TABLE OF CONTENTS

PROPOSED

PROPOSED

Statement of Statutory Authority

Pursuant to 19 V.I.C. § 777 and 778, the Virgin Islands OCR shall adopt rules consistent with Title 19, Chapter 34.

778-1 Purpose

These Rules are adopted for the purpose of issuing regulations for the OCR. The enumeration of specific matters that shall properly be made the subject of rules shall not be construed to limit the Board's broad general power to make all rules necessary to fully effectuate the purpose of this chapter.

778-2 Definitions

(a) Unless otherwise noted herein or if the context requires otherwise, these Rules incorporate the definitions provided in Title 19, Chapter 34, Section 776 of the Virgin Islands Code.

(b) Words used in the singular form in this subchapter shall include the plural, and vice versa, as the case may require. Words defined in the Act but not defined below shall have the meaning given them in the Act.

(c) In the context of these Rules, the following words and phrases shall be construed as having the following meanings, except as the context clearly requires otherwise:

(1) "Act" means V.I. Act 8167, the Virgin Islands Medicinal Cannabis Patient Care Act as codified in Title 19, Chapter 34 of the Virgin Islands Code, governing Medicinal Cannabis in the Virgin Islands;

(2) "Adverse Health Event" means any health condition associated with the Medicinal 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 associated with the use of Cannabis regulated by the Act or these Rules and which also includes the concerns or reports regarding the quality, labeling, or possible adverse reactions to a specific Cannabis Item;

PROPOSED

(3) "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 Medicinal 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;

(4) "Agent Identification Card" means an identification card issued by the OCR that identifies an individual as an authorized Medicinal Cannabis Establishment Agent or certified Third-Party vendor that regularly access a Medicinal Cannabis Establishment or regularly possesses Cannabis as a result of the services provided pursuant to the certification, or both.

(5) "Applicant" means a Person or Business Entity that has submitted an application for a Registry Identification Card, Agent Identification Card, or Third-Party Vendor Certification, an application to operate a Medicinal Cannabis Establishment, or a renewal, change of ownership, change of location pursuant to the Act, or any other form listed in these Rules, which application has been accepted for review but has not yet been approved or denied by the OCR;

(6) "Batch" means an established group of plants segregated from the time of planting through harvest and final packaging. Batch numbers are included on the label of the Container distributed to the Qualifying Patient for the control of quantity, traceability, and/or strain;

(7) "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;

(8) "Board" means the Virgin Islands Cannabis Advisory Board as established by the Act;

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

(10) "Business Entity" means a legal entity incorporated pursuant to

PROPOSED

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;

(11) "Cannabis Concentrate" means a specific subset of Cannabis Item that is produced by extracting cannabinoids, through a solvent or non-solvent manufacturing process from Cannabis, that contains only the resin, cannabinoids, terpenes, and other substances extracted from any part of the Cannabis Plant, and intended for use by inhalation

(12) "Cannabis Item" means usable Cannabis, Cannabis Concentrate, and Cannabis Products;

(13) "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;

(14) "Cannabis Product Manufacturer Licensee" means the holder of a license issued by the OCR pursuant to these Rules to Manufacture Cannabis Products;

(15) "CBD" means the chemical compound cannabidiol;

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

(A) designed or constructed to be difficult for children under five (5) years of age to open but not difficult for normal adults to use properly as defined by 16 C.F.R. § 1700.20 (1995);

(B) Opaque so that the packaging does not allow the Cannabis Item to be seen without opening the packaging material; and

(C) Resealable for any Cannabis Item intended for more than a single use or containing multiple servings;

(17) "Consultant" means a Person who visits the Licensed Premises of a Medicinal Cannabis Establishment on a temporary basis to advise a Medicinal Cannabis Establishment licensee regarding the cultivation,

PROPOSED

curing, processing, internal-testing, storing, packaging, labeling, Manufacturing, transportation, transfer, purchase, and Sale of Cannabis Items;

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

(19) "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, including but not limited to installation, maintenance, and repair services;

(20) "Cultivation Licensee" means the holder of a license issued by the OCR pursuant to these Rules to cultivate Cannabis;

(21) "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;

(22) "Director" means the Executive Director of the OCR as appointed by the Virgin Islands Cannabis Advisory Board pursuant to 19 V.I.C. § 777(a);

(23) "Disaster" means the imminent threat or occurrence of any catastrophe, national or manmade, as determined by the Governor of the Virgin Islands or the Director of the Virgin Islands Territorial Emergency Management Agency.

(24) "Dispensary Licensee" means the holder of a license issued by the OCR pursuant to these Rules to dispense Cannabis Items;

(25) "DLCA" means the Virgin Islands Department of Licensing and Consumer Affairs;

(26) "Domicile" means a Person's primary residence from which the individual has no intention of permanent departure;

(27) "Existing Farmer" means an individual or Business Entity that has had a DLCA farmer's license for the past three (3) years and who has

PROPOSED

maintained the documentation required to renew the license and who meets the residency requirement to operate a Medicinal Cannabis Establishment;

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

(29) "Financial Interest Holder" means any Person entitled to a Financial Interest;

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

(31) "Flowering Medicinal Cannabis Plants" means Cannabis plants in a light cycle intended to stimulate production of flowers, trichomes, and cannabinoids characteristic of Cannabis;

(32) "Immature Plant" means a not yet flowering 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 system;

(33) "Inventory Tracking System" means the electronic tracking system established by the OCR pursuant to section 778-17 of these Rules that all holders of a license issued by the OCR pursuant to these Rules are required to utilize for the tracking of 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 the seed-to-sale tracking system of a Third-Party Vendor if such system is approved by the OCR and is interoperable with the OCR's Inventory Tracking System;

(34) "License" is an authorization to conduct business as a registered cannabis entity that is issued by the OCR and identified in the Act to include Cultivation License, Dispensary License, Cannabis Product Manufacturer License, Research and Development License, Cannabis Testing Facility License, and any other as established.

(35) "Licensed Premises" means the premises specified in an

PROPOSED

application for a license under these Rules, which are owned by or in the possession of the licensee and within which the licensee is authorized to cultivate, Manufacture, distribute, or Sell Cannabis Items;

(36) "Limited Access Area" means a building, room, or other contiguous areas upon the Licensed Premises where Cannabis is grown, cultivated, Manufactured, stored, weighed, packaged, sold, possessed for Sale other than in a dispensary, and processed under the control of the licensee, with access limited to only those persons eighteen (18) years of age or older, who are either holders of Agent Identification Cards; authorized employees of the OCR; or visitors escorted by a holder of an Agent Identification Card

(37) "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 percent (51%) of the equity interest, voting rights, and profits interest in a Medicinal Cannabis Establishment on a fully diluted basis;

(38) "Manager" means any individual who is not an Owner or Financial Interest Holder to whom a Medicinal Cannabis Establishment Licensee has delegated discretionary authority to organize, direct, carry on, manage, or supervise day-to-day operations;

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

(40) "Medicinal Cannabis Establishment Agent" or "Agent" means any Person who works in the Cannabis industry and is affiliated through employment or ownership with any Medicinal Cannabis Establishment Licensee.

(41) "Medicinal Cannabis Establishment Licensee" or "Licensee" means a Person or Business Entity licensed pursuant to the Act and these Rules, and includes Cultivation Licensees, Dispensary Licensees, Cannabis Product Manufacturer Licensees, Testing Facility Licensees and Research and Development Licensees;

(42) "Medicinal Cannabis Program" means the administrative and

PROPOSED

regulatory scheme administered by the OCR to regulate the cultivation, manufacturing, Sale, distribution, and use of Medicinal Cannabis, including the issuance of Registry Identification Cards, Agent Identification Cards, and Third-Party Vendor certificates and the licensure of Medicinal Cannabis Establishments;

(43) "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 Establishment on a fully diluted basis;

(44) "Owner" means a Person or Business Entity that owns any share of stock or membership interest in a Medicinal Cannabis Establishment, including but not limited to, the officers, directors, members, or partners of such Persons or Business Entities, 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;

(45) "Person" means a natural person, partnership, association, company, corporation, limited liability company, organization, trust or similar entity, estate, joint venture, or a Manager, Medicinal Cannabis Establishment Agent, owner, director, servant, officer, or employee thereof; except that "Person" does not include any governmental organization;

(46) "Pesticide" means both a substance or mixture of substances intended for preventing, destroying, repelling, or mitigating any pest, and any substance or mixture of substances intended for use as a plant regulator, defoliant, or desiccant. For the purposes of the Act and these Rules, the definition includes herbicides regulated under the Federal Insecticide Fungicide and Rodenticide Act;

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

PROPOSED

procedures;

(48) "Qualifying Patient" means a person who has been diagnosed by a practitioner as having a debilitating medical condition.

(49) "Resealable" means that the package continues to function within effectiveness specifications, which shall be established by the OCR to be 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;

(50) "Research and Development Facility" means a secure facility wherein a Person authorized to grow, cultivate, Manufacture, and possess Cannabis, and transfer Cannabis to another research and development Facility, or Cannabis Testing Facility operates for the purpose of Research and Development only;

(51) "Research and Development Licensee" means the holder of a license issued by the OCR pursuant to these Rules to research and develop Cannabis Items;

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

(53) "Responsible Vendor Training Program" means a mandatory compliance and Cannabis awareness program administered by the OCR and required of all holders of Agent Identification Cards and certified Third-Party Vendors;

(54) "Restricted Access Area" means a designated and secure area within a Licensed Premises where Cannabis Items are Sold, possessed for Sale, and displayed for Sale, and where no one under the age of eighteen (18) is permitted;

(55) "Rules" means these adopted rules and regulations;

(56) "Sale" or "Sell" means to exchange, barter, traffic in, solicit, receive, order except through a Medicinal Cannabis Establishment Licensee, deliver for value in any way other than gratuitously, peddle or possess with intent to sell for any consideration;

PROPOSED

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

(58) "Smoking" means the burning of a lit cigarette, cigar, pipe, or any other matter or substance that contains Cannabis. Smoking does not include vaporization, sublimation, or any other inhalation process;

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

(60) "Territory" means the territory of the United States Virgin Islands;

(61) "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 Testing Facility for testing purposes;

(62) "Testing Facility Licensee" means the holder of a license issued by the OCR pursuant to these Rules to perform testing on Cannabis Items;

(63) "THC" means the chemical compound delta-9-tetrahydrocannabinol;

(64) "Third-Party Vendor" means a third-party Person separate from a Medicinal Cannabis Establishment Licensee that provides goods, services, or intellectual property to a licensee in exchange for renumeration other than an ownership interest, pursuant to a contract or agreement who possesses an Agent Identification Card. A "Third-Party Vendor" may also be a Contractor, Consultant, or any Person who enters Medicinal Cannabis Establishments more than six (6) times per year;

(65) "Third-Party Vendor Certification" means a certification issued by the OCR to an individual or business entity that is separate from a Medicinal Cannabis Establishment and that provides goods, services, or intellectual property to a Medicinal Cannabis Establishment in exchange for renumeration, but not ownership interest.

(66) "Transfer" means to grant, convey, hand over, assign, Sell, exchange, donate, or barter, in any manner or by any means, with or without consideration, any Cannabis Item to a licensee, a Testing Facility. A Transfer includes the movement of Cannabis Items from one Licensed Premises to another, even if the premises are shared,

PROPOSED

contiguous, owned by a single Person. Transfers also include virtual transfers in the Inventory Tracking System regardless of whether any physical movement of the Cannabis Items has occurred;

(67) "Transporter" means a Third-Party Vendor or Medicinal Cannabis Establishment Licensee authorized to transport 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 Items as authorized by the OCR;

(68) "Unaffiliated Third Party" means a Person or Business Entity who has no ownership or Financial Interest in a certain Medicinal Cannabis Establishment;

(69) "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;

(70) "USVI" means the United States Virgin Islands.

778-3 Duties of the OCR Director

(a) 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:

(1) Any functions delegated to the Director by the DLCA and the Board that are related to the day-to-day operations of the OCR and the implementation of the Act;

(2) To enter into agreements to further the purposes of and to implement the requirements of the Act and these Rules;

(3) To establish an Inventory Tracking System pursuant to the requirements set forth in section 778-18;

(4) To establish and implement a Responsible Vendor Training Program, which shall be required of all Medicinal Cannabis Establishment Agents, and individuals that work at a Cannabis Testing Facility, or with a Third-

PROPOSED

Party Vendor prior to an employee's or agent's first day of work;

(5) To establish a Cannabis quality assurance program with set standards for the safety and potency of Cannabis Items prior to sale at a Dispensary;

(6) To consult and enter into agreements 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;

(7) 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;

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

(9) To establish and maintain a secure phone or web-based verification system for law enforcement personnel to confirm the status of a Cardholder, holder of an Agent Identification Card, licensee, or Third-Party Vendor;

(10) To implement and execute a fair and equitable selection process to evaluate competing Medicinal Cannabis Establishment Applicants that includes an analysis of:

(A) the sustainability of a proposed Medicinal Cannabis Establishment;

(B) a Medicinal Cannabis Establishment's accessibility for patients;

(C) the character, veracity, background, qualification, and relevant experience of owners, principal officers, board members, members, and Managers of an Applicant;

(D) the economic benefits to the residents of the Virgin Islands to include employment and other opportunities; and

(E) 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 Items, plans to ensure the safety and security of Qualifying Patients and the community, procedures to be used to prevent theft and diversion, and any plan for making Cannabis available at reduced costs to low-income registered Qualifying Patients.

PROPOSED

(11) To maintain the integrity of the Office by ensuring that neither employees of the OCR nor their spouses or immediate family members may have a competing interest through their participation in the cannabis industry or its direct supporting industries.

778-4 Protections for the Medicinal Use of Cannabis

(a) While within a private residence or within another OCR approved location, a Qualifying Patient, for personal Medicinal Use, may possess, use, display, consume, and process up to:

(1) Four (4) ounces of Medicinal Cannabis;

(2) One (1) ounce of Medicinal Cannabis Concentrate for inhalation;

(3) One (1) ounce of THC contained in Medicinal Cannabis Products; or

(4) Any combination of Medicinal Cannabis Items that do not exceed one (1) ounce of THC;

While not in the presence of a Person under the age of eighteen (18) unless the minor is the Qualifying Patient.

(b) While outside a private residence, a Qualifying Patient or Caregiver may , for personal Medicinal Use, possess, purchase from a Dispensary, process, transport, and transfer to another Qualifying Patient for no remuneration up to:

(1) Four (4) ounces of Medicinal Cannabis;

(2) Ten (10) grams of Medical Cannabis Concentrate for inhalation;

(3) Twenty (20) grams of THC contained in Medicinal Cannabis Products; or

(4) Any combination of Medicinal Cannabis Items that do not exceed twenty (20) grams of THC

(c) A Qualifying Patient that possesses a Registry Identification Card allowing for cultivation may possess, use, grow, or process no more than twelve (12) 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, the Cannabis produced

PROPOSED

from these plants is not sold nor made available for Sale or transported away from the designated private property, and at no time exceeds the allowable amount specified in section 778-4(a).

(d) The OCR may inspect the private property designated for cultivation upon receipt of a verified complaint that such cultivation is in violation of the Act, these Rules, or interferes with the quiet enjoyment of neighboring property owners particularly concerning:

(1) the safety and security of the designated cultivation area;

(2) any interference with the quiet enjoyment of neighboring property owners;

(3) the proximity of the property to schools and houses of worship;

(4) the consent of the property owner; and

(5) whether such cultivation violates the Act and/or these Rules.

(e) Notwithstanding the above, no more than twelve (12) Flowering Medicinal Cannabis Plants of any size or maturity for personal Medicinal Use may be cultivated at any time at a single address and at no time exceed the allowable amount specified in section 778-4(a).

(f) Flowering Medicinal Cannabis Plants cultivated by a licensee of a Cultivation Facility shall not be considered for personal Medicinal Use, provided the plants and all Medicinal Cannabis produced from those plants are clearly segregated and not comingled with Flowering Medical Cannabis Plants and Medicinal Cannabis designated for personal use.

778-5 Addition of Debilitating Medical Conditions

(a) Any resident of the Territory, 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.

(b) Each petition shall be limited to one proposed Debilitating Medical Condition, but a resident may submit more than one (1) petition.

(c) Each petitioner shall file one (1) original petition by completing and submitting the form provided by the OCR, which shall require submission

PROPOSED

of the following information:

(A) proof of 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;

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

(C) 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;

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

(E) the proposed benefits from the Medicinal Use of Cannabis specific to the medical condition;

(F) 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 the medical condition;

(G) any other 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;

(H) 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

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

(d) 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.

PROPOSED

(e) The OCR shall approve or deny a complete petition within one hundred eighty (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.

(f) 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;

(g) 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 (c) 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 (c) above.

(h) 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.

(i) 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 at least thirty (30) days in advance of the hearing on the OCR website and in at least one local print newspaper of Territory-wide circulation.

(j) The public hearing shall be recorded and recording maintained as part of the OCR's records.

(k) The Director, after the public notice and hearing, shall recommend the

PROPOSED

approval or denial of the petition and submit the recommendation to the Board.

(l) The Board, during a public board meeting, shall consider the petition and approve or deny the petition, stating its reasons for such approval or denial on the record.

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

(n) A petitioner whose petition is denied by the Board may appeal the denial by requesting a hearing pursuant to the provisions of section 778-25.

778-6 Registry

(a) The OCR shall create and maintain a confidential registry of Qualifying 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 Rules shall be kept confidential;

(2) No person shall be permitted to gain access to any information about Qualifying Patients in this registry, or any information otherwise maintained in the registry by the OCR about Qualifying 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 as described in 19 V.I.C. § 784(j) and (l);

(3) OCR employees may, upon receipt of an inquiry from a Territorial law enforcement agency, confirm that a Registry Identification Card has been suspended or revoked;

(4) OCR employees may respond to an inquiry from a Territorial law enforcement agency regarding the registry status of a Qualifying Patient

or Designated Caregiver by confirming that the individual is or is not registered. The information released to the Territorial 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 Qualifying Patient's Registry Identification Card has been suspended or revoked. Both Territorial law enforcement agencies and the Cardholder 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 these Rules or the Act, or has pled guilty to such offense;

(6) The OCR shall require the Territorial law enforcement agency to validate their inquiry of a Qualifying Patient or Designated Caregiver by producing the Registry Identification Card number or the Qualifying Patient's name, date of birth, and last four digits of their 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 a minor Qualifying Patients' transportation of Medicinal Cannabis or a waiver for a Designated Caregiver serving more than five (5) patients, upon inquiry from a law enforcement agency. 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 Qualifying Patient to that Qualifying Patient with the written authorization of such Qualifying 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

PROPOSED

authorized OCR staff to release their contact information to new registry Qualifying Patients.

(b) The OCR shall establish and maintain a secure phone or web-based verification system. The verification system must allow Territorial 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 only the following information:

(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 Flowering Medicinal Cannabis Plants; and

(5) the registry identification number of any affiliated registered Qualifying Patient to a Designated Caregiver.

(c) Any officer, 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 statutory penalties for breach of confidentiality of the registry or a Qualifying Patient's information.

778-7 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 in the Territory for at least one (1) year, complete an application supplied by the OCR, and have submitted such signed application along with the requisite fee. The Applicant must also 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;

PROPOSED

(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 Registry Identification Card;

(3) Written certification from the Applicant's Practitioner asserting that the Applicant has been diagnosed with a Debilitating Medical Condition and the Practitioner 's conclusion that the Applicant might benefit from the Medicinal Use of Cannabis;

(4) A statement from the Practitioner if the Applicant 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 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 Qualifying Patient and Designated Caregiver, if any is designated.

(b) Those requesting resident cards must provide 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;

(4) A permanent resident card; or

(5) Any combination of the above.

(c) Applicants who are unable to provide the above-required proof of identification documentation and/or residency paperwork may submit an application for a non-resident card or request a waiver on forms provided by the OCR. When evaluating a request for waiver of the above proof of residency requirements, the OCR will consider the totality of the

PROPOSED

circumstances, which may include, but not be limited to:

(1) whether the Applicant can document that his Domicile 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 physical location 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, 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) 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 also 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 certification from two (2) 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 Applicant’s primary care provider team and that the Applicant has been diagnosed with a Debilitating Medical Condition;

(3) The name, address, and telephone number of the two (2) Practitioners identified in the application;

PROPOSED

(4) 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

(5) Documentation that at least one of the Practitioners referred to in this subsection in the application has concluded that the minor Applicant 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 Qualifying 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 on renewal forms provided by the OCR, along with payment of the requisite renewal application fee.

(f) A Qualifying 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 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. 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. The OCR may reject as incomplete any application for any of the following reasons:

(1) if the information contained in the application is illegible or missing; or

(2) the Practitioner(s) is/are not authorized to recommend the use of Cannabis.

(h) If the OCR denies an application, then the Applicant may not submit a new application for six (6) months following the date of denial and may not use the application as a Registry Identification Card. If the basis for denial is falsification, the OCR shall refer the evidence of falsification to law enforcement. The OCR may deny an application for any of the following reasons:

PROPOSED

(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 Qualifying Patient's identification card;

(4) The Applicant is not a Virgin Islands Resident;

(i) If the OCR has twice rejected the Applicant'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.

(j) 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 their right to request a hearing pursuant to section 778-26. The denial of a Registry Identification Card shall be considered a final agency action subject to administrative appeal as set forth in section 778-26.

(k) The OCR shall verify information contained in the Applicant's application within twenty (20) 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 is registered with the OCR and 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 Qualifying 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 Qualifying Patient. The card shall state the following:

(1) The Qualifying Patient's name, address, and date of birth;

(2) That the Qualifying Patient has been certified by the OCR as a Qualifying Patient, whereby the Qualifying Patient may engage in the Medicinal Use of Cannabis;

PROPOSED

(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 Qualifying 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 Designated Caregiver.

(l) 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 Applicant'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. 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.

(m) Application fee. The Applicant shall submit the requisite application fee set forth in section 778-17 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 (q) establishing indigence. Such fee shall not be refundable to the Applicant if the application is denied or revoked or if the Qualifying Patient no longer has a Debilitating Medical Condition.

(n) Any individual submitting an application for the registry may request an indigence fee waiver on a form to be provided by the OCR. Applicants requesting such waivers shall submit at the time of application a copy of the Applicant's Territorial tax return certified by the Virgin Islands Bureau of Revenue that confirms the Applicant's income does not exceed one hundred percent (100%) of the federal poverty guidelines for the forty-eight (48) Contiguous States and District of Columbia, adjusted for family size. 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.

(o) Any written certification for the palliative use of cannabis issued by a

PROPOSED

Practitioner under subsection (a) of this section shall be valid for a period not to exceed one year from the date such written certification is signed and dated by the Practitioner.

(p) A Practitioner who provides written certification of a Qualifying Patient's Debilitating Medical Condition must, within one (1) week of diagnosing the Qualifying Patient as no longer having a Debilitating Medical Condition, notify the OCR in writing of the updated diagnosis. A patient who no longer has a Debilitating Medical Condition shall return his or her Registry Identification Card to the OCR within one (1) week of receiving such diagnosis by his or her Practitioner.

778-8 Designated Caregivers

(a) The OCR may authorize an individual to serve as a Designated Caregiver to a Qualifying Patient if the individual meets the following qualifications:

(1) the individual must be eighteen (18) years of age or older;

(2) the individual must agree to assist with a Qualifying Patient's Medicinal Use of Cannabis;

(3) the individual has not been convicted of a Disqualifying Felony Offense as defined in section 776(m) of the Act;

(4) the individual assists no more than five (5) 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 identifies a Designated Caregiver for him or herself cannot also be a Designated Caregiver to another Qualifying Patient;

(2) if the Qualifying Patient designates more than one Designated Caregiver at any given time, the Qualifying Patient must provide documentation

PROPOSED

demonstrating that a greater number of Designated Caregivers are needed due to the Qualifying Patient's age or medical condition; and

(3) if the Qualifying Patient is authorized to cultivate Flowering Medicinal Cannabis Plants, then the Designated Caregiver's Registry Identification Card must indicate that the Designated Caregiver is authorized to possess and cultivate Flowering Medicinal 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 Qualifying Patients.

(d) A Designated Caregiver, if asked by law enforcement, shall provide a list of registry identification numbers for each Qualifying Patient for whom they serve. If a waiver has been granted for a Designated Caregiver to serve more than five (5) patients, this must be registered on the OCR's record of Designated 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 shall 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 Qualifying 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 Qualifying Patient information from the application other than the Qualifying Patient's name and date of birth.

(f) A Designated Caregiver shall not:

(1) delegate the responsibility of provision of Medicinal Cannabis for a Qualifying Patient to another person;

(2) facilitate the use of Medicinal Cannabis in a way that endangers the health and well-being of a person;

PROPOSED

(3) facilitate the use of Medicinal Cannabis in plain view of or in a place open to the general public;

(4) undertake any task while under the influence of Medicinal Cannabis, when doing so would constitute negligence or professional malpractice; or

(5) provide Medicinal Cannabis to an individual who is not authorized to engage in the Medicinal Use of Cannabis.

778-9 Practitioner Registration

(a) A Practitioner who provides a Written Certification for an Applicant for inclusion in the registry shall have a valid, unrestricted Virgin Islands license as a medical doctor, osteopath, naturopath, homeopath, chiropractor, physician's assistant, or nurse practitioner, 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:

(1) the Practitioner holds a valid license to practice medicine as a doctor, physician's assistant, advance practice nurse, osteopath, naturopath, homeopath, or chiropractor in the Virgin Islands that does not contain a restriction or condition that prohibits the recommendation of the Medicinal Use of Cannabis; and

(2) the Practitioner is registered with the OCR and

(A) has completed a continuing medical education certificate program, approved by the OCR, designed to train healthcare professionals in the diagnosing, and ongoing treatment/care of those individuals using cannabis for medicinal purposes including training in managing adverse effects, drug interactions, and respiratory, cardiovascular, immune, neuropsychiatric, and reproductive risks associated with medical cannabis use;

(B) completes the biennial renewal of certification along with any additional requirements as described by the OCR;

(C) maintains detailed records of all patients who have been given recommendations for the Medicinal Use of Cannabis; and

PROPOSED

(D) has not had any violations or administrative sanctions that preclude their participation in the Cannabis program.

(b) A Practitioner who meets the requirements in subsection (a) above and who has a Bona Fide Practitioner-Patient Relationship with a particular Qualifying Patient may certify to the OCR that the Qualifying Patient has a Debilitating Medical Condition and that the Qualifying Patient may benefit from the Medicinal Use of Cannabis. The Practitioner shall specify the Debilitating Medical Condition, and, if known, the cause or source of the Qualifying Patient's Debilitating Medical Condition.

(c) Practitioners making Medicinal Cannabis recommendations shall comply with generally accepted standards applicable to the practice of medicine in the Virgin Islands and all guidelines issued by the Office of Cannabis Regulations.

(d) Practitioners shall not issue any written certifications for the pallative use of cannabis under the parameters of subsection (b) above for a period greater than one (1) year from the date such written certification is signed and dated by the Practitioner.

(e) The Practitioner shall maintain a record-keeping system for all Qualifying 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 or other applicable board (depending on license type), the Practitioner shall produce such medical records after redacting any Qualifying Patient or Designated Caregiver identifying information.

(f) 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 Qualifying 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 Qualifying Patient for purposes of diagnosing a Debilitating

Medical Condition at a location where Medicinal Cannabis is Sold or distributed; or

(4) hold a Financial Interest in an enterprise that Sells Medicinal Cannabis if the Practitioner certifies the Debilitating Medical Condition of Applicants for inclusion in the registry.

(g) 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 or other applicable board (depending on license type) for investigation into potential violations of the Act or these Rules.

778-10 Licensing a Medicinal Cannabis Establishment

(a) The OCR shall open the license application process for Medicinal Cannabis Establishment licenses within ninety (90) days of the promulgation of these Rules. Beginning two (2) years after the first round of licensure, 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) Maximum number of Licenses: The OCR may issue the following Medicinal Cannabis Establishment Licenses up to the following amounts:

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

(A) twelve (12) Level 1 Cultivation Licenses, with eight (8) for the island of St. Thomas and four (4) for the island of St. John;

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

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

(D) 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;

(E) Cannabis Product Manufacturer Licenses in an amount to be

PROPOSED

determined by the Board; and

(F) Research and Development Licenses in amount to be determined by the Board; and

(2) In the district of St. Croix:

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

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

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

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

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

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

(c) The Applicant shall submit the requisite application fee at the time of application to offset the direct and indirect costs to administer the Medicinal Cannabis Program. Unsuccessful Applicants shall receive a reimbursement in the amounts specified by the Act.

(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) All applications must include evidence that the Applicant is qualified to do business in the Virgin Islands.

(5) All Applicants shall submit information to the OCR in a full, faithful,

PROPOSED

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 these Rules.

(e) Each Applicant for a new license will be expected to provide at the time of submission of the application the following information:

(1) the Applicant's fingerprints and, if the Applicant is a Business Entity, the fingerprints of each Owner, Member, Partner;

(2) a comprehensive background check that includes a review of territorial, national, and international criminal records and provided to the OCR directly from a provider of background checks, which provider must be approved by the OCR;

(3) personal history concerning the Applicant's qualifications for a License, including name, all physical and mailing addresses for the past five (5) years, email address, telephone number, and social security number for each Owner and Financial Interest Holder;

(4) 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;

(5) 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

PROPOSED

with equity conversion right or royalty, revenue, or profit interests;

(6) 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;

(7) 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;

(8) 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.

(9) evidence that the Applicant is qualified to do business in the Virgin Islands;

(10) supporting documentation to establish:

(A) that the Applicant, including each Owner or group of Owners owning a majority interest of the business entity, on a fully diluted basis, is a Bona-Fide Virgin Islands Resident as defined in section 778(1) of the Act including the dates when continuous legal residence in the Virgin Islands began for each Virgin Islands resident that has any ownership interest in the Applicant;

(B) that all Owners and Medicinal Cannabis Establishment Agents of the Applicant are not less than twenty-one (21) years of age; and

(C) that the Applicant and its Medicinal Cannabis Establishment Agents do not have any Disqualifying Felony Offenses as that term is defined in Section 776(m) of the Act;

(11) all civil litigation in the past ten (10) years and all criminal

PROPOSED

convictions in the history of any Owner, Financial Interest Holder, Medicinal Cannabis Establishment Agent, executive officer, director and principal employee, of the Applicant;

(12) 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 any Person included in the corporate structure 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;

(13) 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;

(14) 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;

(15) 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;

(16) proof of possession of the proposed Licensed Premises by Applicant, with specific reference to the proposed use of those premises:

(17) 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.

(18) the Applicant's federal employer identification number; and

(19) the Applicant's remittance of the required fees.

PROPOSED

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

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

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

(3) it is accompanied by the required application fee as set forth in section 778-17, which fee shall be reviewed and adjusted as necessary by the Board on a bi-annual basis.

(g) Upon request by the OCR, an Applicant shall provide any additional information required to process and fully investigate the application and all 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) Selection process. The OCR shall issue Medicinal Cannabis Establishment licenses pursuant to a selection process whereby licenses are awarded to Applicants with the highest application score for the specific license type in the specific district where such license is being sought based on the following criteria:

(1) the filing of Virgin Islands tax returns and payment of Virgin Islands taxes;

(2) the Applicant's experience in operating a regulated business;

(3) whether the Applicant has had a Cannabis license revoked or was otherwise sanctioned for failing to comply with requirements of operating a Cannabis business;

(4) a satisfactory criminal background check;

(5) the submission of a business plan that includes satisfactory operational plans, security measures, odor filtration systems, staff training plans, inventory tracking systems, and an illicit diversion prevention plan;

(6) evidence of adequate capital and liquidity;

PROPOSED

(7) a satisfactory charitable contribution plan; and

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

(i) The OCR shall review applications submitted to the selection process and publish a list of successful Applicants with each Applicant's score no later than ninety (90) days after the application deadline.

(j) Conditional licenses may 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 these Rules, including payment of the Certificate to Operate fee.

(k) In the event two (2) or more qualified Applicants receive the same total score and the number of Applicants with the same highest score exceed the number 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 an Applicant be awarded a license, the terms and statements represented in the application shall 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 Establishment prior to obtaining all necessary license approvals from the OCR, the DLCA, any other required operating licensing, and a certificate to operate from the OCR.

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

(o) Denial of applications.

(1) The OCR may deny any application for any of the following reasons:

(A) it contains falsified information;

PROPOSED

(B) the Applicant fails to meet the residency requirements; and

(C) the OCR has twice rejected the application for failure to comply with the Act and these Rules such that the Applicant is barred from submitting another application during the same round of licensure.

(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 pursuant to section 778-26.

(4) The denial of an application shall be considered a final agency action subject to administrative appeal as set forth in section 778-26.

(p) General requirements of licensees. Each licensee shall:

(1) be located no less than five hundred (500) feet of a School in existence before the date of submission of the application for a license;

(2) be appropriately zoned for the expected facility type;

(3) maintain a complete set of all records containing all business transactions for the current tax year and the immediately preceding 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 as the OCR considers necessary for the proper administration and enforcement of the Act and these Rules;

(4) each Licensed Premises shall be subject to inspection and investigation by the OCR during 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;

(5) permit representatives of the OCR or licensed, independent 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

PROPOSED

compliance with health, safety, and potency standards established by the OCR;

(6) test all Usable Cannabis and Cannabis Items, prior to the Sale, distribution, or use by submitting appropriate samples to a licensed, independent Cannabis Testing Facility authorized pursuant to section 778-16 of these Rules to perform the following tests in accordance with the sampling protocols established by this Rule:

(A) microbiological test;

(B) mycotoxin test;

(C) residual solvent test;

(D) potency test;

(E) heavy metal test;

(F) Pesticide test;

(G) moisture content test; and

(H) all testing guidelines as required by the OCR;

(7) maintain a current list of all Medicinal Cannabis Establishment Agents and Consultants at its Licensed Premises;

(8) maintain documentation evidencing that all Medicinal Cannabis Establishment Agents were residents 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;

(9) maintain documentation evidencing that all Consultants were over the age of twenty-one (21) at the time of retention and have had annual criminal background check every year since the date of retention;

(10) maintain documentation evidencing a written policy that requires all Medicinal Cannabis Establishment Agents and Consultants to sign an attestation to disclose all criminal convictions and maintain records of all executed attestations;

(11) not hire any employees, Consultants, or Contractors under the age of twenty-one (21);

PROPOSED

(12) ensure that all individuals that enter a Licensed Premises and who are not Owners, Medicinal Cannabis Establishment Agents, Consultants, Contractors, or law enforcement personnel shall be admitted as a visitor and given a visitor identification badge upon entry, which is clearly visible at all times while the visitor is in the Licensed Premises;

(13) a visitor may not handle any Cannabis or any money in the Licensed Premises;

(14) ensure that any Person in a Limited Access Area that does not have an Agent Identification Card is considered a visitor, is twenty-one (21) years of age, is escorted at all times by a Person who possesses on his or her person an Agent Identification Card, and shall return the badge upon exit from the Licensed Premises. Failure by a licensee to continuously escort a visitor in any Limited Access Area is considered a violation of these Rules affecting public safety;

(15) maintain a visitor log, which includes the name of the visitor, relevant identification type and identification number, and the date, time, and specific purpose for each visit. The log shall be available for inspection by the OCR upon request;

(16) Clearly identify all areas of ingress and egress to Limited Access Areas on the Licensed Premises by the posting of a sign, which shall not be less than twelve (12) inches wide and twelve (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 ESCORTED VISITORS ONLY";

(17) develop and implement an onsite training curriculum 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;

(18) not Sell any Cannabis Items, nor Transfer Cannabis Items from one Licensed Premise to another, without having completed all mandatory quality assurance tests; and

PROPOSED

(19) ensure that its Licensed Premises are maintained, and its operations are conducted in a sanitary manner and in accordance with these Rules to reduce the potential for contamination during cultivation, Manufacturing, transporting, and dispensing.

(q) General license restrictions.

(1) Licenses are not transferable or assignable, including, without limitation, to another registered organization and shall be effective only for the Owner associated with the original license.

(2) No person shall begin working at a Medicinal Cannabis Establishment prior to receiving his or her Agent Identification Card and without receiving training related to territorial and federal law concerning the possession and use of Cannabis, dosing recommendations, advanced security measures and protocols established by the Medicinal Cannabis Establishment and approved by the OCR, and procedures and instructions for responding to an emergency.

(3) Operating a Medical Cannabis Establishment does not preclude the Licensee from obtaining additional licenses necessary for their business type.

(r) Inventory. Each Medicinal Cannabis Establishment shall:

(1) prior to commencing business, conduct an initial comprehensive inventory of all Cannabis Items at the Licensed Premises. If there are no Cannabis Items at the Licensed Premises prior to commencement of business, then the absence of 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 all Cannabis Items to include:

(A) the date of inventory;

(B) the quantity of Cannabis Items identified by Batch number, name, and any other identifiers;

PROPOSED

(C) summary of the inventory findings; and

(D) the name, signature and title of the individuals who conducted the inventory, including the specific Medical Cannabis Establishment Agent in charge of performance of the inventory.

(4) maintain records of all Cannabis Items Sold or otherwise disposed of, indicating:

(A) the date of Sale;

(B) the name of the Medicinal Cannabis Establishment to which the Cannabis Items were Sold;

(C) The registry identification number of the Qualifying Patient;

(D) the Batch number, name, and quantity of any Cannabis Items Sold; and

(E) the Batch number, name, and quantity of any Cannabis Items destroyed or otherwise disposed of with a summary of the reasons for the destruction or disposal;

(5) maintain a complete and accurate record of all Cannabis Items, which must be prepared annually on the anniversary of the initial inventory;

(6) maintain a copy of all inventory records at the Licensed Premises; and

(7) make any and all inventory records available to the OCR upon request.

(s) Destruction and disposal of Cannabis Items.

(1) Unusable Cannabis Items must be destroyed by rendering them unrecoverable and beyond reclamation.

(2) All licensees shall dispose of any medical Cannabis Item that is outdated, damaged, deteriorated, contaminated or otherwise deemed not appropriate for manufacturing or dispensing or any plant-based waste or by-products.

(3) All disposal methods shall be pre-approved by the OCR and shall not violate any applicable federal or local laws particularly concerning environmental safety.

(4) Unusable Cannabis Items and Cannabis waste rendered unrecoverable

PROPOSED

and beyond reclamation must be delivered to a solid waste facility for final disposal in a landfill, incinerator, or other approved facility.

(5) All unusable Cannabis Items and Cannabis waste shall be weighed, recorded, and entered into the Inventory Tracking System before rendering it unrecoverable and beyond reclamation. Verification of this event shall be performed by a Medicinal Cannabis Establishment Agent and conducted in an area with video surveillance.

(6) Electronic 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) the licensee shall submit a renewal application at least thirty (30) days prior to the expiration of the license with the requisite renewal application fee;

(2) the OCR shall grant a renewal application within thirty (30) days of submission of the completed application if:

(A) the Applicant has remitted the requisite renewal application fee;

(B) the Applicant continues to operate the Medicinal Cannabis Establishment in accordance with the plans submitted by the licensee and approved by the OCR; and

(C) 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, 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;

PROPOSED

(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 resubmit an application within ten (10) days of notification that the application has been rejected without paying an additional renewal application fee;

(6) the OCR may deny a renewal application for any of the following reasons:

(A) any information contained therein is falsified;

(B) a demonstrated failure to adhere to any operational plans submitted by the licensee to the OCR and approved by the OCR;

(C) a history of non-compliance with the Act or these Rules, 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 778-26.

(u) Agent Identification Card.

(1) Each Medicinal Cannabis Establishment 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 shall:

(A) submit a copy of the Applicant's social security card;

(B) submit a copy of the Applicant's driver's license or other Territory-issued identification card;

(C) verify the Applicant's place of residency;

(D) consent to a background check;

(E) remit the applicable application fee; and

(F) any additional information requested by the OCR.

(2) The OCR shall notify the Applicant of its approval or denial of the application with twenty-one (21) days of receipt and will issue an Agent

PROPOSED

Identification Card within 14 days of approval of an application.

(3) The Agent Identification Card issued by the OCR shall contain:

(A) the name of the agent, along with a photograph of the agent;

(B) the date of issuance and expiration of the identification card; and

(C) an alphanumeric identification number unique to the agent.

(4) The Agent Identification Card shall expire annually on the date it was issued.

(5) If the OCR denies an application for an Agent 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 an administrative appeal pursuant to section 778-26.

(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 778-26.

(7) 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 agent shall be issued a new card with a new registration identification number upon payment of the replacement fee.

(8) An agent may apply for renewal of an Agent Identification Card, on a form provided by the OCR, no less than thirty (30) days prior to the expiration of the prior identification card. The OCR shall consider the agent's history of compliance with the Act and these Rules in approving or denying a renewal application.

(9) The OCR shall grant a renewal application within twenty-one (21) days of submission of the completed application if :

(A) the Applicant has remitted the requisite application fee; and

(B) the OCR has not suspended or revoked the Applicant's Agent Identification Card during any prior issuance of the card to the agent.

(10) The denial of a renewal of an Agent Identification Card is considered a final agency action subject to administrative appeal as set forth in section 778-26.

(11) 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.

(12) An Agent Identification Card is the property of the Government of the Virgin Islands.

(13) Licensees 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) Responsible Vendor Training Program. All licensees, Medicinal Cannabis Establishment Agents, and Third-Party Vendors who possess, transport, store, secure, or dispose of Cannabis Items must implement, maintain, and comply with the OCR's Responsible Vendor Training Program that requires all Persons involved as part of a business 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) include at least three (3) hours of instruction time on pertinent topics such as the following:

(A) the effect of Cannabis Items on the human body;

(B) the time of impact or impairment of various Cannabis Items;

(C) how to recognize the signs of impairment;

(D) acceptable forms of identification and how to spot false identification;

(E) how to spot false registry and Agent Identification Cards;

(F) required health and safety standards;

(G) permitted hours of Sale;

PROPOSED

(H) how to properly maintain records;

(I) transport manifests;

(J) privacy issues

(K) prohibited purchases; and

(L) any other topic deemed necessary by the OCR.

(w) Packaging.

(1) Medicinal Cannabis Establishments must package all Medicinal Cannabis intended for distribution in packaging and Containers that are:

(A) plain;

(B) opaque;

(C) designed to maximize the shelf life of the Cannabis Item;

(D) tamper-evident;

(E) no more than one hundred (100) milligrams of THC container per unit of Sale in Edible Cannabis Products;

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

(G) indicative of appropriate serving size; and

(H) Child Resistant.

(2) Medicinal Cannabis Establishments shall not use any packaging or Containers that bear a resemblance to any commercially available product.

(3) Medicinal Cannabis Establishments must design all packaging and Containers so as to minimize their appeal to children.

(4) Medicinal Cannabis Establishments must submit proposed labels to the OCR for approval. Upon approval, the registered label number must appear on the packaging.

(x) Labeling.

(1) Medicinal Cannabis Establishments must ensure that all Medicinal

PROPOSED

Cannabis that is distributed is labeled with the following information:

(A) the name and address of the Cannabis Product Manufacturer Licensee where the Medicinal Cannabis was Manufactured;

(B) the Batch number;

(C) tracking information from the Inventory Tracking System on plant history;

(D) a description of the milligrams of THC per unit and servings per container of Usable Cannabis contained within that Cannabis product;

(E) the chemical composition of the Cannabis product;

(F) the results of lab analysis;

(G) the recommended dosage;

(H) 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;

(I) directions for Medicinal Use of the Cannabis product;

(J) instructions for proper storage;

(K) all ingredients of the Cannabis product, including any coloring, artificial flavors, and preservatives, listed in descending order by predominance of weight and shown with their common names, if any;

(L) a notice stating: "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

(M) a notice, stating: "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."

(2) Labeling text may not include any false or misleading statements

PROPOSED

regarding the health or physical benefits of the Cannabis product to the Qualifying Patient.

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

(y) Licensed Premises.

(1) The Licensed Premises of a Medicinal Cannabis Establishment, unless specifically required otherwise in these Rules: 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.

(2) must be equipped with comprehensive security and camera monitoring systems in place at all times and must maintain all buildings, facilities, and areas in a sanitary condition.

(3) Medicinal Cannabis Establishments may share a Licensed Premises with a Cannabis Dispensary Licensee, Cannabis Products Manufacturer Licensee, and Research and Development Licensee under the following circumstances:

(A) separate licenses are obtained and maintained for the Cultivation Facility, the Dispensary Licensee, the Cannabis Products Manufacturer Licensee, and the Research and Development Licensee, regardless of ownership and geographical location;

(B) products and spaces are clearly defined and not comingled;

(C) Research and Development Licensee products are kept separate and distinct from other products; and

(D) all licensees comply with the requirements of their respective licenses, even if the licensees have shared ownership.

(z) 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 a complete application for change of business location. After inspection and verification by the OCR that the new location is in compliance with the Act and these Rules, the OCR shall

PROPOSED

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 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 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

(4) the Licensee shall notify the OCR when the transition is complete such that operations can begin at the new location.

(aa) Modifications and alterations. Licensees shall not make any physical change, modification or alteration to the Licensed Premises that significantly alters the Licensed Premises or the usage of the Licensed Premises from the plans originally approved by the OCR, without the OCR's prior written approval. Prior to making any physical modification to a Licensed Premises, licensees must submit a request for modification to the OCR on a form to be provided by the OCR, provide any plans and specifications as supporting documentation to the application, and remit payment of the applicable application fee. The OCR shall approve or deny the application for modification within ninety (90) days of submission of a complete application. If approved, the OCR shall issue an amended license. The Licensee cannot commence modifications until after receipt of an amended license authorizing such modification. 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

PROPOSED

such common entryway, doorway, or passage alters or changes defined Limited Access Areas and Restricted Access Areas, where the cultivation, Manufacturing, testing, packaging, or storage of Cannabis Items occurs; and

(3) any physical modification that would require the installation or reduction of additional video surveillance cameras.

(bb) Closure of operations. Licensees shall notify the OCR on a form provided by OCR, at least six (6) months in advance before the permanent or temporary closure of operations of their Medical Cannabis Establishment. Upon receipt of notification of closure, the OCR must do the following:

(1) verify the remaining inventory and seize all Cannabis Items;

(2) assist with ensuring the relocation and safe storage of Cannabis Items, if applicable; and

(3) make arrangements for the transfer of all Cannabis Items to another licensee or provide for the destruction or disposal of such Cannabis Items pursuant to the general requirements set forth in subsection 778-10(p).

778-11 Cultivation Licensees

(a) Cultivation Licensees shall be authorized by the OCR to

(1) cultivate, cure, process, internally test, store, package, and label Cannabis; and

(2) store, Sell, purchase, receive, Transfer, and Transport Usable Cannabis it has produced to and from other Medicinal Cannabis Establishments and Testing Facilities within the Territory.

(b) Persons may apply to the OCR to obtain a Cannabis Cultivation License, which will be awarded pursuant to the following three (3) tier system:

(1) A Level I Cultivation License to cultivate one (1) to one hundred (100) plants;

(2) A Level II Cultivation License to cultivate one hundred and one (101) to five hundred (500) plants; and

PROPOSED

(3) A Level III Cultivation License to cultivate five hundred and one (501) to one thousand (1000) plants.

(c) Selection Process.

(1) To obtain a Cannabis Cultivation License, an Applicant must comply with the requirements of section 778-10(h).

(2) Applicants for a Cultivation License must also provide the following additional information specific to the operation of a Cultivation Facility with the application, which will be subject to the following scoring system:

(A) the Applicant's business plan, which may amount to a maximum possible score of one hundred fifty (150) points, including:

(i) the demonstrated business management experience of the Medicinal Cannabis Establishment Agents involved in the business, including 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 of 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;

(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; and

(iv) a comprehensive list of services to be offered;

(B) the Applicant's cultivation plan, which may amount to a maximum possible score of one hundred fifty (150) points, including:

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

(ii) the cultivation methods to be used, along with a description of the various strains to be cultivated and the Applicant's experience, if

PROPOSED

any, with the described strains or comparable agricultural products; and

(iii) the 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;

(C) evidence of the suitability of the proposed Cultivation Facility and Licensed Premises, which may amount to a maximum possible score of one hundred fifty (150) points, including:

(i) evidence that the proposed facility and premises are suitable for the effective and safe cultivation of Cannabis, sufficient in size, power allocation, air exchange, air flow, interior layout, interior lighting, and security, and sufficient in both the interior and exterior to handle the bulk agricultural production of Cannabis for handling, storage, trimming, packaging, loading, and shipping; and

(ii) evidence that the loading and unloading of Cannabis in a transport vehicle shall be enclosed, secure, and out of sight of the public;

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

(iv) an operations plan that is in compliance with the Act and these Rules;

(D) the Applicant's employee training plan, which may amount to a maximum possible score of one hundred (100) points, including:

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

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

PROPOSED

(iii) 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; and

(E) the Applicant's environmental plan, which may amount to a maximum possible score of fifty (50) points, including:

(i) an environmental plan of action to minimize the carbon footprint, environmental impact and resource needs for the Cultivation Facility, Licensed Premises, and planned production of Cannabis; and

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

(F) the Applicant's security plan and recordkeeping plan, which may amount to a maximum possible score of one hundred fifty (150) points, including:

(i) 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 to interface with local Territorial law enforcement. The security plan shall describe the enclosed, locked room or cabinet that will be used to secure or store Cannabis, and to ensure that Cannabis are not visible to the public;

(ii) a plan for recordkeeping, tracking and monitoring inventory, maintaining quality control and security, and creating any other policies and procedures necessary to ensure proper security and recordkeeping;

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

(iv) plans for the transport of Cannabis, including any plan to perform its own transportation of Cannabis 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;

PROPOSED

(G) the Applicant's Cannabis Product safety and labeling plan, which may amount to a maximum possible score of one hundred fifty (150) points, including:

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

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

(iii) a plan for establishing a recall of Cannabis Items containing defective Cannabis in the event any such items are shown by testing or other means to be defective or otherwise cause serious adverse health consequences. The plan shall include procedures for providing notification to the OCR, any Dispensary to whom the recalled Cannabis Items were distributed, and any Person to whom the items may have been sold. The plan must also include procedures for the destruction and disposal of the recalled Cannabis Items;

(H) the Applicant's emergency plan, which may amount to a maximum possible score of fifty (50) points, including a plan that provides for the security of the Cultivation Facility, Licensed Premises, and Cannabis Items during times of a disaster whether natural or man-made, and includes 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;

(I) the Applicant's diversity plan, which may amount to a maximum possible score of fifty (50) points, including a plan for diversity in ownership, management, employment, and contracting to ensure inclusion of residents, minority and women owned businesses, and veterans; and

(J) A total of one hundred (100) bonus points may be awarded to

PROPOSED

Applicants who include in their application the following:

(i) plans for the 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 individuals previously disenfranchised by arrest or incarceration for the possession and/or distribution of Cannabis;

(ii) plans that provide funding or other resources for substance abuse prevention and treatment programs in the Territory; and

(K) plans that provide funding or other resources to programs that educate children and teens regarding the potential harmful effects of Cannabis use.

(d) Application for increased cultivation. Cultivation Licensees may apply to the OCR for increased cultivation capacity by submitting 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 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 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.

(e) Cultivation License specific requirements. In addition to the general requirements applicable to all Licensees as stated in section 778-10(p), the following requirements shall apply to Cultivation Licensees:

(1) Cultivation Licensees shall cultivate Cannabis in accordance with their designated tier limits;

(2) Cultivation Licensees must begin production of Cannabis within six (6) months of licensure. Failure to begin production within six (6) months

PROPOSED

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 the lack of a good faith effort.

(3) Cultivation Licensees must maintain production consistent with their 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) A Cultivation Licensee must disclose in writing with each batch of Cannabis provided to another Medical Cannabis Establishment:

(A) All soil amendments, fertilizers, pesticides, and other crop production aids applied to the growing medium or Cannabis plant included in the Batch; and

(B) The name of the Testing Facility, which performed the required quality assurance tests and provided the certificate of analysis for the Batch.

(5) Recordkeeping. A Cultivation Licensee must maintain records that contain the following information:

(A) the date of each Sale or distribution to a Dispensary, along with the name, address, and registration number of the Dispensary;

(B) the Cannabis Item number, description, and quantity registered by the OCR and Sold or otherwise distributed to the Dispensary;

(C) the price charged and the amount of money received for the Cannabis Items Sold or otherwise distributed to the Dispensary;

(D) if a Cannabis Item is distributed to a Dispensary other than by

PROPOSED

Sale, then the reason for the distribution;

(E) the quantity and type of Cannabis maintained at the Cultivation Facility on a daily basis;

(F) the amount of plants identified by specific designation as immature or flowering grown at the Cultivation Facility on a daily basis;

(G) a list, description, and log of all soil amendment, fertilizers, pesticides, and other crop production aids, if any, applied and used in the process of growing Cannabis plants;

(H) production records, including records of planting, harvesting and curing, weighing, destruction of Cannabis, creation of Batches of Cannabis Items, and packaging and labeling;

(I) documents pertaining to the disposal of Cannabis Items and waste material associated with production of Cannabis;

(J) 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 Cannabis used), any solvents or other compounds utilized, and the Cannabis Item type and the total weight of the end Cannabis Item produced;

(K) transportation records;

(L) inventory records;

(M) documentation of all samples sent to a Testing Facility, including any governmental Testing Facility, along with the corresponding quality assurance results;

(N) all samples provided to any entity, including the OCR, for any purpose; and

(O) documentation of any theft, loss, or other unaccountability pertaining to any Cannabis Item and the related police report.

(6) Plant production.

(A) Cultivation Licensees shall operate each Cultivation Facility pursuant to the operations plan submitted to and approved by the OCR as part of the application process.

PROPOSED

(B) Cultivation Licensees shall not exceed seven hundred fifty square feet (750 sq. ft.) of Flowering Canopy in aggregate at any Cultivation Facility at any one time without prior approval of the OCR.

(C) Cultivation Licensees shall maintain an open aisle on all sides of each plant group in a production area sufficient to allow for unobstructed travel and the observation and inventory of each plant group.

(D) Cultivation Licensees shall ensure each production area remains free of debris.

(E) Cultivation Licensees shall maintain security measures consistent with the security plan submitted to and approved by the OCR at all times.

(F) A Cultivation Licensee shall ensure that any Cannabis grown at the Cultivation Facility is not visible from a public place by normal, unaided vision and does not emit a strong order that is clearly detectable from outside the Cultivation Facility.

(G) If it is cultivating Cannabis outdoors, a Cultivation Licensee must certify to the OCR that the outdoor cultivation is adequately isolated from all other outdoor Cannabis Cultivation and hemp cultivation locations to prevent cross-pollination of Cannabis crops.

(H) Cultivation Licensees shall maintain a record of all crop inputs at the Licensed Premises for at least five (5) years. Such records shall include, the date of every crop input application, the name of the individual 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.

(I) At the time of planting, Cultivation Licensees shall account for all plants by Batch with a unique Batch number that shall remain with the Batch through final packaging. Cultivation Licensees shall assign a Batch number at the time of planting for a specified

PROPOSED

number of plants. When plants reach six (6) inches in height, Cultivation Licensees shall assign a specific number for each plant within that Batch and either record the individual tag electronically or keep the individual tag in an electronic file until harvest or destruction. The Batch number will remain with the segregated plants through harvest to final packaging. Cultivation Licensees shall ensure the Batch number is included on the label of the package distributed to the end user.

(J) Cultivation Licensees shall perform an inventory of all plants on a weekly basis and keep records of the inventory at the Cultivation Facility for at least five (5) years and made available to the OCR upon request.

(K) Cultivation Licensees shall record the removal of any plants from the Batch on a permanent record to be maintained at the Licensed Premises and made available to the OCR upon request.

(L) Cultivation Licensees shall ensure Batch numbers are displayed on the approved label of all Cannabis Items prior to distribution to any Dispensary.

(M) Cultivation Licensees shall properly remove litter and waste and maintain operating systems for waste disposal in an adequate manner so that such waste disposal systems do not constitute a source of contamination in areas where Cannabis Plants are exposed.

(N) Cultivation Licensees shall construct all building and facility floors, walls, and ceilings in such a manner that they may be adequately cleaned and maintained in good repair.

(O) Cultivation Licensees shall install sufficient lighting in all areas where Cannabis Items are stored and equipment is cleaned.

(P) Cultivation Licensees shall adequately inspect the facility for and protect against the entry of pests.

(Q) Cultivation Licensees shall maintain all buildings and facilities in a sanitary condition.

(R) Cultivation Licensees shall identify, hold, and store toxic cleaning

PROPOSED

compounds, sanitizing agents, solvents, and pesticide chemicals in a manner that protects against the contamination of Cannabis Items and is in accordance with both local and federal laws and regulations governing the use of such products.

(S) Cultivation Licensees shall at all times maintain an adequate water supply for the operation of the Cultivation Facility derived from a source approved by the OCR that is capable of providing a safe, potable and adequate supply of water to meet the facility's needs.

(T) Cultivation Licensees shall install and maintain plumbing systems of adequate size and design to carry a sufficient supply of water to various required locations throughout the Licensed Premises and to convey sewage and liquid disposable waste from the Cultivation Facility. Cultivation Licensees shall not install or maintain any plumbing system that has cross-connections between the water and waste lines.

778-12 Dispensary Licensee

(a) Dispensary Licensees shall be authorized by the OCR to:

(1) store, Sell, purchase, Transfer, and Transport Cannabis Items to and from other Medicinal Cannabis Establishments on the same island and Testing Facilities; and

(2) internally test, package, and label Usable Cannabis;

(3) 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) Selection Process.

(1) To obtain a Dispensary License, an Applicant must comply with the requirements of section 778-10(h).

(2) Applicants for a Dispensary License must also provide the following information specific to the operation of a Dispensary with the application, which will be subject to the following scoring system:

(A) the Applicant's business plan, financials, operating plan and floor plan, which may amount to a maximum possible score of two hundred fifty (250) points, including:

(i) a business plan that describes the proposed long-term operations of the Dispensary with a detailed description of 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 at reduced cost 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, Cannabis Items 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 of the Dispensary to full operation, and the assumptions used as a basis for those estimates;

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

(iv) submission of a proposed floor plan suitable for public access that is compliant with the Americans with Disabilities Act;

(v) a plan for the promotion of safe dispensing of Cannabis Items, the facilitation of safe Cannabis Product handling and storage, the location of Cannabis Item storage areas for both when the Dispensary is open for business and when it is closed for business, the location of and description of all safes and/or reinforced vaults that will be used to store Cannabis Items or currency, the location of each computer used to check Cardholders, the location of each computer and cash register used for point-of-sale transactions and to access the OCR's Inventory Tracking System, the location of each bathroom, breakroom , and personal storage facility, and the

PROPOSED

location of each video camera.

(B) the Applicant's knowledge and experience, which may amount to a maximum possible score of two hundred fifty (250) points, including:

(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 Cannabis Products planned to be Sold. This includes confirmation of whether the Dispensary plans to Sell Cannabis Paraphernalia or Edible Cannabis Products;

(C) the Applicant's employee staffing and training plans, which may amount to a maximum possible score of one hundred (100) points, including:

(i) a staffing plan that ensures adequate staff 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) an employee handbook that provides a working guide to employees for the day-to-day operations of the Licensed Premises and which contains appropriate personnel policies and practices; and

(iii) an employee training plan sufficient to:

(a) ensure employee comprehension of the rules and laws to be followed by Dispensary employees, the security measures and operating procedures of the Dispensary, and the applicable OCR rules, regulations, requirements and restrictions; and

PROPOSED

(b) Educate employees on how to appropriately advise Qualifying Patients, Designated Caregivers, and visitors regarding the safe consumption of Cannabis Items;

(D) the Applicant's environmental plan, which may amount to a maximum possible score of fifty (50) points, including:

(i) a detailed description of how the air treatment systems to be installed will reduce odors, environmental impact and resource needs for the Dispensary; and

(ii) the plans for the use of alternative energy and the recycling of Cannabis packaging;

(E) the Applicant's security and recordkeeping plans, which may amount to a maximum possible score of two hundred fifty (250) points, including:

(i) a security plan that demonstrates the Applicant's ability to prevent the theft or diversion of Cannabis Items, to comply with the Act and these Rules, and to interface with local law enforcement. The security plan shall describe the Restricted Access Area, 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) a plan for recordkeeping, 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 perform its own transport or to engage a certified Transporter, along with the Applicant's proposed procedures for the safe and secure transport and Delivery of Cannabis Items to any Testing Facility, Dispensary, Qualifying Patient, and Designated Caregiver; and

(iv) a security plan, which identifies the private security contractor or contractors who are certified pursuant to the Act and these Rules, that will provide on-site security at all hours of the Dispensary's operation;

PROPOSED

(F) the Applicant's emergency plan, which may amount to a maximum possible score of fifty (50) points, including a plan that provides for the security of the Licensed Premises and Cannabis Items during times of a disaster whether natural or man-made, and includes 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;

(G) the Applicant's diversity plan, which may amount to a maximum possible score of fifty (50) points, including a plan for diversity in ownership, management, employment and contracting to ensure inclusion of residents, minority and women owned businesses, and veterans; and

(H) a total of one hundred (100) bonus points may be awarded to Applicants who include in their application the following:

(i) a plan to develop 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 possession or distribution of Cannabis;

(ii) a plan to provide funding or other resources for substance abuse prevention and treatment programs in the Territory; and

(iii) a plan to provide funding or other resources to programs that educate children and teens regarding the potentially harmful effects of Cannabis use.

(c) Dispensary License specific requirements. In addition to the general requirements applicable to all licensees as stated in section 778-10, 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 is authorized to Sell Cannabis, Cannabis Items, Cannabis Paraphernalia, and Cannabis-related accessories containing

PROPOSED

CBD;

(3) a Dispensary Licensee shall not have fewer than three (3) people working at the Dispensary at any time it is open, one of whom must be a Manager;

(4) a Dispensary Licensee shall source at least sixty percent (60%) of the Cannabis used for retail sales from Unaffiliated Third Parties. Any actual or attempted structuring or configuration of a transaction, including the 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 these Rules and shall be grounds for suspension or revocation of a Dispensary License and imposition of a fine;

(5) a Dispensary Licensee must ensure that all Cannabis Items purchased or otherwise acquired from a Cultivation Licensee has been tested in accordance with the quality assurance requirements of these Rules;

(6) upon request of a Qualifying Patient, Designated Caregiver, or parent of a Qualifying Patient, the Dispensary Licensee must disclose the certificate of analysis of each Cannabis Item to include the name of the Testing Facility that conducted the quality assurance test and its results;

(7) a Dispensary Licensee shall not Sell Cannabis Items to any 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:

(A) make a diligent effort to verify that the Registry Identification Card or alternative registration presented is valid;

(B) make a diligent effort to verify that the person presenting the documentation is the person identified in the Registry Identification Card or alternative registration;

(C) not have reason to believe the amount dispensed would cause the Qualifying Patient to possess more than the Allowable Amount of Cannabis; and

(D) confirm the Cardholder's age by a driver's license or other Government issued identification;

(8) a Qualifying Patient who is eighteen (18) 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;

(9) a Dispensary Licensee shall not permit any Persons under eighteen (18) years of age, including Qualifying Patients, to enter its Restricted Access Area;

(10) a Dispensary Licensee shall not Sell Cannabis Items to any Persons under eighteen (18) years of age, including Qualifying Patients;

(11) a Dispensary Licensee shall not accept Cannabis Items from another licensee unless it is pre-packaged and labeled in accordance with the Act and these Rules;

(12) a Dispensary Licensee shall inspect and inventory all Cannabis Items it receives before dispensing them;

(13) a Dispensary Licensee shall not allow consumption of Cannabis Items at the Dispensary unless it is obtains additional licensure to operate a lounge;

(14) a Dispensary Licensee that Sells Edible Cannabis Products shall 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 twenty-four (24) inches tall by thirty-six (36) inches wide with typed letters no smaller than two (2) inches. The placard must be conspicuous, legible and prominent.

(15) Prior to completing the Sale of an Edible Cannabis Product 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 Edible Cannabis infused item'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.";

(16) a Dispensary Licensee shall include the trade name of the Dispensary on the packaging of any proprietary Cannabis Item it Sells;

(17) a Dispensary Licensee shall not enter into an exclusive agreement

PROPOSED

with any Cultivation Licensee or Cannabis Product Manufacturer Licensee. Dispensary Licensees shall provide Qualifying Patients with an assortment of Cannabis Items from various Cultivation Licensees and Cannabis Product Manufacturer Licensees. The OCR may order a Dispensary Licensee to diversify its products and impose an appropriate penalty for any failure to comply with the order;

(18) a Dispensary Licensee shall display and Sell Cannabis Items within its designated Restricted Access Area, unless the Sale is conducted pursuant to regulations allowing for Delivery of Cannabis Items to Qualifying Patients as set forth in section 778-21(f);

(19) Restricted Access Areas may be accessed by Medicinal Cannabis Establishment Agents, Consultants, Qualifying Patients above age eighteen (18), and Designated Caregivers only;

(20) a Dispensary Licensee shall not compensate a Practitioner, Designated Caregiver, or any other Person in any way for sending Qualifying Patients to a specific Dispensary;

(21) 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.

(22) a Dispensary Licensee may not dispense to a non-Resident Cardholder more than seven (7) grams of Cannabis, three (3) grams of Cannabis Concentrate, five hundred (500) milligrams, or any combination of Edible Cannabis Products in an amount that exceeds one-half (1/2) ounce of THC to a Nonresident Cardholder.

(23) a Dispensary Licensee may not dispense more than two (2) ounces of Cannabis, ten (10) grams of Cannabis Concentrate, two thousand (2,000) milligrams, or any combination of Edible Cannabis Products in an amount that exceeds one (1) ounce of THC to a resident Cardholder.

(d) Inventory Tracking System.

(1) The Dispensary Licensee shall establish an account with the OCR for access to the Inventory Tracking System to document the following:

(A) each Sale transaction at the time of Sale and each day's beginning inventory, acquisition, sales, disposal, and ending inventory;

(B) acquisition of Cannabis Items from a licensed Cultivation Facility or Cannabis Product Manufacturing Facility to include:

(i) a description of each Cannabis Item including the quantity, strain, variety and Batch number of each Cannabis Item received;

(ii) the name and registry identification number of the Cultivation Licensee or Cannabis Product Manufacturer Licensee providing the Cannabis Item;

(iii) the name and agent identification number of the individual Delivering the Cannabis Items to the Dispensary;

(iv) the name and agent identification number of the Dispensary Licensee receiving the Cannabis Item; and

(v) the date of acquisition of the Cannabis Item;

(C) the disposal of any Cannabis Item to include:

(i) a description of the 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 Items in inventory, the Dispensary shall document the variance, determine its cause, and determine the corrective action most appropriate under the circumstances. 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. If the Dispensary Licensee determines the cause of the variance is theft, criminal activity or suspected criminal activity, it should notify the OCR and the Virgin Islands Police Department of the theft, criminal activity or suspected criminal activity within twenty-four (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, along with any other information pertinent to the cause of the loss or theft.

PROPOSED

(3) A Dispensary Licensee must reconcile all transactions to the Inventory Tracking System at the close of business each day.

(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) Dispensaries may not be located within:

(A) one thousand (1000) feet of a School in existence at the time of submission of an application for a Dispensary License;

(B) five hundred (500) feet of a church in existence at the time of submission of an application for a Dispensary License;

(C) one thousand (1000) feet of any cruise ship dock in Charlotte Amalie in St. Thomas;

(D) five hundred (500) feet of the primary cruise ship dock in Frederiksted, St. Croix; and

(E) 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 Items during all operation hours in an enclosed, locked room or cabinet that is only accessible to authorized agents;

(4) storage of 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 Rules prohibits a Dispensary Licensee from

PROPOSED

refusing to Sell Cannabis Items to any Person, including a Qualifying Patient or Designated Caregiver.

778-13 Cannabis Product Manufacturer Licensees

Cannabis Product Manufacturer Licensees shall be authorized by the OCR to:

(1) Manufacture, process, internally test, package, and label Cannabis Products; and

(2) store, Sell, purchase, receive, Transfer, and transport Cannabis Items to and from other Medicinal Cannabis Establishments on the same island and Testing Facilities.

(b) Selection Process.

(1) To obtain a Cannabis Product Manufacturer License, an Applicant must:

(A) submit a completed and signed application provided by the OCR;

(B) remit payment for the requisite application fee; and

(C) agree to participate in a merit-based selection process as described in this subsection.

(2) Applicants for a Cannabis Product Manufacturer License must provide the following information specific to the operation of a Cannabis Product Manufacturing Facility with the application, which will be subject to the following scoring system:

(A) the Applicant's business plan and services to be offered, which may amount to a maximum possible score of one hundred fifty (150) points, including:

(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 Cannabis Product Manufacturing Facility with a detailed

PROPOSED

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 Cannabis Product Manufacturing Facility to full operation, and the assumptions used as a basis for those estimates;

(B) the Applicant's Manufacturing operations plan, which may amount to a maximum possible score of one hundred fifty (150) points, including:

(i) a plan to provide a steady, uninterrupted supply of Cannabis Products to Dispensaries;

(ii) the demonstrated knowledge of Manufacturing methods to be used, along with a description of the variety of the Cannabis Products to be Manufactured and the Applicant's experience, if any, with producing the identified Cannabis Products; and

(iii) the procedures and processes to be implemented to ensure the quality of Cannabis Products produced and provided to Dispensaries, to include any procedures related to the Quarantine of certain Cannabis Items;

(C) the suitability of the proposed Cannabis Product Manufacturing Facility and Licensed Premises, which may amount to a maximum possible score of one hundred fifty (150) points, including:

(i) evidence that the proposed facility and premises are suitable for the effective and safe production of Cannabis Products, sufficient in size, power allocation, air exchange, air flow, interior layout interior lighting, and security, and sufficient in both the interior and exterior to handle the bulk production of Cannabis Products, Cannabis Product handling, storage, trimming, packaging, loading, and shipping;

(ii) evidence that the loading and unloading of Cannabis Products in a transport vehicle shall be enclosed, secure, and out of sight of the

PROPOSED

public;

(iii) the Applicant's capacity to manufacture the amount of Cannabis authorized by the requested license and to maintain such capacity during the initial and renewal time periods of the license;

(iv) an operations plan that is in compliance with the Act and these Rules;

(D) the Applicant's employee training plan, which may amount to a maximum possible score of one hundred (100) points, including:

(i) 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) 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) 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;

(E) the Applicant's environmental plan, which may amount to a maximum possible score of fifty (50) points, including:

(i) an environmental plan of action to minimize the carbon footprint, environmental impact and resource needs for the Cannabis Product Manufacturing Facility, Licensed Premises and planned production of Cannabis Products; and

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

(F) the Applicant's security and recordkeeping plans, which may amount to a maximum possible score of one hundred fifty (150) points, including:

(i) a security plan that demonstrates the Applicant's ability to prevent the theft or diversion of Cannabis Items, to comply with the Act

PROPOSED

and these Rules, and to interface with Territorial law enforcement. The security plan shall describe the enclosed, locked room or cabinet that will be used to secure or store Cannabis Items and to ensure that Cannabis Items are not visible to the public;

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

(iv) plans for the transport of Cannabis Items, including any plan to apply for a Transporter's certification or to engage a certified Transporter, along with the Applicant's proposed procedures to safely and securely transport and Deliver Cannabis Items to any Testing Facilities, and Dispensaries;

(G) the Applicant's Cannabis Product safety and labeling plans, which may amount to a maximum possible score of one hundred fifty (150) points, including:

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

(ii) a plan for the testing of Cannabis Items and ensuring that all Cannabis Items 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; and

(iii) a plan for establishing a recall of Cannabis Products containing defective Cannabis in the event such 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 providing notification to the OCR, any Dispensary Licensee to whom the recalled Cannabis items were distributed, and to any Person to whom the items may have been Sold. The plan must also include a plan for the destruction and disposal of

PROPOSED

the recalled Cannabis Items;

(H) the Applicant's emergency plan, which may amount to a maximum possible score of fifty (50) points, including a plan that provides for the security of the Cannabis Product Manufacturing Facility, Licensed Premises, 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;

(I) the Applicant's diversity plan, which may amount to a maximum possible score of fifty (50) points, including a plan for diversity in ownership, management, employment, and contracting to ensure inclusion of residents, minority and women owned businesses, and veterans.

(J) a total of one hundred (100) bonus points may be awarded to Applicants who include in their application, the following:

(i) a plan for the development of an incubator program designed to increase participation in the OCR's Medicinal Cannabis Program and/or the Applicant's manufacturing business by residents and persons previously disenfranchised by arrest or incarceration for the possession or distribution of Cannabis;

(ii) plans that provide funding or other resources for substance abuse prevention and treatment programs in the Territory; and

(K) plans that provide funding or other resources to programs that educate children and teens regarding the potential harmful effects of Cannabis use.

(c) Cannabis Product Manufacturer License specific requirements. In addition to the general requirements applicable to all Medicinal Cannabis Establishment Licensees as stated in section 778-10(p), a Cannabis Product Manufacturer Licensee shall:

(1) not intentionally or knowingly Manufacture or design a Cannabis product that has an appearance, label, or Container that would cause a reasonable consumer confusion as to whether the Cannabis product is a

PROPOSED

trademarked food product;

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

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

(4) ensure that Edible Cannabis Products 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, wounds, or any other abnormal source of microbial contamination does not come in contact with any Cannabis Items;

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

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

(A) maintaining personal cleanliness;

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

(C) remove all unsecured jewelry and other objects that might fall into or otherwise come into contact with any Cannabis Items, equipment, or Containers;

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

(E) wear appropriate outer garments to protect against allergen cross-contact and contamination with 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 Manufacture of plant material and Cannabis product 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 Product 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 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 Manufacture of Cannabis Items;

(15) ensure that the Licensed Premises are maintained in a manner that prevents the contamination of Cannabis Items and cross-contact of allergens, to include, but not be limited to:

(A) the proper storage of equipment; and

(B) adequate drainage areas to prevent contamination by seepage, filth, and the breeding of pests; and

(16) not sublet any portion of the Licensed Premises; and

(17) adheres to all standards as established by the Virgin Islands

PROPOSED

Department of Health.

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

778-14 Research and Development Licensee

(a) Research and Development Licensees 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 Products to facilitate the Medicinal Use of Cannabis.

(b) To obtain a Research and Development License, an Applicant must:

(1) submit a completed and signed application provided by the OCR;

(2) remit the requisite application fee;

(3) provide the information listed in section 778-10(e); and

(4) provide the following additional information:

(A) 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;

PROPOSED

(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; and

(B) A description of the intended use of the Cannabis research.

(c) A Research and Development Licensee may only Sell Cannabis 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 License specific requirements. In addition to the general requirements applicable to all Medicinal Cannabis Establishment Licensees as stated in section 778-10(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 Testing Facility;

(2) a Research and Development Licensee must label any Edible Cannabis Product Transferred from the Licensed Premises for research and development testing with the following statement: "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." Such label shall also include 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 Manufactured for research and development purposes may not be used in the production of Cannabis Items, sold to a Dispensary Licensee, or otherwise, be given to a Qualifying Patient unless as part of an official study conducted with approval and shall be destroyed and disposed of pursuant to these Rules.

(4) a Research and Development Licensee shall maintain a record of all

PROPOSED

research and development tests performed for at least two (2) years from the date of performance and provide such records to the OCR upon request;

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

778-15 Approved Vendor Certificates

(a) A Third-Party Vendor who provides goods, services, or intellectual property to a Medicinal Cannabis Establishment Licensee and who, as a result, must possess, for any time, Medicinal Cannabis, or enter Limited Access Areas 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 employees.

(b) Third-Party Vendor Applicants must apply for certification by submitting a completed and signed application, on forms to be provided by the OCR, and remitting the requisite application fee. Application requirements for Third-Party Vendor certifications include:

(1) information related to the owners of the Applicant, including any individuals holding a financial interest;

(2) evidence that the Applicant is qualified to do business in the Virgin Islands; and

(3) any other evidence requested by the OCR regarding the operations, procedures, and processes of the Third-Party Vendor's proposed goods, services, or intellectual property.

(c) The receipt of a Third-Party Vendor certification is a revocable privilege. The burden of proving an Applicant's qualifications for a certification rests at all times with the Applicant.

(d) Denial of Applications.

PROPOSED

(1) The OCR may deny any application for Third-Party Vendor certification if it contains falsified information.

(2) If the OCR denies an application, then the Applicant may not resubmit the same application unless it has corrected all deficiencies identified in the denial(s) of prior applications.

(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 778-26.

(e) 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 778-26.

(f) Third-Party Vendor certification 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 the immediately preceding 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 employees who possess Cannabis or Cannabis Items or may access Limited Access Areas 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 and provide such documentation to the OCR upon request; and

(3) maintain documentation of all participation in training regarding the handling of Cannabis Items or the requirements of the Act and these Rules and all participation in any special training regarding the Cannabis

Program and the Cannabis industry.

778-16 Cannabis Testing Facility Licensees

Testing Facility Licensees shall be authorized by the OCR to:

(1) acquire, possess, analyze, test, and transport Cannabis Items obtained from Medicinal Cannabis Business Establishments, the OCR, Qualifying Patients, Designated Caregivers, and any other Person authorized to possess Cannabis;

(2) offer holders of licenses issued by the OCR pursuant to these Rules testing for quality assurance, research and development, or labeling purposes; and

(3) perform any testing on behalf of the OCR and other governmental agencies.

(b) Cannabis testing shall address the following:

(1) the visual appearance;

(2) the presence of residual solvents;

(3) the presence of poisons or toxins;

(4) the presence of harmful chemicals;

(5) the presence of dangerous molds, mildew, or filth;

(6) the presence of harmful microbials, such as E. coli or Salmonella;

(7) the presence of Pesticides;

(8) the CBD and THC potency

(9) and all other tests required by the OCR.

(c) For the first two years of the program, the OCR shall authorize and license one (1) independent Testing Facility in the district of St. Thomas/St. John and one (1) independent Testing Facility in the district of St. Croix pursuant to a competitive bid process in accordance with subsection 777(f)(2) of the Act and the Government of the Virgin Islands' standard procurement process. No owner, officer, board member, employee, Manager, volunteer,

PROPOSED

Consultant, any other agent, or Contractor of a Medicinal Cannabis Establishment, registered Practitioner who provides written certifications recommending the use of Cannabis, or any other Person that may financially benefit from the cultivation, Manufacture, or Sale of Cannabis Items shall have any Financial Interest of any form in a Testing Facility Licensee.

(1) Thereafter, the OCR shall disclose via public notice the medium by which it will select Testing Facilities.

(d) In addition to any general application requirements set forth in section 778-10(d), Applicants seeking Testing Facility certification shall include the following information in the Application:

(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.

(e) Testing Facility specific requirements. In addition to the general requirements applicable to all holders of licenses issued by the OCR

PROPOSED

pursuant to these Rules as stated in section 778-10(p), Testing Facility Licensees shall:

(1) utilize analytical methods that are appropriate for the purpose of testing 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 individual recording the data;

(3) ensure weighing 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 Item 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 testing reports with certificates of analysis containing the following information:

(A) the date of receipt of the test sample;

(B) the description of the type or form of the test sample;

(C) the Batch number associated with each Cannabis Item's Batch as maintained in the OCR's Inventory Tracking System;

(D) the date on which the analysis occurred;

(E) the analytical method or methods used, including identification of the analytical equipment used;

(F) the analytical results, including units of measure where applicable;

(G) the identity of the supervisory or management personnel who reviewed the data, verified the results and ensured that data quality, calibration, and other applicable requirements were met; and

(H) the name, address, and contact information of the Testing Facility that conducted the test;

PROPOSED

(7) verify on each certificate of analysis that:

(A) all calculations or other data processing steps were performed correctly;

(B) the data meets any data quality requirements;

(C) any reference standards used were of the appropriate purity and within their expiration or requalification dates;

(D) any volumetric solutions were properly standardized before use; and

(E) 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 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) designate an agent or agents responsible for records maintenance who shall serve as the custodian of records;

(11) segregate and store Cannabis Item samples in a manner that prevents contamination and protects against theft and diversion;

(12) maintain the following records and material on its Licensed Premises:

(A) personnel documentation, including, but not limited to employment records and training requirements;

(B) standards for receipt, handling, and disposition of samples of Usable Cannabis;

(C) equipment information detailing the type of equipment used, inspection standards and practices, testing and calibration schedules and records, and standards for cleaning and maintenance;

(D) reagents, solutions, and reference standards, including but not limited to standards for labeling, storage, expiration, and re-qualification dates and records;

(E) reference standards, including the certificate of analysis;

(F) sample analysis procedures, including but not limited to procedures for the use of only primary and secondary standards for quantitative analyses;

(G) standards for data recording, review, storage, and reporting;

(H) material safety data sheets for all chemicals used; and

(I) such other material as the OCR may require;

(13) establish and maintain a training program approval by the OCR to ensure that, within thirty (30) days of the start of employment, all agents at the Testing Facility are provided information and training that, at minimum, covers the following topics:

(A) health and safety;

(B) hazard communication;

(C) security procedures; and

(D) recordkeeping; and

(E) track and trace;

(14) provide and document training on the following subjects before permitting any agent to independently collect samples of or perform testing on Cannabis Items:

(A) the process and standard operating procedures of the Testing Facility;

(B) quality control procedures, including sterile collection of samples and storage;

(C) chain of custody, recordkeeping, and tracking requirements;

(D) calibration, use, and maintenance of weighing and measuring devices;

(E) proper and safe usage of equipment and machinery;

(F) safe work practices applicable to an employee's job tasks, including appropriate use of any necessary safety or sanitary equipment;

PROPOSED

(G) cleaning and maintenance requirements;

(H) emergency operations, including shutdown;

(I) transportation procedures; and

(J) any additional information reasonably related to sample collection and testing.

(f) Sampling Protocols. For all required testing, an authorized agent of a Cannabis Testing Facility or the OCR, shall perform sample collections and sample disposal pursuant to the following protocols:

(1) collection of the quantity of Cannabis Items 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 Cannabis Item;

(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:

(A) the Licensee registration number as issued by the OCR;

(B) the Batch number assigned by the Licensee;

(C) the date the sample was taken;

(D) the name of the individual collecting the sample; and

(i) the tests to be performed;

(5) disposal of any sample that is not destroyed during the testing process by:

(A) returning the unused sample to the Licensee;

(B) store and use the unused portion of the sample for internal quality control purposes; or

(C) destruction of the sample in accordance with these Rules.

(g) Research and development testing for Medicinal Cannabis Establishments.

PROPOSED

(1) When a Testing Facility Licensee performs testing for a Research and Development Licensee for the purpose of research and development or for quality-control measures, an agent of the Research and Development Licensee or the Testing Facility Licensee shall collect the sample and the certificate of analysis shall be marked for "R&D Testing Only."

(2) The results of a Testing Facility Licensee's testing for a Research and Development Licensee may neither be used to satisfy any testing requirement, even if the sample passes all tests, nor constitute a failed test for the purpose of any testing requirement.

(3) The results of a test conducted for research and development purposes shall not be included on a Cannabis Item label or Advertisement.

(h) Licensed Premises. A Cannabis Testing Facility Licensee shall:

(1) not share its Licensed Premises with any other Medicinal Cannabis Establishment or Practitioner;

(2) maintain the Licensed Premises in a clean and orderly condition;

(3) equip the Licensed Premises with such utensils and equipment as necessary to conduct the operations of the Testing Facility; and

(4) ensure adequate space for testing operations, recordkeeping, and storage.

778-17 Fees

(a) Unsuccessful Applicants for licenses and Third-Party Vendor Certifications shall receive a reimbursement equal to the amount specified within the Act within one hundred fifty (150) days of the denial of an application.

(b) The OCR shall use the fees collected for the administration and enforcement of the Medicinal Cannabis Program and the Director shall include the following information in the annual report required by section 777(i) of the Act:

(1) the amount of each fee collected;

(2) the date each fee was collected;

(3) the name of the Person from whom each fee was collected (except for

any information collected under the Health Insurance Portability and Accountability Act of 1996 (HIPAA) or which has otherwise been delineated as confidential); and

(4) the total amount of fees collected and the total amount of funds returned.

778-18 Inventory Tracking System

(a) The OCR shall establish an Inventory Tracking System to remotely monitor and track all Cannabis Items from the acquisition of seeds or clones through the Sale and Delivery of a Cannabis Item to a Qualifying Patient. The Inventory Tracking System must provide for real-time access by the OCR, licensees, and Territorial 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.

(b) The Inventory Tracking System must be interoperable with the software of Medicinal Cannabis 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 application programming interface or comparable technology must 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.

778-19 Advertising

(a) A Medicinal Cannabis Establishment licensee may:

(1) display its name and logo on Cannabis Item's labels, signs, websites, and informational material provided to Qualifying Patients, vendors, and other Licensees. Names and logos must be approved by OCR in advance of their usage. The name and logo must not include:

(A) the image of any Cannabis Item or Cannabis Paraphernalia;

(B) colloquial references to Cannabis;

PROPOSED

(C) names of Cannabis plant strains;

(D) symbols that bear a reasonable semblance to the OCR's Standard Symbol;

(E) symbols of any Territorial departments or agencies; or

(F) symbols of any established medical associations;

(2) display signs at its Licensed Premises except for cultivation facilities;

(3) maintain a business website that contains but is not limited to the following information:

(A) the name of the licensee;

(B) the location of the Licensed Premises;

(C) contact information for the licensee's business operations;

(D) hours of operation;

(E) identification of the Cannabis Items Sold with pricing; and

(F) any other information approved by the OCR in advance of Advertising.

(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 shall deny or approve the Advertising activity at the time of the application's denial or approval if the request is submitted with an application and within thirty (30) days of submission of the request if the request is submitted separate of a license application.

(1) All advertisements must include an approval number as generated by the OCR.

(c) A licensee may not display Cannabis Items in a way that is visible to the public from outside of the Licensed Premises.

778-20 Security

(a) Video Surveillance. Medicinal Cannabis Establishment Licensees shall be

PROPOSED

required to operate and maintain in good working order a twenty-four (24) hour, seven (7) days per week closed circuit surveillance system at the Licensed Premises that meets the following minimum standards:

(1) the system must visually record and monitor all building entrances and exits, all parking lot areas, and other areas immediately adjacent to the Licensed Premises, and the interior of the Licensed Premises, including all areas where Cannabis Items are Manufactured, stored, shipped, Sold, or destroyed, including any points of sale, but not including restrooms or offices;

(2) fixed cameras must be installed so as to provide a consistent recorded image of the areas identified in subsection (a) 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 and night capabilities to provide picture clarity and brightness;

(4) the recording device must

(A) be digital;

(B) display a date and time stamp on all recorded video;

(C) contain a media recording device that allows for the electronic and manual download of surveillance footage for viewing on any standard device;

(D) remain operational during a power outage for an unlimited amount of time;

(E) allow for exportation of still images in an industry standard format, such as .jpg or gif., and viewing through a standard computer operating system;

(F) allow for exported video or still images 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; and

(G) be located in a locked, tamper-proof compartment;

(5) a display monitor with a minimum screen size of 12 inches must be

connected to the surveillance system at all times;

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

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

(8) security recordings must 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 know 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 or area dedicated to the business operations of the licensee;

(10) access to surveillance areas must be limited to individuals who are essential to surveillance operations, the OCR and any department or agency acting on behalf of the OCR, and Territorial 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 twenty-four (24) hours per day, seven (7) days per week through a secure web-based portal designated by the OCR and available for in-person, on-site review during business hours.

(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 shall ensure that all of its Licensed Premises are continuously monitored and may engage the services of a monitoring company to fulfill this requirement;

PROPOSED

(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 and make such records available to the OCR and Territorial 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.

778-21 Transport and Delivery

(a) The OCR may authorize Third-Party Vendors to transport and Deliver Cannabis Items and authorize licensees to transport Cannabis Items cultivated, Manufactured, processed, stored, and packaged in association with their business operations and at their Licensed Premises pursuant to the requirements of this section.

(b) Cannabis Items may only be transported by Transporters between Licensed Premises, between Licensed Premises and a Testing Facility, and between a Dispensary Licensee and a Qualify Patient or a Qualifying Patient's Designated Caregiver.

(c) Transportation Manifest. A transport manifest containing the following information and generated by the Inventory Tracking System:

(1) the date and approximate time of Delivery or transport;

(2) the name, location, address, and license number of the Medicinal Cannabis Establishment or the name, location, address, and registry identification number of the Qualifying Patient or Designated Caregiver to receive the Cannabis Item;

(3) the name and quantity, by weight and unit, of each Cannabis Item to be delivered to the Medicinal Cannabis Establishment, the Qualifying Patient, or the Designated Caregiver;

(4) the Agent Identification Card number and signature of the Transporter; and

PROPOSED

(5) the make, model, and license plate number of the vehicle used for Delivery or transport.

(d) The Transporter shall:

(1) transmit a copy of the transport manifest to the receiving Medicinal Cannabis Establishment, Qualifying Patient, or Designated Caregiver; and

(2) maintain all transport manifests for at least five (5) years and make them available to the OCR upon request.

(e) All transport manifests must be signed by an authorized Medicinal Cannabis Establishment Agent both upon departure from the Licensed Premises and upon receipt at the receiving Medicinal Cannabis Establishment, Qualifying Patient, or Designated Caregiver. The recipient must verify and document the type and quantity of the transported Cannabis Items against the transport manifest, return a copy of the signed transport manifest to the Transporter, and, if a Medicinal Cannabis Establishment Agent, receive the Medicinal Cannabis as inventory to be documented or a sample to be tested.

(f) A Dispensary Licensee shall not Deliver Cannabis Items to a Qualifying Patient or Designated Caregiver, unless:

(1) the Dispensary Licensee is also certified to transport and delivery is made by the holder of an Agent Identification Card or Delivery is made by a certified third-party vendor who has an agreement with the Dispensary Licensee to perform Delivery;

(2) the Transporter verifies the identity and age of the Qualifying Patient or Designated Caregiver at the point of delivery by scanning the identification;

(3) the Delivery is conducted only during the times the dispensary is open;

(4) the Transporter only travels to and from the delivery destination and does not make any unnecessary stops that are not disclosed in the transport manifest;

(5) all Cannabis Items are secured and obscured from immediate view at all times during Delivery;

(6) prior to Delivery the Dispensary Licensee enters the Delivery in the

PROPOSED

Inventory Tracking System; and

(7) the Cannabis item is returned to the dispensary if the Transporter is unable to deliver directly to the Qualifying Patient or the Designated Caregiver and entered into the Inventory Tracking System.

(g) Vehicular Requirements. A Transporter shall ensure that all Cannabis Items transported on public roadways are:

(1) safely secured during transport

(2) packaged in tamper-evident Containers;

(3) transported so it is not visible or recognizable from outside the vehicle; and

(4) transported in a vehicle that does not bear any markings to indicate that the vehicle contains Cannabis Items, including the name or logo of the licensee or vendor.

(h) The Transporter transporting Cannabis on the public roadway shall not stop for any reason other than emergency and

(1) travel directly to the recipient of the Cannabis Items; and

(2) document any emergency refueling or other stop in transit, including:

(A) the reason for the stop;

(B) the duration of the stop;

(C) the location of the stop; and

(D) all activities of the Agent during the stop.

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

(j) No individual other than a Transporter shall be allowed by the Transporter to have actual physical control of any vehicle that is being used to transport Cannabis Items. Transporters shall staff all vehicles containing Cannabis Items with a minimum of two (2) Agents with at least one Agent remaining with the vehicle at all times the vehicle contains Cannabis.

(k) Each agent of a Transporter in the vehicle transporting a Cannabis Item must

PROPOSED

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 Items.

(l) Each Agent of a Transporter shall carry his or her Agent Identification Card and a copy of the Transport Manifest at all times when Transporting or Delivering Cannabis Items and produce their Agent Identification Card and Transport Manifest to the OCR or any Territorial law enforcement official upon request.

778-22 Notifications to the OCR

(a) 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:

(1) when there has been a change in the name, address, Practitioner or Designated Caregiver of a Qualifying Patient who has been issued a Registry Identification Card, that Qualifying Patient shall notify the OCR within ten (10) days by submitting the necessary information in the manner prescribed by the OCR. A Qualifying 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 Qualifying Patient on the sole basis of a new or change of Designated Caregiver;

(2) Licensees shall notify the OCR of any change in management personnel within seven (7) days of the change;

(3) Licensees and their Agents shall notify the OCR of the discovery of any criminal activity, attempted criminal activity, or planned criminal activity, including criminal activity involving the theft, burglary, underage Sale, diversion, or any other crime involving Cannabis Items or the Inventory Tracking System. Such notification must be made as soon as possible after discovery of the criminal activity, attempted criminal activity or plan to commit criminal activity, but no later than fourteen (14) days; and

PROPOSED

(4) Licensees and their agents shall keep records for five (5) years and notify the OCR of any Adverse Health Event of which they are made aware within forty-eight (48) hours of the event.

778-23 Violations and Penalties

(a) In addition to the violations identified in the Act, the following acts constitute violations of the Act and these Rules:

(1) it shall be 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 Items other than the types of businesses and commercial activity that are expressly identified in the Act and these Rules;

(2) it shall be unlawful for a Medicinal Cannabis Establishment Licensee to buy, Sell, Transfer, give away, or acquire Cannabis Items, except as allowed by the Act and these Rules;

(3) it shall be unlawful to possess Cannabis Items in an amount in excess of the Allowable Amounts in section 778-4.

(4) to knowingly provide false information to the OCR;

(5) any Cardholder or Medicinal Cannabis Establishment that willfully fails to provide notice as required by section 777 of the Act or section 778-22 of these Rules is civilly liable for the infraction and subject to a fine of not more than one hundred fifty dollars ($150.00);

(6) it shall be a violation of the Act and these Rules for a Medicinal Cannabis Establishment licensee to fail to continuously escort a visitor in any Limited Access area; and

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

(b) The OCR is authorized to require a Person convicted of any unlawful act identified in the Virgin Islands Code, the Act or these Rules to pay a fine, to

PROPOSED

become unaffiliated with the subject Medicinal Cannabis Establishment, and to disqualify such Person from further participation in any Medicinal Cannabis Establishment.

(c) Administrative sanction of Practitioners. The OCR may sanction a registered Practitioner for violations of the Act, these Rules or for Reasonable Cause. Practitioner violations 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 Cannabis Items are sold or distributed, such as a cultivation facility, dispensary, or other producer or distributor of Medicinal Cannabis;

(2) the Practitioner holds a Financial 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.

(d) Sanctions. For violations or Reasonable Cause, the OCR may propose any of the following sanctions against a Practitioner:

(1) Revocation of the Practitioner's ability to certify 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 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 Rules and the public health, safety and welfare requires

PROPOSED

emergency action.

(4) Recommendation to DOH or other authority for investigation.

(e) Appeals. A Practitioner who is sanctioned pursuant to these Rules may appeal the sanction by requesting a hearing pursuant to section 778-26.

778-24 Disaster Relief

(a) If a Medicinal Cannabis Establishment Licensee is unable to comply with any requirement or limitation of the Act or these Rules due to a Disaster, the Licensee may notify the OCR of this inability and request relief from the specific requirement or limitation.

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

(c) The OCR may only provide temporary relief from a specific requirement for the amount of time reasonably necessary to allow the Licensee to recover from the Disaster;

(d) The OCR may require that certain conditions be imposed for a Licensee to receive temporary relief from specific requirements.

(e) Licensees shall not be subject to enforcement action for violating a requirement from which the Licensee has received temporary relief.

(f) If a Licensee needs to immediately move Cannabis Items stored on the Licensed Premises to another location to prevent loss, theft, diversion or degradation of the Cannabis Items due to a disaster, the Licensee may Transfer the Cannabis Items without obtaining prior approval from the OCR only if:

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

(2) the Licensee notifies the OCR in writing that the Cannabis Items have been Transferred and that the Licensee is requesting relief from compliance with the specific requirement or limitation pursuant to subsection (a) of this section within twenty-four (24) hours of relocation

PROPOSED

of the Cannabis Items;

(3) the Licensee agrees to grant the OCR access to the location where the Cannabis Items have been Transferred; and

(4) the licensee submits a request for temporary relief to the OCR within ten (10) business days of relocating the Cannabis Items that clearly identifies which general and specific requirements or limitations from 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.

778-25 Enforcement, Suspension and Revocation of Registrations, Licenses and Certificates

(a) Enforcement. The OCR may utilize the enforcement division of the DLCA, the Virgin Islands Police Department, any other enforcement agency and the USVI Department of Justice to enforce the Act and these Rules.

(b) Suspension and Revocation. In addition to the grounds for suspension and revocation provided in section 792 of the Act, any violation of these Rules shall 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 Registry Identification Card, Practitioner Registration, Agent Identification Card, license or Third-Party Vendor certification 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 the Act or these Rules;

(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 Items, as determined by the OCR; or

(5) threatening a Qualifying Patient, Designated Caregiver, or OCR

PROPOSED

representative.

(d) Upon a finding described in subsections (c)(1)-(5) above, the OCR shall serve written notice to the licensee or Third-Party Vendor by 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 seventy-two (72) hours from receipt of the notice to remedy the violations and provide proof of corrective action to the OCR. If the Cardholder, Registered Practitioner, licensee, or Third-Party Vendor requests a hearing, the OCR shall conduct a hearing within three (3) weeks of the request for a hearing.

(e) 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.

(f) A Qualifying Patient who has been convicted of a Territorial criminal offense or sentenced or ordered by a court to complete 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 twenty-four (24) hours of the conviction, sentence, or court order, whichever is sooner. Such Qualifying 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.

778-26 Administrative Appeal

(a) Any Person aggrieved by a decision or order 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 or order.

PROPOSED

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 an Administrative Hearing Officer, who shall be knowledgeable of the laws of the Virgin Islands and competent to both conduct the hearing and decide the appeal; 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-Party Vendor may be represented by counsel, submit evidence, cross-examine witnesses, and examine such evidence as may be produced against him or her. The Applicant, Cardholder, Practitioner, licensee, or certified Third-Party Vendor shall be entitled, on application to the OCR's Administrative Hearing Officer, to the issuance of subpoenas to compel the attendance of witnesses.

(c) The OCR's Administrative Hearing Officer may issue subpoenas to compel the attendance of witnesses and the production of documents and may administer oaths, take testimony, hear proof, and receive exhibits in evidence. In case of disobedience to a subpoena, the OCR's Administrative Hearing Officer 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 aggrieved Applicant, Cardholder, Licensee, or any other Person to show that the OCR's decision or order was an abuse of discretion.

(e) The OCR's Administrative Hearing Officer shall record all hearings and make copy of the recording available to all parties for transcription upon request.

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

(g) Any Person aggrieved by a decision of the OCR's Administrative Hearing Officer may obtain judicial review by filing a petition for writ of review in the Superior Court of the Virgin Islands pursuant to 5 V.I.C. § 1422, *et. seq*.

PROPOSED

and Superior Court Rule 15. The standard of proof for judicial review is whether the OCR's Administrative Hearing Officer's decision was based on substantial evidence.

778-27 Forms

Patient-Related Forms

OCR-0110. Adult Patient Application
OCR-0111. Adult Patient Renewal Application
OCR-0120. Under-Age Patient Application
OCR-0121. Under-Age Patient Renewal Application
OCR-0130. Non-Resident Patient Application
OCR-0140. Caregiver Application
OCR-0141. Caregiver Renewal Application
OCR-0142. Caregiver Request to Assist Additional Patients
OCR-0143. Patient Request to Designate Caregiver
OCR-0144. Patient Request to Change Designated Caregiver
OCR-0150. Residency Requirement Waiver
OCR-0151. Indigence Fee Waiver
OCR-0160. Notification of Loss of Patient Card
OCR-0161. Notice of Potential Workplace Violations

Practitioner-Related Forms

OCR-0210. Practitioner Registration
OCR-0211. Practitioner Registration Renewal
OCR-0220. Patient Certification
OCR-0221. Under-Age Patient Certification
OCR-0222. Medical Information Release
OCR-0223. Liability Release
OCR-0230. Certification of On-Going Treatment

Agent-Related Forms

OCR-0310. Agent Identification Card Registration
OCR-0311. Agent Identification Card Renewal
OCR-0320. Notification of Loss of Agent Identification Card

PROPOSED

OCR-0330. Certified Responsible Vendor Trainer Application
OCR-0331. Certified Responsible Vendor Trainer Renewal

Business-Related Forms

OCR-0410. Cultivation License Application
OCR-0411. Cultivation License Renewal
OCR-0420. Cannabis Product Manufacturer License Application
OCR-0421. Cannabis Product Manufacturer License Renewal
OCR-0430. Dispensary License Application
OCR-0431. Dispensary License Renewal
OCR-0440. Approved Vendor Certificate Application
OCR-0441. Approved Vendor Certificate Renewal
OCR-0450. Testing Facility Application
OCR-0451. Testing Facility Renewal Application
OCR-0460. Research & Development Application
OCR-0461. Research & Development Renewal Application
OCR-0480. Certificate to Operate
OCR-0490. Residency Waiver

Disposition-Related Forms

OCR-0510. Waste Record
OCR-0520. Request for the Use of Pesticides

Administration-Related Forms

OCR-0610. Transport Manifest
OCR-0620. Advertisement Request
OCR-0630. Description of Physical Location
OCR-0640. Modification of Physical Location
OCR-0650. Administrative Appeal
OCR-0660. Notice of MCE Closure

Application Modification Forms

OCR-0710. Request to Increase Cultivation Capacity
OCR-0720. Request to Change Ownership
OCR-0730. Request to Change Business Location
OCR-0740. Request to Add Financial Interest Holder

PROPOSED

OCR-0750. Increase of Maximum Allowable Canopy

This list is not exhaustive and includes any other form as established, numbered, and/or amended by the Office of Cannabis Regulation.

PROPOSED

CERTIFICATION BY THE LIEUTENANT GOVERNOR THAT REGULATIONS WERE DULY PUBLISHED AND CONFORM TO FORMATTING REQUIREMENTS

In my capacity as Lieutenant Governor of the United States Virgin Islands, I have reviewed the foregoing Rules and Regulations from the Office of the Lieutenant Governor, and find them to be in compliance with Title 3, Chapter 25, and the *Amended Rules and Regulations for Filing and Publication of Regulations in the Territory of the United States Virgin Islands* and hereby approve the same in accordance with 3 V.I.C. § 936.

_____ _____

TREGENZA A. ROACH, ESQ. Date
Lieutenant Governor
United States Virgin Islands

PROPOSED

GOVERNOR'S CERTIFICATE OF COMPELLING CIRCUMSTANCES

Pursuant to the authority granted under Section 938 of Title 3 of the Virgin Islands Code, in my capacity as Governor of the United States Virgin Islands, I certify that because of compelling circumstances, including lengthy delays before publication, the public interest requires that the attached *Amended Rules and Regulations for Filing and Publication of Regulations in the Territory of the United States Virgin Islands* become effective immediately on the date noted below.

_____ _____
ALBERT A. BRYAN, JR. Date
Governor
United States Virgin Islands

GOVERNOR'S APPROVAL & LIEUTENANT GOVERNOR'S ATTEST

Pursuant to the powers vested in me by Section 11 of the Revised Organic Act of 1954, the above *Amended Rules and Regulations for Filing and Publication of Regulations in the Territory of the United States Virgin* Islands of the Office of the Lieutenant Governor, which will be published in a newspaper of general circulation for public comment for at least thirty (30) days after the date of approval noted below.

_____ _____
ALBERT A. BRYAN, JR. Date
Governor
United States Virgin Islands

Attest:

_____ _____
TREGENZA A. ROACH, ESQ. Date
Lieutenant Governor

PROPOSED

CERTIFICATION OF TRANSMITTAL TO LEGISLATURE

I hereby certify that the above approved *Amended Rules and Regulations for Filing and Publication of Regulations in the Territory of the United States Virgin Islands* from the Office of the Lieutenant Governor were transmitted to the Legislature of the United States Virgin Islands pursuant to 3 V.I.C. § 913(a) on the date noted below.

_____ _____

Governor/Governor's Designee Date

PROPOSED