in the plan, factors that determine the deployment of the plan, notifications to be

made to the OCR, and any alternative or back-up plans.

(9) Diversity Plan (50 points): submission of a plan for diversity in ownership, management, employment, and contracting to ensure inclusion of residents, minority and women owned businesses, and veterans.

(10) A total of 100 bonus points may be awarded to applicants who include in their application, the following submissions or plans:

(i) development of an incubator program designed to increase participation in the OCR's medicinal Cannabis program and/or the applicant's cultivation business by residents and persons previously disenfranchised by arrest or incarceration for the use of Cannabis;

(ii) to provide funding or other resources towards substance abuse prevention and treatment programs; and

(iii) to providing funding or other resources to efforts to educate children and teens regarding the potential harmful effects of Cannabis use.

(c) Packaging. A Cannabis Manufacturing Licensee must package all medicinal Cannabis intended for distribution in packaging and containers that are:

(1) plain;
(2) designed to maximize the shelf life of contained medicinal Cannabis;
(3) opaque;
(4) tamper-evident;
(5) child resistant;
(6) not bear a resemblance to any commercially available product; and
(7) must minimize its appeal to children and must not depict images other than the business name and logo.

(d) Labeling. A Cannabis Manufacturing Licensee must ensure that all medicinal Cannabis that is distributed is labeled with the following information:

(1) The Qualifying Patient's registry identification number, name, and date of birth;
(2) The registry identification number, name, and date of birth of the designated caregiver, if any
(3) The name of a Minor Qualifying Patient's parent or legal guardian, if applicable;
(4) The patient's address;
(5) The name and address of the medicinal Cannabis dispensary that services the Qualifying Patient;
(6) The name and address of the Cannabis manufacturer where the medicinal Cannabis was manufactured;
(7) The batch number;
(8) A description of the number of units of usable Cannabis contained within that product;
(9) The chemical composition of the Cannabis product;
(10) The dosage;
(11) A production date or expiration date, including a "use by" or "freeze by" date for cannabis Items capable of supporting the growth of infectious, toxigenic, or spoilage microorganisms;
(12) Directions for use of the Cannabis product;
(13) Instructions for proper storage;
(14) All ingredients of the Medicinal Cannabis product, including any coloring, artificial flavors, and preservatives, listed in descending order by predominance of weight shown with common names;
(15) A notice including the statement that: "This product has not been analyzed or approved by the United States Food and Drug Administration. There is limited information on the side effects of using this product and there may be associated

health risks. Do not drive or operate heavy machinery when under the influence of this product. KEEP THIS PRODUCT AWAY FROM CHILDREN."; and

(16) A notice with the statement: "This Cannabis product is for medicinal use only. Diversion of this product is unlawful and may result in the revocation of the Qualifying Patient's registration."

(17) Labeling text may not include any false or misleading statements regarding the health or physical benefits of the Cannabis product to the Qualifying patient.

(18) A package may contain multiple labels if the information required by this subsection is not obstructed.

(e) Manufacturer License Specific Requirements. In addition to the General Requirements applicable to all Licensees as stated in section 34-9(p), a Manufacturer Licensee shall:

(1) not intentionally or knowingly manufacture or design a Cannabis Product that has an appearance, label, or package that would cause a reasonable consumer confusion as to whether the Cannabis Product is a trademarked food product;

(2) shall produce edible Cannabis Products that comply with all applicable requirements for food establishments set forth in the Virgin Islands Code and any rules and regulations;

(3) not manufacture, prepare, package or label any products other than Cannabis products;

(4) Ensure that Edible Cannabis Products do not contain no more than one hundred (100) milligrams of THC per unit of sale;

(5) Ensure that Edible Cannabis Products are separated or easily separable into single servings with no more than ten (10) milligrams of THC in a single serving;

(6) take all reasonable measures and precautions to ensure that an agent, whether an employee or otherwise, who has an infectious illness; open lesions, boils, sores or wounds; or any other abnormal source of microbial contamination does not come in contact with any Cannabis or Cannabis Items;

(7) ensure that handwashing facilities are convenient and furnished with running water at a suitable temperature, located in all production areas, and equipped with effective hand-cleaning and sanitizing preparations and sanitary towel service or electronic drying devices;

(8) ensure that all agents working in direct contact with plant material and medicinal Cannabis use hygienic practices while working to include:

(i) maintaining personal cleanliness;

(ii) washing hands thoroughly in a hand-washing area before starting work, after each absence from their work station, and at any other time when the hands may have become dirty or contaminated;

(iii) remove all unsecured jewelry and other objects that might fall into Cannabis Items, equipment, or containers and that may come into contact with any Cannabis Item;

(iv) wear hair nets, headbands, caps, bear covers, or other hair restraints in a manner that effectively covers all hair; and

(v) wear appropriate outer garments to protect against allergen cross-contact and contamination of Cannabis Items, contact surfaces, and packaging material;

(9) ensure that all toxic cleaning compounds, sanitizing agents, and other potentially harmful chemicals are identified and stored in a separate location away from plant material and medicinal Cannabis and in accordance with any applicable territorial or federal requirements;

(10) ensure that all contact surfaces, utensils, and equipment used in the production of plant material and medicinal Cannabis are maintained in a clean and sanitary condition and are cleaned and sanitized as frequently as necessary to protect against contamination;

(11) ensure that all Cannabis manufacturing equipment and utensils used in manufacturing Cannabis Items shall be so designed and of such material and workmanship as to be adequately cleanable, and shall be adequately maintained to protect against cross-contact of allergens and contamination;

(12) use equipment and utensils that are designed, constructed, and used appropriately to avoid the adulteration of Cannabis Items with lubricants, fuel, metal fragments, and any other potential contaminants;
(13) ensure that all plant material and medicinal Cannabis that could support the rapid growth of undesirable microorganisms are isolated to prevent the growth of those microorganisms;
(14) ensure that the licensed premises provide adequate space for the placement of equipment and storage of materials necessary for maintenance, sanitary operations, and safe production of Cannabis Items;
(15) ensure that the licensed premises are maintained in a manner that prevents the contamination of Cannabis and Cannabis Items and cross-contact of allergens, to include, but not be limited to:
(i) the proper storage of equipment; and
(ii) adequate drainage areas to prevent contamination by seepage, filth, and the breeding of pests;
(16) not sublet any portion of the licensed premises.

(f) Quality Control Program. A Manufacturer Licensee must develop and implement a written quality assurance program that assesses the chemical and microbiological composition of medicinal Cannabis. The assessment must include a profile of the active ingredients, including shelf life, and the presence of inactive ingredients and contaminants. A medicinal Cannabis must use these testing results to determine appropriate storage conditions and expiration dates.

**§ 34-13 Research and Development**

(a) A Research and Development Licensee shall be authorized by the OCR to produce, process, purchase, and possess Cannabis for the following limited research purposes:
(1) To test chemical potency and composition levels;
(2) To conduct clinical investigations of Cannabis Products, including Edible Cannabis Products, topicals, and oils;
(3) To conduct research on the efficacy and safety of administering Cannabis as part of medical treatment;
(4) To conduct genomic or agricultural research; and
(5) To develop new strains of Cannabis and new Cannabis product to facilitate the medicinal use of Cannabis.

(b) To obtain a Research and Development License, an applicant must complete and submit an application provided by the OCR, submit such signed application, submit the requisite application fee, provide the information listed in section 34-9(e)(Specific Application Requirements) and provide the following additional information:
(1) A description of the research that is intended to be conducted as well as the amount of Cannabis to be grown or purchased, which shall be reviewed based on the following criteria:
(i) project quality, study design, value, and impact;
(ii) whether the applicant has the appropriate personnel, expertise, facilities and infrastructure, funding, and other approvals in place to successfully conduct the project; and
(iii) whether the amount of Cannabis to be grown or purchased by the applicant is consistent with the project's scope and goals.
(2) A description of the intended use of the Cannabis Research.

(c) A Research and Development Licensee may only sell Cannabis grown or within its operation to other Research and Development Licensees.

(d) A Research and Development Licensee may contract with an institution of higher education, a medical facility, or other research institute to perform research in conjunction with such institution.

(e) Research and Development Licensee Specific Requirements. In addition to the General Requirements applicable to all Licensees as stated in section 34-9(p), the following requirements shall apply to Research and Development Licensees:

(1) A Research and Development Licensee may conduct research and development testing on the licensed premises or through an independent Cannabis Testing Facility;

(2) Any edible cannabis product transferred from the licensed premises for research and development testing shall be labeled "Not for Human or Animal Consumption" and "This product has not been approved by the OCR and is intended for research and development purposes only", contain the name and contact information for the Research and Development Licensee, and contain a unique identifying number.

(3) A batch of Cannabis grown, cultivated, or produced for research and development purposes may not be used in the production of Cannabis or Cannabis Products sold to a Dispensary Licensee and shall be destroyed and disposed of pursuant to these rules and regulations.

(4) A Research and Development Licensee shall maintain a record of all research and development tests for at least two (2) years and provide test results to the OCR upon request;

(5) A Research and Development Licensee shall process Cannabis for research and development during a time that does not overlap with the processing of any Cannabis intended for retail.

**§ 34-14 Certification of Medicinal Cannabis Vendors**

(a) A Third-Party Vendor who provides goods, services, or intellectual property to a Licensee and who, as a result of the goods, services, or intellectual property provided must possess, for any time, medicinal Cannabis, or enter Limited Access and Restricted Access Areas of a Medicinal Cannabis Establishment for purposes of providing the goods, services, or intellectual property must be certified by the OCR to provide those goods, services, or intellectual property and obtain the requisite agent identification cards for their agents.

(b) In addition to the General and Specific Application Requirements applicable to Medicinal Cannabis Establishment Licensee Applicants as set forth in section 34-9 (d) and (e) and on forms provided by the OCR, the Third-Party Applicant shall apply for certification by submitting a complete and signed application and submitting the requisite application fee.

(c) Denial of Applications. The OCR may deny any application if it contains falsified information and the OCR has twice rejected the application for failure to comply with the Act and these Rules and Regulations.

(1) If the OCR denies an application, then the applicant may not submit a new application until it has corrected all deficiencies identified in the denial(s) of prior applications.

(2) If the OCR denies an application, the OCR shall provide the applicant with notice of the grounds for the denial and shall inform the applicant of the right to appeal.

(3) The denial of an application shall be considered a final agency action subject to administrative appeal as set forth in section 34-25.

(d) Renewals. Every certification shall expire annually on the date it was issued. The OCR shall send written or electronic notification of the expiration of each license at least ninety (90) days prior to the expiration. However, failure to receive a renewal

notification from the OCR shall not excuse an untimely application for a certification renewal. The denial of a renewal application shall be considered a final agency action subject to administrative appeal as set forth in section 34-25.

(e) Specific Requirements. Each certified Third-Party Vendor shall:
(1) Maintain a complete set of all records containing all Cannabis business related transactions for the current tax year and immediate five (5) tax years, all of which shall be available for inspection and examination by the OCR or its duly authorized representatives.
(2) Maintain documentation evidencing that all agents who possess medicinal Cannabis or Cannabis Products or access Limited Access or Restricted Access areas as part of their employment or association with the Third-Party Vendor is over the age of twenty-one (21) at the time of hire or association, have had an annual criminal background check every year since the date of hire, and possess an agent identification card.
(3) Maintain documentation of all training regarding the handling of Cannabis and Cannabis Products, the requirements of the Act and these Rules and Regulations, and any participation in any special training regarding the medicinal cannabis program and the Cannabis industry.

**§ 34-15 Cannabis Testing Facilities**

(a) A Cannabis Testing Facility shall be authorized by the OCR to acquire, possess, analyze, test, and transport Cannabis, Cannabis Items, and Cannabis Products obtained from Medicinal Cannabis Business Establishments, the OCR, Qualifying Patients, Designated Caregivers, and any person authorized to possess medicinal Cannabis. A Cannabis Testing Facility may offer licensees testing for quality improvement, research and development, or labeling purposes and may perform any testing on behalf of the OCR and other governmental agencies. Testing shall address the following:
(1) Visual inspection;
(2) Residual solvents;
(3) Poisons or toxins;
(4) Harmful chemicals;
(5) Dangerous molds, mildew, or filth;
(6) Harmful microbials, such as E. coli or Salmonella;
(7) Pesticides; and
(8) Cannabidiol and tetrahydrocannabinol potency.

(b) The OCR shall authorize and license two (2) independent testing facilities: one (1) in the district of St. Thomas/St. John; and one (1) on the island of St. Croix pursuant to a competitive bid process in accordance with section 777(f)(2) of the Act and the Government of the Virgin Islands' procurement process. No owner, officer, board member, employee, Manager, volunteer, consultant, any other agent, or contractor of a Medicinal Cannabis Business Establishment Licensee shall have any ownership interest of any form in a Testing Facility Licensee. The bid package shall include the following in addition to any general application requirements set forth in section 34-9(d):
(1) Standard operating procedures to be followed by the testing facility, including but not limited to policies and procedures to be used in performing analysis of samples;
(2) A description of the type of tests to be conducted by the applicant, which may include, but are not limited to, testing for microbiological contaminants, mycotoxins, solvent residue, THC content, CBD content, identity, purity, strength, composition, or nutritional content, and other quality factors;
(3) Quality control criteria for the tests that the applicant intends to conduct;
(4) Evidence that validates the accuracy of the test(s) to be conducted by the applicant;

(5) A description of the facilities and equipment to be used in the operation of the testing facility;
(6) A description of how the applicant will ensure and document chain of custody of any samples held or tested by the testing facility;
(7) A general written security policy that addresses safety and security procedures;
(8) Training documentation prepared for each employee and other agent of the testing facility; and
(9) Any other information required by the OCR.

(c) Testing Facility Specific Requirements. In addition to the General Requirements applicable to all Licensees as stated in section 34-9(p), Testing Facility Licensees shall:
(1) Utilize analytical methods that are appropriate for the purpose of testing Cannabis and Cannabis Items;
(2) Ensure that all data generated during the testing of a sample is recorded directly, immediately, and legibly in ink or in an automated data collection system and be annotated with the date of entry and signed, initialed, or logged by the person recording the data.
(3) Ensure weighting and measuring devices and other equipment used in testing are appropriately documented as having undergone routine maintenance, registration, and calibration.
(4) Establish a protocol for recording the chain of custody of all Cannabis samples;
(5) Establish, monitor, and document the ongoing review of a quality assurance program that is sufficient to identify any problems in the laboratory system when they occur;
(6) Issue certificates of analysis (testing reports) containing the following information:
(i) the date of receipt of the test sample;
(ii) the description of the type or form of the test sample;
(iii) the batch number associated with the product batch as maintained in the OCR's Inventory Tracking System;
(iv) date on which the analysis occurred;
(v) the analytical method or methods used, to include identification of the analytical equipment used;
(vi) the analytical results, including units of measure where applicable;
(vii) the identity of the supervisory or management personnel who reviewed and verified the data and results and ensured that data quality, calibration, and other applicable requirements were met; and
(viii) the name, address, and contact information of the testing facility that conducted the test;
(7) Each certificate of analysis, shall contain the following verifications:
(i) all calculations or other data processing steps were performed correctly;
(ii) the data meets any data quality requirements;
(iii) any reference standards used were of the appropriate purity and within their expiration or requalification dates;
(iv) any volumetric solutions were properly standardized before use; and
(v) any test or measuring equipment used has been properly tested, verified, and calibrated, and is within its verification or calibration period.
(8) Retain all test results conducted for a period of at least five (5) years and shall make such results available to the OCR upon request;
(9) Retain all raw data, documentation, protocols, and final reports associated with the analysis of a test sample for a period of at least five (5) years;
(10) Shall designate an agent or agents responsible for records maintenance and who shall serve as the custodian of records;
(11) Segregate and store Cannabis and Cannabis Product samples in a manner that prevents contamination and protects against diversion.

(12) Maintain the following records and material on its premises:
(i) personnel documentation, including, but not limited to employment records and training requirements;
(ii) standards for receipt, handling, and disposition of samples of usable Cannabis;
(iii) equipment information detailing the type of equipment used, inspection standards and practices, testing and calibration schedules and records, and standards for cleaning and maintenance of equipment;
(iv) Reagents, solutions, and reference standards including but not limited standards for labeling, storage, expiration, and re-qualification dates and records;
(v) reference standards, including the certificate of analysis;
(vi) sample analysis procedures including, but not limited to procedures for the use of only primary and secondary standards for quantitative analyses;
(vii) Standards for data recording, review, storage, and reporting;
(viii) material safety data sheets for all chemicals used; and
(ix) such other material as the OCR may require.

(13) Establish and maintain a training program, subject to approval by the OCR, to ensure that all agents at the testing facility are provided information and training that, at minimum, covers the following topics within thirty (30) days of the start of employment:
(i) health and safety;
(ii) hazard communication;
(iii) security procedures; and
(iv) record keeping/track and trace.

(14) Provide training and document such training on the following subjects before permitting any agent to independently collect samples of or perform testing on Cannabis, Cannabis Items or Cannabis Products:
(i) an overview of the process and standard operating procedures of the testing facility;
(ii) quality control procedures, including sterile collection of samples and storage;
(iii) chain of custody, recordkeeping, and tracking requirements;
(iv) calibration, use, and maintenance of measuring devices;
(v) proper and safe usage of equipment and machinery;
(vi) safe work practices applicable to an employee's job tasks, including appropriate use of any necessary safety or sanitary equipment;
(vii) cleaning and maintenance requirements;
(viii) emergency operations, including shutdown;
(ix) transportation procedures; and
(x) any additional information reasonably related to sample collection and testing.

(g) Sampling Protocols. For all required testing, an authorized agent of a Medicinal Cannabis Establishment, including a Cannabis Testing Facility, shall perform sample collections and sample disposal pursuant to the following protocols:
(1) Collections of the quantity of Cannabis or Cannabis Product specified in the testing facility's operating procedures as approved by the OCR and as necessary for all tests to be performed;
(2) Samples shall be taken randomly throughout the length, width, and depth of the batch or product;
(3) Samples taken from the same batch shall be secured in a single use, tamper-evident container that meets the specifications of the testing facility's policies and procedures;
(4) Samples shall be labeled with the following information:
(i) the licensee registration number as issued by the OCR;
(ii) the batch number assigned by the licensee;
(iii) the date the sample was taken;

(iv) the name of the person collecting the sample; and
(v) the tests to be performed.

(5) Disposal of any sample that is not destroyed during the testing process by:
(i) returning the unused sample to the licensee who provided the sample;
(ii) store and use the unused portion of the sample for internal quality control purposes; or
(iii) destruction of the sample in accordance with these Rules and Regulations.

(h) Research and Development Testing for Cannabis Establishments. A Testing Facility may perform testing for a Research and Development Licensee for the purpose of research and development or for quality-control measures under the following circumstances:
(1) An agent of the Research and Development Licensee or the Testing Facility shall collect the sample;
(2) If the Research and Development Licensee requests testing for research and development purposes, the results may not be used to satisfy any required testing requirement, even if the sample passes all tests;
(3) The certificate of analysis shall be marked for "R&D Testing Only";
(4) The failure of a test for research and development purposes shall not constitute a failed test; and
(5) The results of a test conducted for research and development purposes shall not be included on a product label or advertisement.

(i) Licensed Premises. A Cannabis Testing Facility shall:
(1) Not share its premises with any other Medicinal Cannabis Business Establishment Licensee;
(2) Maintain the premises in a clean and orderly condition;
(3) Shall equip the premises with such utensils and equipment as necessary to conduct the operations of the testing facility; and
(4) Shall ensure adequate space for testing operations, recordkeeping, and storage.

**§ 34-16 Fee Schedule**

(a) The following fee schedule shall apply to all applications, petitions, registrations, licenses, and certifications applicable to the Act and these Rules and Regulations:

| APPLICATIONS AND PETITIONS | FEES |
|---|---|
| Registry Identification Card Application | $50 |
| Renewal of Registry Identification Card Application | TBD |
| Non-Resident Registry Identification Card<br>• Five-Day Card<br>• Ten-Day Card<br>• Thirty-Day Card | <br>$50<br>$75<br>$100 |
| Replacement of Registry Identification Card | TBD |
| Petition to Add Debilitating Medical Condition | TBD |
| Cultivation License Application<br>• Level 1-Not to exceed 100 plants<br>• Level 2-Not to exceed 500 plants<br>• Level 3-Not to exceed 1000 plants | <br>$1,000/$500 for existing farmers<br>$2,500/$2,000 for existing farmers<br>$5,000/$4,500 for existing farmers |
| Renewal of Cultivation License Application | TBD |
| Dispensary License Application | $5,000 |
| Renewal of Dispensary License Application | TBD |
| Manufacturer License Application | $5,000 |
| Renewal of Manufacturer License Application | TBD |

| | |
|---|---|
| Research and Development License Application | $1,000 |
| Renewal of Research and Development License Application | TBD |
| Agent Identification Card Application | $250 |
| Renewal of Agent Identification Card Application | $100 |
| Replacement of Agent Identification Card | $50 |
| Change of Business Location Application | TBD |
| Modification of Licensed Premises Application | TBD |
| Application to Increase Cultivation | TBD |
| Third-Party Vendor Certification Application | $1,000 |
| Renewal of Third-Party Vendor Certification | TBD |
| Physician Certification | TBD |
| | |
| **CERTIFICATES TO OPERATE** | |
| Cultivation Licensee<br>• Level 1<br>• Level 2<br>• Level 3 | TBD |
| Dispensary Licensee | TBD |
| Manufacturer Licensee | TBD |
| Research and Development Licensee | TBD |

(b) Unsuccessful applicants for licenses and Third-Party Certifications shall receive a reimbursement equal to fifty percent (50%) within thirty (30) days of the denial of an application.

(c) The fees collected by the OCR shall be used for the administration and enforcement of the medicinal Cannabis program and included in the annual report required by section 777(i) of the Act.

**§ 34-17 Inventory Tracking System**

The OCR shall establish an Inventory Tracking System to remotely monitor and track all Cannabis from the acquisition of seeds or clones through the sale and delivery of a Cannabis product to a Qualifying Patient.

(1) The system must provide for real-time access by the OCR, Licensees, and law enforcement personnel, to the extent that they are authorized to receive or submit the information to comply with, enforce, or administer the Act and these Rules and Regulations.

(2) The Inventory Tracking System utilized by the OCR shall support interoperability with the software of Medicinal Cannabis Business Establishments, including seed-to-sale tracking systems, and allow all Licensee-facing system activities to be performed through a secure application programming interface or comparable technology which is well-documented, bi-directional, and accessible to any third-party application that has been validated and has appropriate credentials. The API or comparable technology shall have version control and provide adequate notice of updates to third-party applications. The system should provide a test environment for third-party applications to access that mirrors the production environment.

**34-18 Advertising**

(a) A Medicinal Cannabis Business Establishment Licensee may:

(1) Display its name and logo on Cannabis product labels, signs, websites, and informational material provided to other Licensee, patients, and vendors. The name and logo must not include:

(i) the image of Cannabis or Cannabis paraphernalia;
(ii) colloquial references to Cannabis;
(iii) names of Cannabis plant strains; or
(iv) symbols that bear a reasonable semblance to the OCR's standard symbol, symbols of any territorial government departments or agencies, or symbols of any established medical associations.

(2) Display signs at its Licensed Premises;
(3) Maintain a business website that contains, but is not limited to the following information:
(i) the name of the Licensee;
(ii) the location of the Licensed Premises;
(iii) contact information for the Licensee's business operations;
(iv) hours of operation;
(v) identification of the Cannabis products produced with pricing; and
(vi) any other information approved by the OCR in advance of advertising and marketing.

(b) A Licensee during the application process or during a later time on a form to be provided by the OCR must request and receive the OCR's approval to for marketing and advertising activities not specified in subsection (a) of this section. The OCR must deny or approve the marketing and advertising activity within thirty (30) days of submission of the request if submitted after the license application process.

(c) A Licensee may not display Cannabis Products in a way that is viewable by the public from outside the Licensed Premises.

**34-19 Security**

(a) Video Surveillance. Medicinal Cannabis Establishments shall be required to operate and maintain in good working order a 24 hour, 7 days per week closed circuit surveillance system at the Licensed Premises that meets the following minimum standards:
(1) Visually records and monitors all building entrances and exits, all parking lot areas, and other areas immediately adjacent to the Licensed Premises, and the interior of the premises, including all areas where Cannabis or Cannabis items are produced, stored, shipped, sold, or destroyed, including any points of sale, but not including restrooms or offices.
(2) Fixed cameras shall be installed to provide a consistent recorded image of these areas and the technology used shall maximize the quality of facial and body images with sufficient clarity to determine identity. Cameras shall be maintained and routinely calibrated to maximize the quality of recorded images.
(3) Outdoor cameras shall have day/night capabilities to increase picture clarity and brightness.
(4) The recording device shall be digital and meet the following minimum standards:
(i) display a date and time stamp on all recorded video;
(ii) contain a media recording device that allows for the electronic and manual download of surveillance footage for viewing on any standard device;
(iii) remain operational during a power outage for an unlimited amount of time;
(iv) allows for the exporting of still images in an industry standard format, such as .jpg or gif. and viewing through a standard computer operating system;
(v) exported video or still images shall be able to be archived in a proprietary format that ensures authentication of the video and still images and guarantees that no alteration of the recorded image occurred;
(vi) and located in a locked, tamper proof compartment.

(5) a display monitor with a minimum screen size of 12 inches shall be connected to the surveillance system at all times;

(6) the surveillance system and electronic recording system shall be maintained in good working condition and operational at all times;

(7) a surveillance equipment maintenance activity log shall be maintained at the Licensed Premises to record all service activity, including the identity of the person performing the service, the service date and time and the reason for the service;

(8) security recordings shall be retained for a minimum of thirty (30) days after which time the video recording must be erased or destroyed, unless the Licensee knows or should have known of a pending criminal, civil, or administrative investigation, or any other proceeding for which the recording may contain relevant information;

(9) each Licensee located in a shared Licensed Premises must have a separate surveillance room/area dedication to the business operations of the Licensee;

(10) access to surveillance areas shall be limited to persons who are essential to surveillance operations, the OCR or any department or agency acting on behalf of the OCR, and law enforcement agencies. A list of agents with access to the surveillance equipment and facilitates shall be maintained at the Licensed Premises and made available to the OCR upon request;

(11) the surveillance system and electronic recording system shall be available to the OCR 24 hours per day, 7 days per week through a secure web-based portal designated by the OCR.

(b) Security Alarm Systems. The following Security Alarm Systems and lock standards apply to all Medicinal Cannabis Establishment Licensees:
   (1) Each Licensee shall have a security alarm system, installed by an alarm installation company, on all perimeter entry points and perimeter windows.
   (2) Each Licensee must ensure that all of its Licensed Premises are continuously monitored and may engage the services of a monitoring company to fulfill this requirement;
   (3) Each Licensee shall maintain up-to-date and current records of existing contracts at the Licensed Premises that describe the location and operation of each security alarm system, a schematic of security zones, the name of the alarm installation company and the name of any monitoring company, which records shall be made available to the OCR and law enforcement agencies.

(c) Lock Standards. At all points of ingress and egress to any Licensed Premises and Limited Access Areas, the Licensee shall ensure the use of commercial grade, non-residential door locks.

**§ 34-20 Transport and Delivery**

(a) The OCR may certify third-party vendors to transport and deliver medicinal Cannabis and authorize Licensees to transport medicinal Cannabis Items cultivated, produced, processed, stored, and packaged in association with its business operations and at its Licensed Premises pursuant to the requirements of this section.

(b) Cannabis may only be transported by Licensees and certified third-party vendors between Licensed Premises, between Licensed Premises and a testing facility, and between Licensed Premises and a Qualify Patient or a Qualifying Patient's designated caregiver.

(c) Authorized licensees and vendors transporting Cannabis must ensure that all Cannabis is secured during transport.

(d) Before transporting Cannabis an authorized Licensee and vendor must:
   (1) Complete a transport manifest on a form provided by the OCR;

(2) Transmit a copy of the transport manifest to the Licensee; and
(3) Maintain all transport manifests for at least five (5) years and make them available to the OCR upon request.

(e) The transport manifest must be signed by an authorized Medicinal Cannabis Establishment agent upon departure from the Licensed Premises and by an authorized Medicinal Cannabis Establishment agent upon receipt at the receiving facility or by the Qualifying Patient or the Qualifying Patient's designated caregiver. The receiving Medicinal Cannabis Establishment agent must verify and document the type and quantity of the transported product against the transport manifest, return a copy of the signed transport manifest to the issuing Licensee, and receive the medicinal Cannabis as inventory to be documented or a sample to be tested.

(f) Vehicular Requirements. An authorized Licensee or vendor must ensure that all medicinal Cannabis transported on public roadways is:
(1) Packaged in tamper-evident containers;
(2) Transported so it is not visible or recognizable from outside the vehicle; and
(3) Transported in a vehicle that does not bear any markings to indicate that the vehicle contains Cannabis or bears the name or logo of the Licensee or vendor.

(g) The agent of an authorized Licensee or vendor transporting Cannabis on the public roadway must:
(1) Travel directly to the recipient of the Cannabis;
(2) Document refueling and all stops in transit, including:
(i) the reason for the stop;
(ii) the duration of the stop;
(iii) the location of the stop; and
(iv) all activities of the agent exiting the vehicle.

(h) In the event of an emergency requiring the vehicle to stop, the agent must notify 911 and submit an incident report to the OCR at the first available opportunity after the emergency.

(i) Under no circumstance should any person other than an authorized agent or certified third-party vendor have actual physical control of the vehicle that is being used to transport the Cannabis. All vehicles must be staffed with a minimum of two agents with at least one agent remaining with the vehicle at all times the vehicle contains Cannabis.

(j) Each agent of a Licensee or certified third-party vendor in the vehicle transporting Cannabis must have communication access with the issuing facility and the ability to contact law enforcement through the 911 emergency system at all times while transporting Cannabis.

(k) Each agent of an authorized Licensee or certified third-party vendor must carry his or her identification card at all times when transporting or delivering Cannabis and, upon request, shall produce the identification card to the OCR or law enforcement upon request.

**§ 34-21 Notifications to the OCR**

In addition to the list of notifications required by section 787(a) of the Act, the following additional notifications must be provided to the OCR:

(a) When there has been a change in the name, address, practitioner or designated caregiver of a patient who has been issued a registry identification card, that patient must notify the OCR within ten (10) days by submitting the necessary information in the manner prescribed by the OCR. A patient who has not designated a caregiver at the time of application to the OCR may do so in writing at any time during the effective period of the registry identification card, and the designated caregiver may act in this capacity after such designation. The OCR shall not issue a new registry identification card to the patient on the sole basis of a new or change of designated caregiver.

(b) A Licensee must notify the OCR of any change in management personnel within seven (7) days of the change.

(c) A Licensee, including any agent of a Licensee, shall report to the OCR any criminal activity, attempted criminal activity, or plan to commit criminal activity, including criminal activity involving the theft, burglary, underage sale, diversion, or other crime involving Cannabis and Cannabis Items or Products or that comprises the integrity of the Inventory Tracking System. Such report must be made as soon as possible after discovery of the criminal activity, attempted criminal activity or plan to commit criminal activity, but not later than fourteen (14) days.

(d) Any Adverse Health Event associated with the use of Cannabis regulated by the Act or these Rules and Regulations must be reported to the OCR within 48 hours.

**§ 34-22 Violations and Penalties**

In addition to the violations identified in the Act, the following activities constitute violations of the Act and these Rules and Regulations:

(a) It is unlawful for any Person to engage in any form of business or commerce involving the cultivation, processing, manufacturing, storage, sale, distribution, or consumption of Cannabis other than the types of businesses and commercial activity that are expressly identified in the Act and these Rules and Regulations.

(b) It is unlawful for a Licensee to buy, sell, transfer, give away, or acquire Cannabis, except as allowed by the Act and these Rules and Regulations.

(c) A cardholder or Medicinal Cannabis Business Establishment that willfully fails to provide a notice required by section 777 of the Act or section 34-21 of these Rules and Regulations is civilly liable for the infraction, subject to a fine of not more than $150.00.

(d) It is unlawful for a practitioner who recommends the use of Medicinal Cannabis, provides Qualifying Patients with Medicinal Cannabis Certification Forms, or refers patients to Cannabis Dispensaries to receive anything of value from a Licensee or its owners, employees, agents, officers, directors, or Financial Interest Holder and it is unlawful for a Licensee licensed pursuant to the Act and these Rules and Regulation to offer anything of value to a Practitioner who recommends the use of Medicinal Cannabis, provides Qualifying Patients with Medicinal Cannabis Certification Forms, or refers patients to Cannabis Dispensaries.

(e) It is a violation of the Act and these Rules and Regulations for any Person to attempt to violate, avoid, or circumvent any of the requirements and limitations of the Act and these Rules and Regulations. Such attempt shall be grounds for an enforcement action by the OCR and its duly authorized representative.

(f) The OCR is authorized to require a Person convicted for unlawful acts identified in the Act or these Rules and Regulations to become unaffiliated with the subject Medicinal Cannabis Business Establishment and to disqualify such Person from further participation in any Medicinal Cannabis Establishment.

**§ 34-23 Disaster Relief**

(a) If a licensee is unable to comply with any licensing requirement due to a disaster, the licensee may notify the OCR of this inability to comply and request relief from the specific licensing requirement. For purposes of this section, "disaster" means fire, flood, hurricane, storm, earthquake or other similar Act of God, act of terrorism, or other public calamity, whether or not resulting from natural causes.

(b) The OCR, in its sole discretion, may provide temporary relief from general and specific licensing requirements for licensees whose operations have been impacted by a disaster.

(c) Temporary relief from specific licensing requirements shall be issued for a reasonable amount of time in order to allow the licensee to recover from the disaster;

(d) The OCR may require that certain conditions be allowed in order for a licensee to receive temporary relief from specific licensing requirements.

(e) A licensee shall not be subject to an enforcement action for a violation of a licensing requirement in which the licensee has received temporary relief.

(f) If a licensee needs to move Cannabis or Cannabis Items stored on the premises to another location immediately to prevent loss, theft, or degradation of the Cannabis or Cannabis Items from the disaster, the licensee may move the Cannabis or Cannabis product without obtaining prior approval from the OCR under the following conditions:

(1) The Cannabis or Cannabis Items are moved to a secure location where access to the Cannabis or Cannabis Items can be restricted to licensees and authorized agents;

(2) The licensee notifies the OCR in writing that the Cannabis or Cannabis Items have been moved and that the Licensee is requesting relief from complying with the specific licensing requirement pursuant to subsection (a) of this section within 24 hours of relocation of the Cannabis or Cannabis Items;

(3) The licensee agrees to grant the OCR access to the location where the Cannabis or Cannabis Items have been moved; and

(4) The Licensee submits a request for temporary relief to the OCR within ten (10) business days of relocating the Cannabis or Cannabis Items clearly identifying which general and specific requirements for which it seeks relief, the estimated time period for which the relief is required, and the reasons relief is needed for the specified amount of time.

**§ 34-24 Enforcement, Suspension and Revocation of Registrations, Licenses and Certificates**

(a) Enforcement. The OCR may utilize the enforcement division of the Department of Licensing and Consumer affairs to enforce the Act and these Rules and Regulations.

(b) Suspension and Revocation. In addition to the grounds for suspension and revocation provided in section 792 of the Act, violations of these rules and regulations serve as additional grounds for suspension and revocation of a registry identification card, agent identification card, license, and third-party vendor certification.

(c) Summary Suspension. In addition to the requirements and procedures set forth in section 792 of the Act, the OCR may order the summary suspension of a registration identification card, agent identification card, license or certification for cause upon a

finding that one or more violations pose an immediate threat to Qualifying Patients or to the health, safety, or welfare of the public, including, but not limited to:
(1) Failure to comply with or satisfy any provision of this chapter;
(2) Failure to allow a monitoring visit or inspection by the OCR;
(3) Falsification of any material or information submitted to the OCR;
(4) Diversion of Cannabis, as determined by the OCR; or
(5) Threatening a Qualifying Patient, Designated Caregiver, or employee of the OCR.

Upon a finding described in subsections (1) through (5) above, the OCR shall serve written notice to the Licensee or Third-Party Vendor by hand-delivery and certified mail notifying the cardholder, Licensee, or Third-Party Vendor of the nature of the findings and violations, the order of suspension containing the effective date of suspension, and the right to request a hearing. In the case of a life-threatening emergency, the suspension shall be immediate. In all other circumstances, the notice shall provide the cardholder, Licensee, or Third-Party Vendor 72 hours from receipt of the notice to correct the violations and provide proof of correction to the OCR. If the cardholder, Licensee, or Third-Party Vendor requests a hearing, the OCR shall conduct a hearing within 72 hours of the request for a hearing.

**§ 34-25 Administrative Appeal**

(a) Any Person aggrieved by a decision of the OCR may request a hearing by submitting a written request for a hearing on a form provided by the OCR within thirty (30) days of notice of the OCR's decision. The request for hearing must contain a detailed explanation of the grounds for the appeal. Once a request for hearing is submitted, the OCR shall:
(1) Appoint a Hearing Examiner, who shall be competent in the laws of the Virgin Islands, to hear the appeal and conduct the hearing; and
(2) Schedule the appeal for a hearing within thirty (30) days of the request for hearing.

(b) The OCR, Applicant, cardholder, Practitioner, Licensee, or certified third-part vendor may be represented by counsel, produce witnesses and evidence, cross-examine witnesses and examine such evidence as may be produced against him. The Applicant, cardholder, Practitioner, Licensee, or certified third-party vendor shall be entitled to, on application to the Hearing Examiner, to the issuance of subpoenas to compel the attendance of witnesses.

(c) The Hearing Examiner may issue subpoenas to compel the attendance of witnesses and the production of documents and may administer oaths, take testimony, hear proofs and receive exhibits in evidence. In case of disobedience to a subpoena, the Hearing Examiner may invoke the aid of any court of the Virgin Islands in requiring the attendance and testimony of witnesses and the production of documentary evidence.

(d) The burden of proof remains with the applicant, cardholder, licensee, or any other person who is denied participation in the medicinal Cannabis program.

(e) The hearing shall be transcribed and a copy of the transcript maintained as a record of the OCR.

(f) The Hearing Examiner shall issue a decision within thirty (30) days of the hearing, which may be extended for good cause as determined by the Hearing Examiner.

(g) Any Person aggrieved by a decision of the Hearing Examiner may obtain judicial review by filing a petition for writ of review in the Superior Court of the Virgin Islands pursuant

to Title 5, Section 1422, *et. seq*. and Superior Court Rule 15. The standard of proof for judicial review is whether the OCR's decision was arbitrary and capricious.

**§ 34-27 Medicinal Cannabis Tourism Program**

The Director shall collaborate with the Virgin Islands Department of Tourism to establish and develop a Medicinal Cannabis Tourism Program and submit such proposed program to the Board for approval prior to implementation.

**§ 34-28 Forms**

(index of forms to be inserted)