

VIRGIN ISLANDS OFFICE OF CANNABIS REGULATIONS



Rules and Regulations for the Office of Cannabis Regulations in the United States Virgin Islands

Submitted this 4th day of May 2024 to

Governor Albert Bryan Jr.

By
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Catherine Kean, MD Chair

Virgin Islands Cannabis Advisory Board

Copy below is hereby certified to be a true and correct copy of the Rules and Regulations adopted pursuant to authority granted in Act No. 8680; Title 19 V.I.C. Chapter 34.

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Statement of Statutory Authority

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

777-1 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.

777-2 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. In the event of a conflict in the definitions contained in the Act and these Rules, the definitions contained in the Act shall apply.
- (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 8680, the Virgin Islands Cannabis Use Act, as codified in Title 19, Chapter 34 of the Virgin Islands Code;
 - (2) "Adult-Use" or "Adult User" means the use of Cannabis by persons over the age of twenty-one (21) and pursuant to the Act;
 - (3) "Adult Use Lounge" means a business, pursuant to an issued permit, wherein individuals over the age of 21 may use Cannabis, commercial Cannabis products or commercial Cannabis accessories. Said space may be public or private and may be owned by an individual, corporation, partnership, association, trust, government or entity, or any combination thereof;

- (4) “Adverse Health Event” means any health condition associated with the use of Cannabis that includes any unfavorable or unintended symptom, such as a hospitalization, emergency room visit, abnormal laboratory finding, outbreak, death, disease, or any other negative symptom 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;
- (5) “Advertising” or “Advertisement” means the act of providing consideration for the publication, dissemination, solicitation, or circulation of visual, oral, or written communication that induces any person to patronize a place of Sale or purchase Cannabis Items. “Advertising” does not include packaging and labeling, consumer education material, or Branding. Rather, “Advertising” concerns a commercial transaction or otherwise constitutes commercial speech;
- (6) “Agent Identification Card” means an identification card issued by the OCR that identifies an individual as an authorized Cannabis Business Representative or Third-Party vendor that regularly accesses a Cannabis Business or regularly possesses Cannabis as a result of the services it provides, or both;
- (7) “Applicant” means a Person who has applied for a Medical Cannabis Patient Card, to cultivate for Sacramental Use, Cannabis License, or Cannabis Permit, renewal, change of ownership, or change of location of a Cannabis License pursuant to this chapter, which application has been accepted for review but has not been approved or denied by the OCR;
- (8) “Batch” means either a Harvest Batch or a Production Batch;
- (9) “Biosecurity” means a set of preventative measures designed to reduce the risk of transmission of:
- (A) infectious diseases in crops;
 - (B) quarantined pest;
 - (C) invasive alien species; and
 - (D) living modified programs;
- (10) “Board” means the Virgin Islands Cannabis Advisory Board as established by the Act;
- (11) “Branding” means promotion of a business’ brand through

publicizing a Cannabis Business by name, logo, or distinct design features of the brand;

- (12) “Business Entity” means a legal entity incorporated pursuant to Title 13 or formed under Title 26 of the Virgin Islands Code, whose shareholders, officers, directors, members, partners, or owners are each residents of the Virgin Islands as required by section 786(a) of the Act and that is not publicly traded. A Business Entity and each of the Persons who are its shareholder, officers, directors, members, partners, or owners are Owners;
- (13) “Cannabis Business” means a Cannabis Licensee or Permittee under these Rules and the Act;
- (14) “Cannabis Business Representative” means an owner, employee, or agent of a Cannabis Business and shall not include a Contractor or a Consultant;
- (15) “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 or by combining extracted cannabinoids with Cannabis or other ingredients and are intended for use by smoking or vaporizing;
- (16) “Cannabis Cultivation Licensee” or “Cultivation Licensee” means a Licensee authorized to cultivate Cannabis for Sale to other Cannabis Licensees pursuant to these Rules and the Act;
- (17) “Cannabis Cultivation Facility” or “Cultivation Facility” means the Licensed Premises of a Cannabis Cultivation Licensee;
- (18) “Cannabis Dispensary Licensee” or “Dispensary Licensee” means a Licensee authorized to Sell Cannabis Items pursuant to these Rules and the Act;
- (19) “Cannabis Dispensary” or “Dispensary” means the Licensed Premises of a Cannabis Dispensary Licensee;
- (20) “Cannabis Flower” means the flower, including abnormal and immature flowers, of a plant of the genus Cannabis that has been harvested and dried, and prior to any processing whereby the flower material is transformed into a Cannabis Product;
- (21) “Cannabis Infused Product” means any product that is comprised of Cannabis Concentrate or Cannabis Flower and other ingredients and is intended for use or consumption other than by smoking or vaporizing,

including edible Cannabis-Infused Products, Topical Cannabis-Infused Products, Transdermal Cannabis-Infused Products, and Transmucosal Cannabis-Infused Products. An extract of Cannabis that does not include any other non-cannabis ingredients but includes activated cannabinoids intended for oral administration shall be considered an Edible Cannabis-Infused Product;

- (22) “Cannabis Item” means Cannabis Plant material, Cannabis Concentrate, and Cannabis Products;
- (23) “Cannabis Manufacturing Licensee” or “Manufacturing Licensee” means a Licensee authorized to manufacture Cannabis Items for Sale to other Cannabis Licensees pursuant to these Rules and the Act;
- (24) “Cannabis Manufacturing Facility” means the Licensed Premises of a Cannabis Manufacturing Licensee;
- (25) “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;
- (26) “Cannabis Permit” or “Permit” is an authorization to engage in a Cannabis related activity to include, but not be limited micro-cultivation, use of Cannabis in a lounge or an event, or onsite consumption at a Cannabis Business;
- (27) “Cannabis Permittee” or “Permittee” means a Person permitted pursuant to these Rules and the Act to engage in a Cannabis related activity, unless specific provisions or context provides otherwise. Cannabis Permittees include Micro-Cultivation Permittees, Adult Use Lounge Permittees, Cannabis Use Permittees, Temporary Cannabis Use Permittees, and Onsite Consumption Permittees;
- (28) “Cannabis Plant” means any plant of the genus Cannabis;
- (29) “Cannabis Product” means concentrated Cannabis products and Cannabis products that are comprised of Cannabis and other ingredients and are intended for use or consumption, such as, but not limited to, edible products, ointments, and tinctures;
- (30) “Cannabis Research and Development License” or “Cannabis Research and Development Licensee” means a Person licensed pursuant

to these Rules and the Act to operate a business that engages in research and development around Cannabis testing, genetics, seed manufacturing, plant tissue cultivation, and manufacturing, with the intention of developing new products and technologies;

- (31) “Cannabis Testing Facility License” or “Cannabis Testing Facility Licensee” means the holder of a license issued by the OCR to perform testing on Cannabis Items;
- (32) “Cannabis Trim” or “Trim” means all parts of a Cannabis Plant, other than the Cannabis Flower or the stalk and root systems of the plant, that have been harvested and dried, and prior to any processing whereby the plant material is transformed into a Cannabis Product.
- (33) “Cannabis Use Permit” or “Cannabis Use Permittee” means a Person permitted pursuant to the Rules and the Act to operate a business that allows for the consumption of Cannabis in a designated area, subject to applicable regulations;
- (34) “Cardholder” means a Qualified Patient, Designated Caregiver, Sacramental User authorized to grow for personal Sacramental Use, or Cannabis Business Representative who has been issued and possesses a valid Medical Cannabis Patient Card, Medical Cannabis Caregiver Card or Agent Identification Card issued by the OCR;
- (35) “CBD” means the chemical compound cannabidiol;
- (36) “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;
- (37) “Collective Sacramental Cannabis Cultivation Certificate” means an authorization issued by the OCR for an OCR-certified religious or faith-based organization to cultivate Cannabis on the grounds of the organization, subject to limitations;
- (38) “Conditional License” means a contingent license awarded to Applicants which reserves the right to a License for a certain time period if an Applicant meets certain conditions described in the award, but does

not entitle the recipient to begin purchasing or Selling Cannabis or Cannabis Products;

- (39) “Consultant” means a Person who visits the Licensed Premises of a Cannabis Licensee on a temporary basis to perform a service related to advising a Cannabis Licensee regarding the cultivation, curing, processing, internal-testing, storing, packaging, labeling, manufacturing, transportation, Transfer, purchase, and Sale of Cannabis Items;
- (40) “Consumer Education Materials” means any informational material that seek to educate consumers about rules and regulations within the Cannabis industry generally, including, but not limited to, education regarding the safe consumption of Cannabis, regulated Cannabis Concentrate, or regulated Cannabis Products, provided it is not distributed or made available to individuals under twenty-one (21) years of age;
- (41) “Container” means the sealed package in which Cannabis Items are placed for Sale;
- (42) “Contractor” means a Person other than a Cannabis Business Representative, who visits the Licensed Premises of a Cannabis Business on a temporary basis to perform a service, maintenance, or repair in a manner that does not qualify the Person as a Consultant;
- (43) “Deliver” or “Delivery” means the commercial transfer of Cannabis Items from a Cannabis Dispensary, up to an amount determined by the OCR, to a Qualified Patient or Designated Caregiver. “Delivery” also includes the use of any technology platform that enables Qualified Patients to arrange for or facilitate the commercial transfer by a Cannabis Dispensary of Cannabis Items. Any and all Deliveries shall comply with federal laws and regulations;
- (44) “Designated Caregiver” means an individual identified in writing pursuant to the provisions of Title 19, Chapter 11, sections 779 and 780 of the Virgin Islands Code, and who also:
- (A) is at least 21 years of age;
 - (B) has been designated in writing by the Qualified Patient or the parent or legal guardian of the Qualified Patient, and who may possess, purchase, or administer Cannabis to a Qualified Patient;
 - (C) has agreed to assist with a Qualified Patient’s Medicinal Use of Cannabis;

(D) has not been convicted of a Disqualifying Felony Offense;
and

(E) assists no more than three Qualified Patients, including him or herself, with their Medicinal Use of Cannabis, unless the Designated Caregiver's Qualified Patients each reside in or is admitted to a health care facility or residential care facility where the Designated Caregiver is employed;

- (45) "Designated Consumption Area" means a designated area where adults, 21 years of age or older, are expressly permitted to consume Cannabis or Cannabis Items;
- (46) "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);
- (47) "Disaster" means the imminent threat or occurrence of any catastrophe, natural or manmade, as determined by the Governor of the Virgin Islands or the Director of the Virgin Islands Territorial Emergency Management Agency;
- (48) "Disqualifying Felony Offense" means a crime that was classified as a felony in the jurisdiction where the person was convicted, not including an offense that consisted of conduct for which this chapter would likely have prevented a conviction;
- (49) "DLCA" means the Virgin Islands Department of Licensing and Consumer Affairs;
- (50) "Edible Cannabis Product" means a Cannabis-Infused Product that is intended to be taken by mouth, swallowed, and is primarily absorbed through the gastrointestinal tract. Edible cannabis-infused products may be psychoactive when used as intended. Without limitation, edible cannabis-infused products may be in the form of food, beverage, capsule, or tablet;
- (51) "FBI/NCIC Fingerprint-Based Criminal Background Check" means a criminal background check that cross references with the Federal Bureau of Investigations (FBI) database and/or the National Crime Information Center (NCIC) database and meets the requirements of Public Law 92-544;
- (52) "Female-operated Entity" means a Virgin Islands entity that is owned and controlled by females who are citizens of the United States and Residents of the Virgin Islands, in which not less than 51% of the

ownership interest is held by females and the management and daily business operations of which are controlled by one or more females, or, in the case of a corporation that has issued stock, of which not less than 51% of the capital stock is owned by one or more females;

- (53) “Financial Interest” means any right or entitlement to any portion of revenue or profit from the sales of a Cannabis Business, including a Reasonable Royalty or Permitted Interest. A Financial Interest does not include an Indirect Interest. Except as otherwise provided by these Rules and the Act, a Financial Interest Holder shall not exercise control over the Cannabis Business. A Financial Interest Holder may not be a publicly-traded company or consist of any other multipart corporate structure that, in the discretion of the OCR, renders it impracticable or impossible for the OCR to conduct its background investigation on all relevant parties and beneficiaries of the Applicant or that limits or prevents full and direct transparency to underlying direct or indirect ownership, beneficial or otherwise;
- (54) “Financial Interest Holder” means any Person entitled to a Financial Interest pursuant to these Rules and the Act, including a Reasonable Royalty Holder and a Permitted Interest Holder. A Financial Interest Holder is not an Unaffiliated Third Party;
- (55) “Flowering Canopy” means the total square feet of all Flowering Cannabis Plants on the Licensed Premises of a Cannabis Cultivation Licensee;
- (56) “Flowering Cannabis Plant” means a Cannabis plant in a light cycle intended to stimulate production of flowers, trichomes, and cannabinoids characteristic of Cannabis;
- (57) “Harvest Batch” means a group of Cannabis Plants of the same strain that have been harvested within a seven (7) day period of each other. Unique, sequential alphanumeric identifiers are assigned to the Harvest Batches and included on the labels of the Cannabis Product for the control of quantity, traceability, strain designation, and/or potency;
- (58) “Immature Cannabis Plant” means a Cannabis plant that is in its initial vegetative state, and has not yet entered flowering stage. Immature Cannabis Plant includes seedlings, clones and any Cannabis Plant with visible plant material protruding from the soil or growing medium;
- (59) “Immediate Family Member” means a spouse, parent or child;

- (60) “Indirect Interest” means any interest in a Cannabis Business License that does not rise to the level of a Financial Interest. An Indirect Interest may include but is not limited to a Person’s right to receive commercially reasonable rent payments on a fixed basis pursuant to a bona fide lease agreement, secured or unsecured loans, or security interest in fixtures or equipment with a direct nexus to the cultivation, manufacture, sale, transportation, or testing of Cannabis, a consulting fee on a fixed basis for services that are allowed under these Rules and the Act, or a person who receives a bonus as an employee if the employee is on a fixed wage or salary and the bonus is based on a written incentive/bonus program that is standard and customary for the services rendered. Except as otherwise provided by these Rules, an Indirect Interest holder shall neither exercise control of nor be positioned to enable the exercise of control over the Cannabis Business or Cannabis Business Licensee. A holder of an Indirect Interest is not an Unaffiliated Third Party;
- (61) “Individual Sacramental Cannabis Cultivation Card” means an authorization issued by the OCR for an individual Sacramental User to cultivate Cannabis on private property possessed by him or her and as authorized by the owner of the property, subject to limitations;
- (62) “Interest” means any Financial Interest or Indirect Interest in a Cannabis Business or Cannabis Business License. A holder of an Interest is not an Unaffiliated Third Party;
- (63) “Inventory Tracking System” means the electronic tracking system established by the OCR that all Licensees are required to utilize for the tracking of Cannabis Items from the seed or Immature Plant stage until the Cannabis Item is sold or is destroyed. Cannabis Business Licensees may utilize a third-party seed-to-sale tracking system if the system is approved by the OCR and is able to transmit the required information to the Inventory Tracking System;
- (64) “ISO/IEC 17025 Accreditation” means accreditation that meets the International Organization of Standards/ International Electrotechnical Commission standards and general requirements for the competence of testing and calibration laboratories;
- (65) “License” is an authorization to conduct business that is issued by the OCR and identified in the Act to include Cannabis Cultivation License, Cannabis Manufacturing License, Cannabis Dispensary License, Cannabis Testing Facility License, and Cannabis Research and

Development License;

- (66) “Licensee” means a Person licensed pursuant to these Rules and the Act. Cannabis Licensees include Cannabis Cultivation Licensees, Cannabis Manufacturing Licensees, Cannabis Dispensary Licensees, Cannabis Testing Facilities, and Cannabis Research and Development Licensees.
- (67) “Licensed Premises” means the premises specified in an application for a License under these Rules, which are owned by or in the possession of the Licensee or Permittee and within which the Licensee or Permittee is authorized to cultivate, manufacture, distribute, test, conduct research on, Sell, or allow consumption of Cannabis Items;
- (68) “Limited Access Area” means a building, room, or other contiguous area upon the Licensed Premises where Cannabis is cultivated, manufactured, stored, weighed, packaged, Sold, processed for Sale under control of the Licensee, with access limited to only those persons twenty-one (21) 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;
- (69) “Majority Ownership” or “Majority Owner” means a Person, group of Persons, a Business Entity or group of Business Entities who are Owners of, or otherwise control fifty-one percent (51%) or more of the equity interest, voting rights, and profits interest in a Cannabis Business on a fully diluted basis;
- (70) “Manager” means a Person who is not an Owner or Financial Interest Holder and to whom a Cannabis Business has delegated discretionary authority to organize, direct, carry on, or supervise day-to-day operations;
- (71) “Medical Cannabis Certification” means a Medical Cannabis Registry Form signed by a Practitioner certifying that in the Practitioner’s professional opinion, the patient has a Qualifying Medical Condition;
- (72) “Medical Cannabis Registry” means a secure, electronic and online database for the registration of Qualified Patients, Designated Caregivers, and Practitioners;
- (73) “Medical Cannabis Registry Form” means a form created by the OCR for the purposes of a Practitioner certifying an individual as a Qualified Patient;

- (74) “Medical Cannabis Patient Card” means a document or card issued by the OCR that identifies a person as a registered Qualified Patient or registered Designated Caregiver; or documentation that is deemed a Medical Cannabis Patient Card pursuant to the Act;
- (75) “Medicinal Use”; includes the acquisition, administration, cultivation, manufacture, delivery, harvest, possession, preparation, transfer, transportation, or use of Cannabis or paraphernalia relating to the administration of Cannabis to treat or alleviate a registered Qualified Patient’s debilitating medical condition or symptoms associated with the Qualified Patient’s debilitating medical condition. The term does not include: the cultivation of Cannabis by a nonresident cardholder; the cultivation of Cannabis by a cardholder who is not designated as being allowed to cultivate on the cardholder’s Medical Cannabis Patient Card; or the extraction of resin from Cannabis by solvent extraction unless the extraction is done by a Cannabis Product manufacturing facility;
- (76) “Merit-Based Application Process” means the process, as described in the Act, by which the OCR awards Cannabis Licenses;
- (77) “Micro-Cultivation Permit” or “Micro-Cultivation Permittee” means an individual, or group of individuals, authorized pursuant to these Rules and the Act to operate a business at a specific location as described in the Act and that allows for the small-scale cultivation of Cannabis for Sale to a Cannabis Licensee;
- (78) “Micro-Cultivation Site” means the specific location within an address, as designated by a Micro-Cultivation Permittee, where the small-scale cultivation of Cannabis for commercial sale to a Cannabis Licensee is permitted to occur;
- (79) “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 Cannabis Business on a fully diluted basis;
- (80) “Modification of Licensed Premises” means the substantial change in the use or structure of a Cannabis Licensee’s Licensed Premises as described in these Rules and the Act;
- (81) “Non-resident Cannabis Fee” means a fee charged to non-resident customers of a Cannabis Dispensary as described in the Act;
- (82) “Non-resident Medical Cannabis Patient Card” means valid documentation that exempts the individual from criminal prosecution for

the purchase, possession, and use of Cannabis for medicinal purposes under the laws of the issuing state or jurisdiction, and indicates all of the following:

(A) The issuance of the card is conditioned upon a practitioner advising the individual that the Medicinal Use of Cannabis may mitigate symptoms or effects of the person's medical condition;

(B) The card has an expiration date or requires periodic re-evaluations, the period of required re-evaluation has not passed, and the card has not yet expired;

(C) The designated cardholder has been diagnosed with a debilitating medical condition, or is the parent, guardian, conservator, or other person with authority to consent to the medicinal treatment of a person who has been diagnosed with a debilitating medical condition;

(D) The designated cardholder is not a resident of the Virgin Islands or who has been a resident of the Virgin Islands for less than 45 days;

(E) The card issued is currently valid and is similar to the Medical Cannabis Patient Card or the equivalent of a Medical Cannabis Patient Card registered and authorized by another state, district, territory, commonwealth, insular possession of the United States, or country recognized by the United States that allows the person to use Cannabis for medicinal purposes in the jurisdiction of issuance;

(83) "Onsite Consumption Permit" means a Permit issued to a Cannabis Licensee authorizing limited onsite consumption of Cannabis at the Licensed Premises;

(84) "Owner" means a Person that owns any share of stock or membership interest in a Cannabis License, including but not limited to, the officers, directors, members, or partners of such Persons, and any Person in receipt of or who has the right to receive any share of the revenues or profits derived from the Cannabis Business that is not a Financial Interest Holder approved by the OCR. Owner includes all types of legal entities, individually or as a group, that may be formed as commingled or derivative ownership structures for the purpose of being an Owner or participating, in any manner, in the rights and/or privileges typically reserved for Owners. Owner for purposes of these Rules does not include an owner who holds the License or shares or any other interests in any entity, for which he or she is not the actual beneficial owner.

(85) "Permitted Interest" means a right to obtain an ownership interest,

right to control, or share profits or revenues in a Cannabis License pursuant to a Permitted Interest Agreement where the holder of such Permitted Interest is a person who is a lawful United States citizen whose right to ownership in the Cannabis License is contingent on the Permitted Interest Holder's qualification and approval by the OCR. A Permitted Interest is a Financial Interest;

- (86) "Permitted Interest Agreement" means the agreement between the Permitted Interest Holder and Cannabis Licensee setting forth the terms and conditions upon which the Permitted Interest Holder has a right to obtain ownership interest, right to control, or share profits or revenues in a Cannabis License. A Permitted Interest Agreement may be in the form of a convertible debt option, option agreement, warrant or any other agreement as defined by the OCR;
- (87) "Permitted Interest Holder" means the holder of a Permitted Interest. A "Permitted Interest Holder" is a Financial Interest Holder and must be a person who is a United States citizen;
- (88) "Person" means a natural person, partnership, association, company, corporation, limited liability company, organization, trust or similar entity, estate, joint venture, or a Manager, agent, Owner, director, servant, officer, or employee thereof; except that "Person" does not include any governmental organization;
- (89) "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;
- (90) "Practitioner" means a person who is licensed and in good standing in the Virgin Islands as a medical doctor, osteopath, naturopath, homeopath, chiropractor, practitioner's assistant, or podiatrist who maintains, in good standing, a license to practice medicine issued by the applicable Virgin Islands licensing entity or with respect to any Nonresident Medical Cannabis Patient Card, any practitioner or other person qualified under the laws of the jurisdiction of residence of any non-resident to prescribe Cannabis;
- (91) "Production Batch" means a Batch of Cannabis Product made at the same time, using the same methods, equipment, and ingredients and shall be traceable to one or more Harvest Batches or one or more Product

Batches, such as a Production Batch of Cannabis Concentrate;

- (92) “Qualifying Medical Condition” includes the following:
- (A) Cancer;
 - (B) Glaucoma;
 - (C) Positive status for Human Immunodeficiency Virus (HIV);
 - (D) Acquired Immune Deficiency Syndrome (AIDS);
 - (E) Hepatitis C;
 - (F) Amyotrophic Lateral Sclerosis (ALS);
 - (G) Crohn’s Disease;
 - (H) Parkinson’s Disease;
 - (I) Post-Traumatic Stress Disorder;
 - (J) Multiple Sclerosis;
 - (K) Severe nausea;
 - (L) Autism;
 - (M) Any condition for which a Practitioner would prescribe an opiate for pain; or
 - (N) Any other conditions as certified in writing by a Practitioner that, in the professional opinion of the Practitioner, the potential benefits of the Medicinal Use of Cannabis would likely outweigh the health risks for the Qualified Patient;
- (93) “Qualified Patient” means (1) an individual twenty-one (21) years of age or older with legal responsibility for their own medical decisions and who possesses a valid, signed Medical Cannabis Certification or Nonresident Medical Cannabis Patient Card, or (2) an individual less than twenty-one (21) years of age or who otherwise is not legally responsible for their own medical decisions, with a valid, signed Medical Cannabis Certification or Nonresident Medical Cannabis Patient Card and consent of their legal parent or guardian;
- (94) “Quarantine” means the storage or identification of a Cannabis Item in a physically separate area clearly identified for such use or through other procedures to prevent distribution or Transfer of the Cannabis Item;
- (95) “Reasonable Royalty Holder” means any Person who receives a Reasonable Royalty in exchange for a Licensee’s use of the Reasonable Royalty Holder’s intellectual property. A Reasonable Royalty Holder shall not exercise control over the Cannabis Business unless such holder is also an Owner. Notwithstanding anything herein to the contrary,

provisions in licensing agreements whereby the Reasonable Royalty Holder imposes reasonable requirements to protect its intellectual property, standard and customary in such agreements, shall not be considered evidence of control over a Cannabis Business. Such provisions include, but are not limited to, quality controls and regulations governing marketing and Advertising. A Reasonable Royalty Holder is a Financial Interest Holder;

- (96) “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;
- (97) “Resident” means any person who currently resides in the Territory and has resided in the Territory for ten (10) of the last fifteen (15) years prior to applying for any License or Permit, or who qualifies under Title 29, Section 1003(9)(c) of the Virgin Islands Code, in addition to and including those who would have graduated from a high school in the Virgin Islands but for a temporary re-location due to a natural disaster; and who maintains residency in the Territory and who is subject to personal income tax in the Territory for the entire period such person holds title to a License or Permit;
- (98) “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 the public health and safety;
- (99) “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 Third-Party Vendors
- (100) “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 twenty-one (21) is permitted. Only Owners, Cannabis Business Representatives, Consultants, Qualified Patients, Adult Users, OCR enforcement personnel, other law enforcement personnel, and registered visitors are permitted in a Restricted Access Area;
- (101) “Rules” means these adopted rules and regulations;

- (102) “Sacramental Usage” or “Sacramental Use” means lawful use and means of production, transport, and location of use by persons over the age of twenty-one (21) who are members of an organized religion or faith that is incorporated under Title 13 of the Virgin Islands Code who uses Cannabis in the sincere exercise of their religion or faith, and as authorized by the OCR. Any individual who desires to personally grow in furtherance of the Sacramental Use of Cannabis must register with the OCR pursuant to the requirements of the Act and these rules;
- (103) “Sale” or “Sell” means to exchange for remuneration, to solicit or receive, and order through a Licensee licensed under the Act and these Rules, to deliver for value in any way other than gratuitously, to peddle or possess with intent to sell for any consideration;
- (104) “Sales Tax” means the tax levied on the sale of Cannabis in the Virgin Islands;
- (105) “School” means a child-care or day-care facility, public or private preschool, or a public or private elementary, middle, junior high, or high school;
- (106) “Service-Disabled Veteran” means a veteran who is a citizen of the United States and resident of the Virgin Islands pursuant to 29 VIC §1003(9), with a service-connected disability as determined by the United States Department of Veterans Affairs or who has been terminated from military service by reason of disability by the United States Department of Defense;
- (107) “Service-Disabled Veteran-Operated Entity” means a Virgin Islands entity that is owned and controlled by service-disabled veterans in which at least 51% of the ownership interest is held by service-disabled veterans and the management and daily business operations of which are controlled by one or more service-disabled veterans, and whose majority ownership also meets the Residency requirement in the Act and these Rules or, in the case of a corporation that has issued stock, of which at least 51% of the capital stock is owned by one or more service-disabled veterans, on a fully diluted basis;
- (108) “Smoking” means the burning of a lighted cigarette, cigar, pipe, or any other matter or substance that contains Cannabis. Smoking does not include vaporization, sublimation, or any other chemical process;
- (109) “Social Equity Plan” means the plan to be implemented by the OCR pursuant to § 799 of the Act and that outlines the mission, goals,

- programs, and measurements of success that the OCR plans to accomplish;
- (110) “Standard Symbol” means the image established by the OCR and made available to Licensees to indicate that an item contains Cannabis;
- (111) “Sun Grown Cultivation” means a cultivation method at a Cannabis Cultivation Facility that utilizes solar light in an outdoor environment or a greenhouse environment (whether enclosed or non-enclosed) for the cultivation of all of its Flowering Cannabis Plants. Sun-Grown Cultivation excludes the use of an indoor environment for Flowering Cannabis Plant Cultivation where the ceiling over the cultivation area is not fully covered with transparent or translucent materials for the purpose of admitting natural light. Sun-Grown Cultivation also excludes any Cannabis Cultivation Facility that utilizes a mix of indoor cultivation and Sun-Grown Cultivation for its Flowering Cannabis Plants.
- (112) “Temporary Cannabis Use Permit” or “Temporary Cannabis Use Permittee” means a Person permitted to organize and operate an event that allows for the consumption of Cannabis in a designated area, subject to these Rules;
- (113) “Territory” means the territory of the United States Virgin Islands;
- (114) “Test Batch” means a sample or group of samples derived from a single Harvest Batch or Production Batch, and that are collectively submitted to a Cannabis Testing Facility for testing purposes;
- (115) “THC” means the chemical compound tetrahydrocannabinol;
- (116) “Third-Party Vendor” means a third-party Person separate from a Licensee that provides goods, services, or intellectual property to a Licensee in exchange for remuneration other than an ownership interest, pursuant to a contract or agreement, and who possesses an Agent Identification Card. A “Third-Party Vendor” may be a Contractor, Consultant, or any Person who enters a Cannabis Business for purposes of conducting a business more than six (6) times per year;
- (117) “Third-Party Vendor Certification” means a certification issued by the OCR to a Person that is separate from a Cannabis Business and that provides goods, services, or intellectual property to a Cannabis Business in exchange for remuneration, but not ownership interest.
- (118) “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 or a Cannabis Testing Facility. A Transfer includes the movement of Cannabis Items from one Licensed Premises to another, even if the premises are shared, contiguous, or owned by a single Person. Transfer also includes virtual transfers in the Inventory Tracking System regardless of whether any physical movement of the Cannabis Items has occurred;

- (119) “Transporter” means a Third-Party Vendor authorized to transport Cannabis Items from one Licensee to another, to a Qualified Patient, Designated Caregiver, or to a Cannabis Testing Facility. It does not include a Licensee that transports its own Cannabis Items as authorized by the OCR;
- (120) “Transportation Manifest” means a document created by the Inventory Tracking System that enables a Cannabis Licensee to transport Cannabis Items and designates the time, the quantity of Cannabis Items, and receipt of the Cannabis Items;
- (121) “Unaffiliated Third Party” means, in the case of a Cannabis Dispensary Licensee or Cannabis Manufacturing Licensee, a Person who has no ownership or financial interest, direct or indirect, in that Cannabis Dispensary Licensee or Cannabis Manufacturing Licensee and, in the case of a Cannabis Dispensary Licensee, a Person who has no ownership or financial interest, direct or indirect, in that Cannabis Dispensary or Cannabis Manufacturing business. A Financial Interest Holder or a person who holds an Indirect Interest is not an Unaffiliated Third Party;
- (122) “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;
- (123) “USVI” means the United States Virgin Islands;
- (124) “VIPD” means the Virgin Islands Police Department;
- (125) “Written Certification” means a document dated and signed by a Practitioner, stating that in the Practitioner’s professional opinion the patient is likely to receive therapeutic or palliative benefit from the Medicinal Use of Cannabis to treat or alleviate the patient’s debilitating medical condition or symptoms associated with the debilitating medical condition. A written certification must affirm that it is made in the course

of a Bona Fide Practitioner-Patient relationship and must specify the Qualified Patient's Qualifying Medical Condition.

777-3 Duties of the Cannabis Advisory Board

(a) In addition to and in furtherance of the duties identified in sections 777(b) and 777(c) of the Act, the Board shall have the following duties:

(1) to elect officers to serve for one-year terms. Each of the officer positions shall be elected by simple majority of the Board members forming a quorum during the meeting at which elections are held;

(2) to appoint the Director of the OCR for a three (3) year term, which may be extended or terminated for cause;

(3) to use the Government of the Virgin Islands' Request for Proposal (RFP) process to issue contracts for Virgin Islands Cannabis Testing Facilities in the Territory;

(4) to review the recommendations of the OCR pertaining to the suspension, restriction, and revocation of Licenses and Permits and to issue the appropriate penalty against Applicants, Licensees, Permittees, Third-Party Vendors, Practitioners, Qualified Patients, Designated Caregivers, Sacramental Users, authorized Sacramental Use organizations, and Cannabis Business Representatives, which may include a fine, for the violation of the Act or these Rules;

(5) to maintain a list of authorized Third-Party Vendors, Sacramental Use Organizations, and banking institutions; and

(6) any and all other duties set forth in the Act.

(b) The Board shall review, approve, and adopt the following:

(1) the rules and regulations to be promulgated by the OCR;

(2) reasonable production limits to govern the cultivation of Cannabis;

(3) the geographical zones within which the OCR will permit Cannabis cultivation, manufacturing, production, dispensary, consumption, and related Cannabis business activities;

(4) the forms to be issued by the OCR;

(5) the award of Licenses, Permits, and Third-Party Vendor

certifications;

- (6) a Merit-Based Application Process for the award of Licenses;
- (7) procedures for the inter-island transport of Cannabis and as authorized by local and federal entities;
- (8) procedures to govern Cannabis Business to ensure the health and safety of the public and to prevent the diversion and theft of Cannabis from Cannabis Businesses;
- (9) the Social Equity Plan;
- (10) the Responsible Vendor Training Program with topics of instruction to include, but not be limited to:
 - (A) an understanding of different products and methods of consumption, including, but not limited to consumption of Edible Cannabis Products;
 - (B) potency;
 - (C) effects of the use of Cannabis;
 - (D) secondhand absorption time;
 - (E) procedures to ensure that consumers are not overserved;
 - (F) procedures for identifying an impaired consumer and ensuring the safety of consumers and the public in the event of impairment;
 - (G) how to determine valid identification; and
 - (H) compliance with the Rules and the Act;
- (11) educational and certification requirements for Licensees, Permittees, Third-Party Vendors, Cannabis Business Representatives, Practitioners, Consultants, and Sacramental Use organizations;
- (12) a training program for officer of the OCR Enforcement Division; and
- (13) any other rules, regulations, or procedures necessary for implementation of the requirements of the Act and these rules.

777-4 Appointment and Duties of the OCR Director

In addition to and in furtherance of the duties identified in the Act, the Director shall have the following duties:

- (a) Perform any function delegated to the Director by the DLCA and the Board that are related to the day-to-day operations of the OCR and the requirements of the Act and these rules;
- (b) to enter into agreements to further the purposes of and to implement the requirements of the Act and these Rules;
- (c) to collaborate with the departments and agencies of the Virgin Islands and enter into Memoranda of Understanding with those departments and agencies to further the purpose of the Act and these rules;
- (d) to establish an Inventory Tracking System;
- (e) to implement the Responsible Vendor Training Program;
- (f) 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;
- (g) to engage consultants and contractors as needed to perform tasks in furtherance of the operations of the OCR and the implementation of the Act and these rules; and
- (h) to establish and maintain a secure phone or web-based verification system for law enforcement personnel to confirm the status of a Cardholder.

777-5 OCR Enforcement Division

- (a) The Enforcement Division shall investigate and enforce civil, criminal, and regulatory violations of the Act and collaborating with the Industrial Hemp Commission to define and assist in the enforcement of the lawful cultivation, manufacture, sale and use of hemp.
- (b) The OCR's Enforcement Division shall be led by a Chief Enforcement Officer who will be responsible for overseeing the Enforcement Division.
- (c) Officers of the Enforcement Division shall have all the powers of any peace officer, shall meet the minimum requirements set forth by the Peace Officer Standards and Training Council pursuant to 23 V.I.C. chapter 16, and shall successfully complete any academic training required by the Peace Officer Standards and Training Council. The members of the Enforcement Division shall have the powers to:
 - (1) investigate violations or suspected violation of the Act, these Rules, and the laws and rules related to the cultivation, manufacture, sale and use of hemp;
 - (2) make arrests, with or without warrant, as provided in 5 V.I.C. § 3562;
 - (3) serve warrants, summons, subpoenas, administrative citations, notices or other processes relating to the enforcement of the Act or these rules;

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- (4) upon the request of VIPD or any other department or agency with law enforcement powers and with the approval of the Chief Enforcement Officer, assist other law enforcement officers in the performance of his or her duties;
 - (5) inspect, examine, or investigate any Licensed Premises, books, records, Cannabis Items, equipment, accessories and any other material connected with any activity authorized by the Act or these rules;
 - (6) investigate the background and character of any Applicant and the information provided in any application for a License, Permit, certification, registration, or any other authorization to be issued by the OCR; and
 - (7) exercise any other power or duty authorized by law and in furtherance of the requirements of the Act.
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- (d) The Enforcement Division shall work collaboratively with the VIPD to enforce the requirements of the Act and these Rules, which collaboration shall be memorialized in a Memorandum of Understanding between the OCR and the VIPD. The Chief Enforcement Officer may refer the investigation and enforcement of any criminal violations to the VIPD.
 - (e) The Enforcement Division shall work collaboratively with the Industrial Hemp Commission to define and assist in the lawful cultivation, manufacture, sale and use of hemp, which collaboration shall be memorialized in a Memorandum of Understanding between the OCR and the VIPD.
 - (f) The OCR shall provide training to the members of the Training Division, officers of the VIPD and any other department or agency, as necessary, to implement the regulatory and enforcement powers conferred by the Act and these rules.

777-6 Qualified Patients; Medical Cannabis Patient Card

- (a) Registration as a Qualified Patient. To qualify as a Qualified Patient, an individual shall:
 - (1) be at least twenty-one (21) years of age; or,
 - (2) if less than twenty-one (21) years of age or not otherwise responsible for their own medical decision, must have written consent of a parent or legal guardian to use Cannabis for medicinal purposes; and
 - (3) complete and submit a signed application on a form provided by the OCR, along with a \$100 application fee.
- (b) 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;
 - (2) The name, phone number, and address for any Designated Caregiver identified;
 - (3) Written certification from the Applicant's Practitioner on a Medical Cannabis Certification Form provided by the OCR certifying the Applicant has been diagnosed with a Qualifying Medical Condition and the Practitioner's conclusion that Applicant would benefit from the Medicinal Use of Cannabis;
 - (4) A statement from Practitioner as to whether 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 completed and signed the Medical Cannabis Certification form; and
 - (6) Proof of residency in the Territory for forty-five (45) days or more prior to the date of submission of the Application.
- (c) Proof of residency. Proof of residency in the Virgin Islands for a period of forty-five (45) days or more immediately preceding the date of submission of the application must be established at the 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 contained therein:
- (1) Virgin Islands Driver's License;
 - (2) Virgin Islands identification card; or
 - (3) A permanent resident card.
- (d) Applicants who are unable to provide the above-required proof of identification documentation and/or 45-day residency may submit a request for a waiver. When evaluating a request for waiver of the above proof of residency requirements, the OCR will consider the totality of the 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 the age and residence of parents, spouse or children, if any, who live in the Virgin Islands;
 - (4) the physical location of the Applicant's personal and real property;
 - (5) the existence of any other residences outside of the Virgin Islands and the amount of time spent at each such residence;
 - (6) any motor vehicle or vessel registration; or
 - (7) 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.
- (e) **Minor Applicant.** To qualify as a Qualified Patient, an Applicant under twenty-one (21) years of age, who resides in the Virgin Islands with a parent or legal guardian who also resides in the Virgin Islands, for forty-five (45) days or more prior to the date of submission of an application, must have a parent or legal guardian consent in writing to serve as the minor Applicant's Designated Caregiver. Such parent or legal guardian must complete an application on a form provided by the OCR, pay the application fee of \$100, provide information regarding the Minor Applicant as indicated subsection (b)(1)-(6) above, and provide the following additional information:
- (1) Two separate Medical Cannabis Certification Forms completed by two different Practitioners, at least one of whom must be a medical doctor specializing in pediatric medicine, attesting that he or she is part of the minor Applicant's primary care provider team and that the Applicant has been diagnosed with a Qualifying Medical Condition;
 - (2) At least one (1) of the Minor Applicant's Practitioners has explained to the potential risks and benefits of the Medicinal Use of Cannabis to a custodial parent or legal guardian with responsibility for the health care decisions for the Qualified Patient; and
 - (3) A custodial parent or legal guardian with responsibility for the health care decisions for the Minor Applicant consents in writing to:
 - (i) Allow the minor Applicant's Medicinal Use of Cannabis;
 - (ii) Serve as the Qualified Patient's Designated Caregiver; and
 - (iii) to control the acquisition of the Cannabis, the dosage, and the frequency of the Medicinal Use of Cannabis by the Qualified Patient.

- (f) 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.
- (g) 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:
- (1) the Applicant did not provide the required information, fee, or material;
 - (2) the Applicant previously had a Medical Cannabis Patient Card revoked;
or
 - (3) the Applicant provided false information;
- (h) If the OCR has twice rejected the Applicant's application, the Applicant's third submission may only be submitted with the assistance of a Practitioner. Proof of such assistance, taking the form of a certified attestation by the Practitioner, shall be filed concurrently with and affixed upon such application.
- (i) 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. The denial of an application shall be considered a final agency action subject to administrative appeal.
- (j) The OCR shall verify information contained in the Applicant's application within ten (10) 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 Qualifying Medical Condition as defined in the statute, by a Practitioner who has a current, active, unrestricted and unconditional license to practice medicine in the Virgin Islands, which license is in good standing, and who has a Bona Fide Practitioner-Patient Relationship with the 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 Medical Cannabis Patient Card to the Qualified Patient. The card shall state the following:

- (1) The Qualified Patient's name, address, and date of birth;
 - (2) That the Qualified Patient has been certified by the OCR as a Qualified Patient, whereby the Qualified Patient may engage in the Medicinal Use of Cannabis;
 - (3) The date of issuance of such card and the date of expiration, which shall be no later than the date provided in the Practitioner's written certification;
 - (4) The name and address of the Qualified Patient's Designated Caregiver, if any is designated at the time of application; and
 - (5) A phone number and web address where the validity of the Medical Cannabis Patient Card can be verified.
- (k) Except for minor Applicants with a Qualified 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 the effective date of these rules.
- (l) Application fee. The Applicant shall submit the requisite application fee 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 to establish indigence. Such fee shall not be refundable to the Applicant if the application is denied or revoked or if the Qualified Patient no longer has a Qualifying Medical Condition.
- (m) An Applicant 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 line, adjusted for family size.

- (n) A Practitioner who provides a written certification of a Qualified Patient's Qualifying Medical Condition must, within one (1) week of diagnosing the Qualified 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 Qualifying 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.
- (o) To maintain an effective Registry Identification Card, a Qualified 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 renewal fee.
- (p) A Qualified Patient may change his or her Designated Caregiver by submitting an application in a form provided by the OCR. A Qualified Patient's approved Designated Caregiver remains in that role until the application is approved.
- (q) Possession limits for Qualified Patients. A Qualified Patient may possess:
- (1) Four (4) ounces of Cannabis;
 - (2) One (1) ounce of Cannabis Concentrate; and
 - (3) Two (2) ounces of Cannabis Products.
- (r) Authorization for Personal Grow. A Qualified Patient, may apply to the OCR to grow, possess, use, process, and/or transport no more than six Flowering Cannabis Plants and six Immature Cannabis Plants for personal Medicinal Use only. A Qualified Patient, on a form issued by the OCR, may apply for authorization to grow for personal Medicinal Use by:
- (1) Completing and submitting the signed application provided by the OCR;
 - (2) Payment of the application fee of \$100;
 - (3) Providing proof of consent of the owner of the property on which the Cannabis is to be grown;
 - (4) Subjecting the property on which the Cannabis will be grown to an inspection to be conducted by the OCR for purposes of determining the public health and safety of neighboring property owners;
 - (5) Providing proof of residency in the Territory of at least forty-five (45) days prior to the date of submission of the application; and

(6) Providing any other information requested by the OCR.

(s) Notwithstanding the possession limits set forth in section 779(b) of the Act, a Qualified Patient may possess all the Cannabis produced by Cannabis Plants grown at the designated address provided the cultivation is within the limits set forth herein, namely that, no more than 12 Flowering Cannabis Plants and 12 Immature Cannabis Plants may be grown at a single address, unless a Micro-Cultivation Permit has also been issued to that address.

(t) If a Micro-Cultivation Permit is issued to the same address as the address approved for personal grow for personal Medicinal Use, Cannabis Plants grown, and Cannabis produced pursuant to the Micro-Cultivation Permit must be clearly segregated and not comingled with the Cannabis Plants grown and Cannabis produced for personal Medicinal Use.

(u) Cannabis Plants grown for personal Medicinal Use shall be located in an area not visible to the public; fencing or other forms of visual barriers may be utilized to prevent public view.

(v) Inspections. Qualified Patients authorized to grow for personal Medicinal Use are presumed to consent to inspection by the OCR Enforcement Division or other law enforcement officers to ensure compliance with the authorization to grow for personal Medicinal Use.

(1) Random inspection visits by the OCR Enforcement Division must be scheduled with the Qualified Patient or his or her Designated Caregiver and for the sole purpose of monitoring compliance with the Qualified Patient's authorization to grow for personal Medicinal Use;

(2) the Enforcement Division may conduct an unannounced inspection under the following circumstances only:

(i) where probable cause exists to believe that Cannabis is being grown, used, or distributed in a manner that violates the OCR's authorization for personal grow for Medicinal Use, the Act, or these rules; and

(ii) pursuant to a search warrant issued by a judicial officer.

(3) A Qualified Patient who receives notice that he or she has missed an inspection visit shall contact the OCR in the manner provided in the notice;

(w) The OCR may inspect the property designated for personal grow upon receipt of a verified written complaint that such cultivation is in violation of the Act, these Rules, or interferes with the quiet enjoyment of neighboring property

owners. In conducting the inspection, the OCR shall determine:

- (1) the safety and security of the designated grow area;
- (2) any interference with the quiet enjoyment of neighboring property owners;
- (3) the proximity of property schools and houses of worship;
- (4) the consent of the property owner; and
- (5) whether such cultivation violates the Act or these rules.

(x) Notifications to OCR. Qualified Patients, Designated Caregivers, or Sacramental Users are required to submit the following notifications to the OCR:

- (1) change of name or address of the Qualified Patient or Sacramental User;
 - (2) when a Practitioner notifies a Qualified Patient that he or she no longer suffers from a Qualifying Medical Condition or the Qualifying Medical Condition is no longer treatable by the Medicinal Use of Cannabis;
 - (3) the death of a Qualified Patient;
 - (4) the need or desire to substitute a Designated Caregiver; and
 - (5) the loss of a Medical Cannabis Patient Card, a Designated Caregiver's registration card, or any other card certifying the cardholder's authorization to grow Cannabis for personal, medicinal, or Sacramental Use.
- (y) Each notification a Qualified Patient is required to make may instead be made by the Qualified Patient's Designated Caregiver, if a Qualified Patient is unable to make the notification due to age, medical condition, or death.

777-7 Medical Cannabis Registry

- (a) The OCR shall maintain a Medical Cannabis Registry. All information contained in the Medical Cannabis Registry and information submitted in support of an application for Qualified Patient status and a Medical Cannabis Patient Card, or any other authorization for personal Cannabis cultivation, is confidential and exempt from the Virgin Islands public records law codified in title 3, chapter 33 of the Virgin Islands Code.
- (b) All medical records and personal identifying information obtained and maintained by the OCR in compliance with these rules shall be kept confidential as follows:

- (1) No person shall be permitted to gain access to any information about Qualified Patients contained in the registry or otherwise received by the OCR through the application process, except for authorized employees of the OCR in the course of their official duties and authorized employees of Territorial law enforcement agencies during the course of an investigation or arrest of a person who claims to be engaged in the Medicinal Use of Cannabis and in possession of a Medical Cannabis Patient Card;
 - (2) OCR employees may, upon receipt of an inquiry from a Territorial law enforcement agency, confirm that a Medical Cannabis Patient Card has been suspended or revoked;
 - (3) OCR employees may respond to an inquiry from a Territorial law enforcement agency regarding the registry status of a Qualified 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;
 - (4) Authorized employees of Territorial law enforcement agencies shall be granted access to the information contained within the Medical Cannabis Registry only for the purpose of verifying that an individual who has presented a Medical Cannabis Patient Card to a Territorial law enforcement official is lawfully in possession of such card.
- (c) The OCR shall report to authorized Territorial law enforcement officials whether a Qualified Patient's Medical Cannabis Patient Card has been suspended or revoked.
 - (d) Both Territorial law enforcement agencies and the Cardholder shall immediately notify the OCR when any person in possession of a Medical Cannabis Patient 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.
 - (e) The OCR shall require the Territorial law enforcement agency to validate their inquiry of a Qualified Patient or Designated Caregiver by producing the Medical Cannabis Patient Card number, or the Qualified Patient's name, date of birth, and last four digits of their social security number if the person under inquiry does not have a Medical Cannabis Patient Card in his or her possession at the time of the encounter with law enforcement.
 - (f) The OCR shall establish and maintain a secure phone or web-based

verification system. The verification system must allow Territorial law enforcement personnel and Cannabis Businesses to enter a registry identification number and determine whether the number corresponds with a current, valid Registry Identification Card. The following information shall be disclosed through the verification system:

(1) whether the Medical Cannabis Patient Card or any other authorization for personal Cannabis cultivation is valid;

(2) the name of the Cardholder;

(3) whether the Cardholder is a Qualified Patient or Designated Caregiver;

(4) whether the Cardholder is authorized to grow Cannabis Plants; and

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

(g) Any officer or employee 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 Medical Cannabis Registry or a Qualified Patient's information.

777-8 Designated Caregivers

(a) An individual must meet the following requirements to serve as a Designated Caregiver:

(1) must be twenty-one (21) years of age or older;

(2) must be a resident of the Virgin Islands for forty-five (45) days or more prior to being designated a Designated Caregiver as evidenced by a Virgin Islands Government-issued photo identification card, or by a bill from the Virgin Islands Water and Power Authority along with a photo identification.

(3) must agree to assist with a Qualified Patient's Medicinal Use of Cannabis;

(4) has not been convicted of a Disqualifying Felony Offense as defined in section 776 (ii) of the Act; and

(5) cannot assist more than three (3) Qualified Patients, including him or herself, with the Medicinal Use of Cannabis, unless the Qualified Patients each reside in or are admitted to a healthcare facility where the Designated Caregiver is employed.

- (b) The OCR's approval of a Qualified Patient's Designated Caregiver is subject to the following limitations:
- (1) a Qualified Patient who identifies a Designated Caregiver for him or herself cannot serve as a Designated Caregiver to another Qualified Patient;
 - (2) if the Qualified Patient designates more than one Designated Caregiver at any given time, the Qualified Patient must provide documentation demonstrating that a greater number of Designated Caregivers is needed due to the Qualified Patient's age or medical condition; and
 - (3) if the Qualified Patient is authorized to cultivate Cannabis Plants, then the Designated Caregiver's Registry Identification Card must indicate that the Designated Caregiver is authorized to possess and cultivate Cannabis Plants for the Qualified 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 assist additional Qualified Patients.
- (d) A Designated Caregiver, if asked by law enforcement, shall provide a list of registry identification numbers for each Qualified Patient for whom they serve.
- (e) A Designated Caregiver shall not:
- (1) delegate the responsibility of provision of Medicinal Cannabis for a Qualified Patient to another person;
 - (2) facilitate the use of Medicinal Cannabis in a way that endangers the health and well-being of a person;
 - (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.
- (f) The application for appointment as a Designated Caregiver must include:
- (1) a signed attestation by at least one, but no more than three (3) Qualified Patients who are in possession of a signed Medical Cannabis Certification Form, a copy or copies of which must be included with the

- application submission, unless the proposed Designated Caregiver is employed at a healthcare facility and cares for more than three (3) Qualified Patients;
- (2) Consent to an FBI/NCIC Fingerprint-Based Criminal Background Check; and
 - (3) An attestation by the sponsoring Qualified Patient that he or she consents to health care as stipulated by the requirements of Title 19, Chapter 11, section 207 of the Virgin Islands Code.
- (g) The Designated Caregiver's registry card must include, but need not be limited to, the following information:
- (1) The name of the Cardholder;
 - (2) The expiration date of the appointment of the Designated Caregiver, which must be the same as the expiration date on the Qualified Patient's Medical Cannabis Patient Card; and
 - (3) A designation that the cardholder has been certified to cultivate on behalf of a Qualified Patient, as applicable.
- (h) In reviewing applications for the appointment of a Designated Caregiver:
- (1) Verify approve or deny an application no later than 15 days or renewal no later than 5 days after receiving a request for appointment of a Designated Caregiver; and
 - (2) Issue a registry card to the Designated Caregiver not later than 5 business days after approving the application or renewal.
- (i) The OCR shall promptly notify a Qualified Patient of the denial of an application to appoint a Designated Caregiver.

777-9 Practitioner's Registration

- (a) A Practitioner who certifies an individual has a Qualifying Medical Condition and would benefit from the Medicinal Use of Cannabis must possess 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 purpose of certifying an individual has a Qualifying Medical Condition, "in good standing" means:

(1) the Practitioner holds a valid license to practice osteopathic, naturopathic, homeopathic, or chiropractic medicine in the Virgin Islands that does not contain a restriction or condition that prohibits prescribing Cannabis for Medicinal Use; and

(2) the Practitioner is registered with the OCR and

(i) has completed a continuing medical education certificate program, approved by the OCR, designed to train healthcare professionals in the diagnosing, and on-going 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 Medicinal Use;

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

(iii) maintains detailed records of all patients who have been prescribed Cannabis; and

(iv) has not had any violations or administrative sanctions connected to the prescribing of Cannabis.

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

(c) Practitioners who prescribe Cannabis shall comply with generally accepted standards applicable to the practice of medicine in the Virgin Islands.

(d) The Practitioner shall maintain a record-keeping system for all Qualified Patients for whom the Practitioner has recommended the Medicinal Use of Cannabis and treat as confidential any and all health care records of a Qualified Patient.

(e) A Practitioner shall not:

(1) accept, solicit, or offer any form of pecuniary remuneration from or to a Designated Caregiver, Licensee, Permittee, or Cannabis Business Representative;

- (2) offer a discount or any other thing of value to a Qualified Patient who uses or agrees to use a particular Designated Caregiver, Cannabis Business, or other provider of Cannabis to procure Cannabis;
- (3) examine a Qualified Patient for purposes of diagnosing a Qualifying Medical Condition at a location where Cannabis is Sold or distributed; or
- (4) hold a Financial Interest in an enterprise that Sells Cannabis if the Practitioner certifies Qualifying Medical Conditions of individuals for inclusion in the registry.
- (5) For Reasonable Cause, the OCR may refer a Practitioner who has certified a Qualifying Medical Condition for an Applicant for inclusion in the Medical Cannabis Registry to the Virgin Islands Board for Medical Examiners for investigation of potential violation of the Act or these rules.

777-10 Possession Limits for Adult Users

An adult over the age of twenty-one (21) and who is not a Qualified Patient may possess up to:

- (a) Two ounces of Cannabis;
- (b) Fourteen grams of Cannabis Concentrate; and
- (c) One ounce of Cannabis Products.

777-11 General Requirements for Licensees

- (a) The OCR is hereby authorized to issue the following types of Licenses, which shall subject the holder of such License to all the privileges and requirements set forth in the Act and these rules:
 - (1) Cannabis Cultivation License;
 - (2) Cannabis Manufacturing License;
 - (3) Cannabis Dispensary License;
 - (4) Cannabis Research and Development License;
 - (5) Cannabis Testing Facility License;
- (b) The OCR shall initiate the License application process within ninety (90) days of the promulgation of these rules. Two years after issuing the initial

round of Licenses, the OCR shall review the number of Licenses per category in each district and perform the requisite market analysis. At no time, should the number of Licenses exceed the amount of Licenses authorized by the Act.

- (c) The OCR shall award Licenses based on a Merit-Based Application Process and in accordance with the Social Equity Plan adopted by the Board.
- (d) Licenses shall be issued to a specific Person or group of Persons at a defined location referred to as the Licensed Premises, except that this provision shall not prevent a Person from applying for more than one License type identified in (a)(1) – (4) of this section and that is intended to be operated at the same defined location provided the shared locations of the separate Licenses would not result in a violation of the Act or these rules.
- (e) Licenses shall be issued in the form of a written certificate that is valid for one (1) year and subject to renewal on an annual basis.
- (f) If the OCR revokes a License, or a Licensee elects to surrender a License, the OCR shall determine whether a new License shall be issued. Any new Licenses will be awarded pursuant to the Merit-Based Selection process and the Social Equity Plan.
- (g) General Requirements for All License Types.
 - (1) An individual who performs work on behalf of a Licensee or Permittee must qualify as an Owner, Cannabis Business Representative, Consultant, or Contractor.
 - (2) A Licensee or Permittee shall not hire anyone to work or engage anyone to perform services who is under the age of twenty-one (21).
 - (3) A Cannabis Business Representative must be a resident of the Virgin Islands on the date of hire or engagement and for the duration of the performance of work on behalf of the Licensee or Permittee and pursuant to the applicable residency requirement, whether an Owner, employee, or agent.
 - (4) A Licensee must train all Cannabis Business Representatives and Consultants on standard operating procedures to ensure compliance with all regulations.
 - (5) A Consultant may not spend more than ninety (90) days per annum within the Licensed Premises of the Cannabis Businesses unless the Consultant has received a waiver from the OCR, which shall be approved if the Cannabis Business can demonstrate commercial necessity.
 - (6) A Consultant may not manufacture Cannabis Products.

- (7) A Consultant may not Sell Cannabis Items.
- (8) A Licensee shall require that all Cannabis Business Representatives and Consultants submit to an FBI/NCIC Fingerprint-Based Criminal Background Check prior to the date of hire or engagement and shall make the results of such criminal background checks available to the OCR before the issuance of an Agent Identification Card.
- (9) A Licensee or Permittee shall not permit individuals whose criminal history includes a conviction for a Disqualifying Felony Offense, or a Crime of Violence for which the sentence has not been discharged within the preceding five (5) years, to work as a Cannabis Business Representative or Consultant.
- (10) A Licensee shall maintain a current list of all Cannabis Business Representatives and Consultants at its Licensed Premises.
- (11) A Licensee and Permittee shall maintain documentation evidencing that all Cannabis Business Representatives and/or Consultants were over the age of twenty-one (21) upon the date of hire or engagement, submitted to an annual FBI/NCIC Finger-Print Based Criminal Background Check for every year since the date of hire or engagement, and meets all applicable residency requirements.
- (12) A Licensee and Permittee shall maintain documentation evidencing a written policy that requires all Cannabis Business Representatives and Consultants to sign an attestation to disclose all criminal convictions. Licensees shall report an arrest and any subsequent conviction of an offense, other than a traffic offense, of any Cannabis Business Representative or Consultant to the OCR within thirty (30) days of any such arrest and/or subsequent conviction of an offense.
- (13) Visitors:
- (A) Aside from customers, any individuals entering a Licensed Premises who are not an Owner, Cannabis Business Representative, Consultant or Contractor of a Cannabis Licensee may be admitted as a visitor only;
 - (B) Visitors must wear a badge labeled "Visitor" and must be escorted at all times by a person who possesses on his or her person an Agent Identification Card;
 - (C) All visitors must be over the age of twenty-one (21) and Cannabis Businesses must verify the age of all visitors prior to entry to

the Licensed Premises;

(D) Cannabis Businesses shall maintain a visitor log, which includes the name of the visitor and the date, time, and specific purpose for each visit. The log shall be available for inspection by the OCR upon request;

(E) Visitors may include contractors engaged for the purposes of service, repair, or maintenance;

(F) A visitor may not handle any Cannabis or any money in the Licensed Premises;

(14) Agent Identification Card:

(A) Each Cannabis Business Representative and Consultant 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:

- (i) submit a copy of the Applicant's social security card;
- (ii) submit a copy of the Applicant's driver's license or other Territory-issued identification card;
- (iii) verify the Applicant's place of residency;
- (iv) consent to a background check, if applicable;
- (v) submit the applicable application fee; and
- (vi) include any additional information requested by the OCR.

(B) The OCR shall notify the Applicant of its approval or denial of the application within twenty-one (21) days of receipt and will issue an Agent Identification Card within 14 days of approval of an application.

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

- (i) the name of the agent, along with a photograph of the agent;
- (ii) the date of issuance and expiration of the identification card; and
- (iii) an alphanumeric identification number unique to the agent.

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

(E) 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.

- (F) The denial of an application for an Agent Identification Card shall be considered a final agency action subject to administrative appeal.
- (G) 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.
- (H) A Cannabis Business Representative or Consultant may apply for renewal of an Agent Identification Card, on a form provided by the OCR, no more 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.
- (I) The OCR shall grant a renewal application within twenty-one (21) days of submission of the completed application if:
 - (i) the Applicant has remitted the requisite application fee; and
 - (ii) the OCR has not suspended or revoked the Applicant's Agent Identification Card during any prior issuance of the card to the agent.
- (J) A Cannabis Business Representative or Consultant shall visibly display his or her Agent Identification Card at all times he or she is on a Licensed Premises.
- (K) An Agent Identification Card is the property of the Government of the Virgin Islands.
- (L) No person shall begin working at a Cannabis Business prior to receiving an Agent Identification Card.
- (h) Inventory. Each Cannabis Business shall:
 - (1) Store and maintain Cannabis and Cannabis products in a manner to prevent contamination.
 - (2) Follow adequate sanitation protocols including but not limited to, proper cleaning and sanitation of all surfaces, utensils and equipment that come into contact with Cannabis and Cannabis Products

- (3) 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;
- (4) establish ongoing inventory controls and procedures for the conduct of inventory reviews, which shall enable the Cannabis Business to detect any diversion, theft, or loss in a timely manner;
- (5) upon commencement of business, conduct a physical weekly inventory of all Cannabis Items to include:
- (A) the date of inventory check;
 - (B) the quantity of Cannabis Items identified by Batch number, name, and any other identifiers;
 - (C) summary of the inventory findings; and
 - (D) the name, signature and title of the individuals who conducted the inventory, including the specific Cannabis Business Representative in charge of performance of the inventory.
 - (E) maintain records of all Cannabis Items Sold or otherwise disposed of, indicating:
 - (i) the date of Sale;
 - (ii) if the Sale is to a Cannabis Business, the name of the Cannabis Business to which the Cannabis Items were Sold;
 - (iii) the Batch number, name, and quantity of any Cannabis Items Sold;
 - (iv) 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;
 - (v) maintain a copy of all inventory records at the Licensed Premises; and
 - (vi) make any and all inventory records available to the OCR upon request.
 - (vii) destruction and disposal of Cannabis Items
 - (F) Cannabis Items that the Cannabis Business wishes to no longer

make available for Sale, must be destroyed by rendering them unusable, unrecognizable and beyond reclamation;

- (G) Unusable Cannabis Items and Cannabis waste rendered unrecoverable and beyond reclamation must be delivered to a solid waste facility for final disposal in a landfill, incinerator, or other approved facility;
 - (H) 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 Cannabis Business Representative and conducted in an area with video surveillance;
 - (I) Electronic documentation of destruction and disposal shall be maintained for a period of five (5) years.
- (i) Additional requirements of Licensees. Each Licensee shall:
- (1) 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;
 - (2) 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;
 - (3) A Cultivation Licensee, a Cannabis Dispensary Licensee, Cannabis Products Manufacturer Licensee, and Research and Development Licensee may share a Licensed Premises 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; and
 - (B) all Licensees comply with the requirements of their respective Licenses, even if the Licensees have shared ownership.

(j) General Application Requirements.

- (1) The award of a License is a revocable privilege. The burden of proving an Applicant's qualifications for a License rests at all times with the Applicant.
- (2) All applications for a License must be made on forms provided by the OCR.
- (3) The Applicant shall submit the requisite application fee at the time of submission of the application.
- (4) An Applicant for a License must be composed of Owners, principals, partners, members, or any natural person, each of whom is twenty-one (21) years of age or older and meets the suitability requirements contained in the Act and these rules.
- (5) An Applicant for a License must demonstrate it possesses available funds in his or her control and financial capital as required by the OCR, which includes evidence in the form of bank statements, irrevocable lines of credit, or the equivalent showing the Applicant has sufficient resources to operate.
- (6) An Applicant shall seek approval from OCR for all Financial Interests prior to distributing any profits or conferring any benefits to a Financial Interest Holder.
- (7) All Applicants must establish that a majority of its ownership are residents of the Virgin Islands as defined in § 776 of the Act and these Rules. If an Applicant does not have a Majority Owner, then at least 50.1% of the entity holding the License, on a fully diluted basis, must be owned by Residents.

(k) Restrictions

- (1) Immediate Family Member of any person who, at any time within the previous 12 months, held elected office in the executive or legislative branches of the Government of the Virgin Islands, or was employed by the Department of Licensing and Consumer Affairs, the OCR, or who was a member of the Board, shall be precluded from applying for a License or holding any interest in a Cannabis Business.
- (2) Only Owners may control or hold a partnership, limited or general, joint venture interest, or own shares in a Licensee.
- (3) Only an Owner may exercise control of a Licensee. Authority given to a Manager who is approved by the OCR to manage day-to-day operations of Licensee under the direction of the Owners shall not be considered control for purposes of this Act. Instead, whether a Person exercises control shall be determined by whether

the Person performs the following:

- (A) exercises final decision-making authority over operations of the business;
 - (B) directs the day-to-day operation of the business, except that Managers may direct the day-to-day operations subject to oversight by Owners;
 - (C) is liable for the taxes and fees or other obligation of the Licensee;
 - (D) has authority to disburse funds of the business;
 - (E) makes final policy decisions relative to the operations of the business; or
 - (F) has voting rights or the right to obtain voting rights in the Licensee.
 - (G) A License may not be held by a Person comprised of individuals, any of whom has been convicted of a Disqualifying Felony Offense.
- (l) Ongoing Suitability Requirements: a Licensee has an affirmative duty to notify the OCR in writing of the following:
- (1) Any Disqualifying Felony Offense against an Owner within ten (10) days of the person's arrest and within ten (10) days of disposition; and
 - (2) Any change in residency of an Owner, which may disqualify the Licensee from holding a license.

After receiving the notification, the OCR shall notify a Licensee whether it is still qualified to hold a License. A Licensee has ninety (90) days from the OCR's determination of unsuitability to remove an Owner. Failure to remove an Owner who is no longer suitable is grounds for denial, suspension, or revocation of the License.

(m) Requirements of Financial Interest Holders

- (1) Approval Required. An Applicant shall disclose all Financial Interests at the time of the initial application, change of ownership, change of business structure, renewal, and at any other time requested by the OCR. An Applicant shall not permit any Person to hold a Financial Interest in a License unless and until such Person's Financial Interest has been disclosed to and approved by the OCR. It shall be unlawful to fail to completely report all Financial Interests in each license. Failure to seek pre-approval of a Financial Interest or Financial Interest Holder may form the basis for denial or administrative

action against the Applicant. Each Financial Interest in a License and any amendment, transfer, or assignment of a Financial Interest must be approved.

(2) **Required Agreement.** A Licensee seeking to apply for approval of Financial Interest must submit a copy of the contract between the Licensee and the proposed Financial Interest Holder. The agreement between the parties must be approved by the OCR and shall be void and of no effect until and unless approved by the OCR. Such agreement shall be subject to rules promulgated by the OCR, which shall at a minimum:

- (A) Prevent the transfer or assignment of the Financial Interest, and shall contain a provision requiring that any funds exchanged pursuant to the agreement shall not be provided until the OCR approves the agreement in writing;
- (B) Include representations and warranties by the Financial Interest Holder that its investment is passive and has no entitlement or expectation of being able to have any control, participation in, or investment in the Licensee except as permitted in the agreement as approved by the OCR;
- (C) Include representations and warranties by all parties that the agreement and the relationship between the parties is contingent upon approval of the OCR and that the proposed Financial Interest Holder has no entitlement to or expectation of the OCR approving the Financial Interest; and
- (D) Contain an acknowledgment and agreement by both parties that the decision of the OCR to approve or deny the Financial Interest is final and wholly discretionary and any administrative or judicial review of such determination by the OCR will only occur through licensing or enforcement proceedings involving the Licensee.

(3) **Investigation and Disclosure:**

- (A) The OCR will conduct a financial investigation and require that all Financial Interest Holders submit to an

FBI/NCIC Fingerprint-Based Criminal Background Check in order to determine whether such Financial Interest Holder is qualified. After licensure, a Financial Interest Holder must continue to disclose the source of funds for all money relating to the Financial Interest in the License. The OCR must approve these funds prior to the funds being used in any manner by the Licensee.

- (B) As a part of its Application, a Licensee seeking to obtain approval of a Financial Interest shall provide evidence to establish that the Person seeking to become a Financial Interest Holder, including all members of any Business Entity seeking to become a Financial Interest Holder, are lawful residents of the United States, and shall provide documentation satisfactory to the OCR verifying and confirming the funds used for the Financial Interest were lawfully earned or obtained.
- (C) The OCR may deny an application for a Financial Interest Holder, or any Person who may participate in such interest if its investigation of the Applicant results in a determination that such holder is not suitable to hold a Financial Interest, is not of good moral character, or has not fully disclosed its sources of funds or interest in the License.

(4) Ongoing Suitability Requirement:

- (A) The Financial Interest Holder and the Licensee shall be subject to an ongoing duty to disclose in writing to the OCR any and all events which may reasonably disqualify the Financial Interest Holder from having an Interest in a License, no later than ten (10) days after receiving notice of the event.
- (B) If at any time the OCR finds any Financial Interest Holder is not qualified, the OCR may require the Licensee to terminate its relationship, including but not limited to all financial relations, with the Financial Interest Holder within a specified time period by providing written notice to the Licensee. Failure to terminate such a relationship and financial ties within the specified time period may be a basis for administrative

action against the Licensee.

(n) Permitted Interest Holders

- (1) An application for a Permitted Interest must be initiated by the Licensee and must include a sworn affirmation from the Applicant and proposed Permitted Interest Holder on forms prescribed by the OCR that the Permitted Interest Holder will not exercise control, or have any right to control, the Licenses, until such time as the Permitted Interest Holder is approved as an Owner.**
- (2) Conversion from a Permitted Interest to an Owner shall occur pursuant to these Rules and the terms of the Permitted Interest Agreement between the Licensee and Permitted Interest Holder, but in no event can the conversion occur until such time as the Permitted Interest Holder meets all qualifications for licensure and ownership pursuant to this chapter and any rules promulgated pursuant to this chapter.**
- (3) The Licensee or Permitted Interest Holder may initiate a conversion of a Financial Interest to Owner pursuant to the terms of the Permitted Interest Agreement by application to the OCR.**
- (4) The approval of the Permitted Interest Holder by the OCR is wholly discretionary, and the OCR may, at any time, deny approval of the Permitted Interest or find that the Permitted Interest is no longer qualified. The Permitted Interest shall be terminable immediately upon such determination.**

(o) Reasonable Royalty Holders

- (1) An application for a Reasonable Royalty must be initiated by the Licensee pursuant to these Rules and must include a sworn affirmation from the Applicant and proposed Reasonable Royalty Holder on forms prescribed by the OCR that the Reasonable Royalty Holder will not exercise control, or have any right to control, the Licensee except as otherwise permitted by this chapter or the rules promulgated thereto. Any violation of this section may be the basis for criminal or administrative action against the Licensee, the Applicant for a License, and the Applicant for a Reasonable Royalty.**

- (2) The approval of the Reasonable Royalty Holder by the OCR is wholly discretionary, and the OCR may, at any time, deny approval of the Reasonable Royalty or find that the Reasonable Royalty Holder is no longer qualified. The Reasonable Royalty shall be terminable immediately upon such determination.

777-12 License Application Process; Merit-Based Application Process

- (a) The OCR shall issue Licenses pursuant to a Merit-Based Application Process, whereby available Licenses are awarded to Applicants with the highest application score for the specific License type and on the specific island being sought. The Merit-Based Application Process shall be used for the awarding of all Licenses under the Act, except for the Cannabis Testing Facility Licenses which shall initially be selected by Request for Proposal as described in of the Act and these Rules.
 - (1) The Merit-Based Application Process shall be used even if there is only one Applicant for an available License. The OCR shall deny an application, even in the absence of competition, if the application fails to meet the requirements of the Merit-Based Application Process.
 - (2) The scoring system criteria for each License category is outlined in these Rules below at Rule ___ for Cannabis Cultivation Licenses, Rule ___ for Cannabis Manufacturing Licenses, Rule ___ for Cannabis Dispensary Licenses, and Rule ___ for Research and Development Licenses.
 - (3) The OCR shall review all applications submitted to the Merit-Based Application Process and publish a list of successful Applicants, as well as the score for each Applicant, no later than ninety (90) days after the application deadline.
 - (4) Conditional licenses may be awarded to 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;
 - (5) 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 scores.

- (b) Applicants shall be required to provide the following information in furtherance of the application process:
- (1) The Applicant's fingerprints and, if the Applicant is a Business Entity, the fingerprints of each Owner, member, partner or Financial Interest Holder;
 - (2) Personal history information concerning the Applicant's qualifications for a License including at a minimum, name and any known aliases, all mailing addresses for the past fifteen (15) years, email address, telephone number, and social security number of each proposed Owner and Financial Interest Holder;
 - (3) Consent by the Applicant to a FBI/NCIC Fingerprint-Based Criminal Background Check, and if the Applicant is a Business Entity, to FBI/NCIC Fingerprint-Based Criminal Background Checks of each Owner, member, partner or Financial Interest Holder, that includes a review of territorial, national, and international criminal records provided to the OCR directly from a provider of background checks approved by the OCR;
 - (4) If the Applicant for a License or Financial Interest is a Business Entity, the following:
 - (A) If the Applicant is a partnership, including a limited partnership, the name and percentage interest of each partner holding any interest in the partnership on both a current and on a fully diluted basis, the partnership agreement, and certification of residency for each partner;
 - (B) If the Applicant is a limited liability company, the name and percentage interest of each member, the operating agreement, the name of each officer, and certification of residency for each member, on both a current and on a fully diluted basis;
 - (C) If the Applicant is a corporation, each shareholder of any of the corporation's stock, the certificate of incorporation, 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, on both a current and on a fully diluted basis;
 - (D) A list of all officers with day-to-day operational control over the business.

- (5) For each Business Entity, Owner, and Financial Interest Holder of an Applicant, all requested information concerning financial and controlling associations and interests of other Persons associated with the business, and classes of stock or membership interests, on both a current and on a fully diluted basis;
- (6) Evidence that the Applicant is qualified to do business in the Virgin Islands;
- (7) Supporting documentation to establish the following:
 - (A) That the Applicant, including each Owner, meets the residency requirement in section 776 (xxx) of the Act including the dates when residency in the Virgin Islands began for each Owner with any ownership interest in the Applicant;
 - (B) That all Owners and Cannabis Business Representatives of the Applicant are not less than twenty-one (21) years of age; and
 - (C) That the Applicant and its proposed Cannabis Business Representatives do not have any Disqualifying Felony Offenses as set forth in section 776 (ii) of the Act.
- (8) Identify all civil litigation in the past ten (10) years and all criminal convictions in the history for any Owner, Financial Interest Holder, Cannabis Business Representative, executive officer, director, and Manager of the Applicant;
- (9) A description of the corporate structure of the Applicant, including any parent, intermediary, or subsidiary of the Applicant, and whether any parent or subsidiary is publicly traded on a securities exchange and whether such Person bears any relationship to the Licensee on both a current and on a fully diluted basis;
- (10) 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 holders thereto on both a current and on a fully diluted basis;
- (11) For each Applicant and Financial Interest Holder, documentation verifying and confirming the lawful source of funds used for the operation of the proposed business;
- (12) The address and a detailed diagram of the proposed Licensed Premises showing all areas of ingress, egress, placement of cameras, and

- boundaries of the premises;
- (13) Proof of possession of the proposed Licensed Premises by Applicant;
 - (14) A proposed emergency response plan;
 - (15) 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;
 - (16) Federal employer identification number of the Applicant;
 - (17) Proof of application for a Virgin Islands business license in the form of a completed business license application, including all supporting documentation required by the Department of Licensing and Consumer Affairs;
 - (18) Remittance of the required application fees.
- (c) Applicants must submit the non-refundable License application fee at the time of submission of the application.
- (d) All Applicants shall submit information to the OCR in a full, faithful, truthful and fair manner and under the penalties of perjury. The OCR may recommend denial of an application where the Applicant made misstatements, misrepresentations, omissions, or untruths in the application or in connection with the Applicant's background investigation. This type of conduct may be considered as the basis for additional administrative action and possible sanctions against the Applicant and it may also be the basis for a referral to a Territorial law enforcement department or agency for criminal charges against the Applicant. A finding of misstatements, omissions, misrepresentations, or untruths in the application may result in a permanent bar from licensing under the Act and these Rules.
- (e) Applicants must submit a complete application to the OCR before it will be accepted and processed through the OCR's merit-based selection process. An application shall be considered complete when:
- (1) All fields are complete;
 - (2) All requested documents are enclosed with the application; and
 - (3) It is accompanied by the requisite application fee.
- (f) 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 within ten (10) business days of receipt of the request 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.

- (g) 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.
- (h) An Applicant is prohibited from operating a Cannabis Business prior to obtaining all necessary authorizations from the OCR and the DLCA.

777-13 Cannabis Cultivation License

- (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 Cannabis Items it has produced to and from other Cannabis Businesses and Testing Facilities on the same island.
- (b) General Requirements for Cannabis Cultivation Licensee. In addition to the requirements set forth in the Act, a Cannabis Cultivation Licensee:
 - (A) shall cultivate no more than (1,000) Flowering Cannabis plants at a single time.
 - (B) shall cultivate no more than three thousand (4,000) Immature Cannabis Plants at a single time.
- (c) Merit-Based Selection Process for Cannabis Cultivation License.
 - (1) Applicants for a Cannabis Cultivation License must provide the following information specific to the operation of a Cannabis Cultivation Facility, which will be subject to the following scoring system, with 1,000 points being the total possible points awarded to an Applicant:
 - (A) The Applicant's business plan, which may amount to a maximum possible score of one hundred fifty (150) points, including:
 - (i) The character, veracity, background, qualifications and relevant experience of Applicants, Owners, investors, officers, and any other relevant proposed Cannabis Business Representatives;

- (ii) The demonstrated business management experience of the Cannabis Business Representatives 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;
 - (iii) 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; and
 - (iv) 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;
- (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 Cannabis Dispensaries and Cannabis Manufacturers;
 - (ii) A thorough description of the cultivation methods to be used, along with a description of the Applicant's or proposed Cannabis Business Representatives' experience, if any, with cultivation of Cannabis Plants 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;
- (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 and/or exterior layout, interior and/or exterior lighting, and security.
 - (ii) Evidence that the proposed facility and premises are sufficient in size and layout to handle all stages of agricultural production of Cannabis including cultivation, handling, drying, storage, trimming, packaging, loading, and shipping; and

- (iii) Evidence that the loading and unloading of Cannabis in a transport vehicle shall be enclosed, secure, and out of sight of the public;
 - (iv) The Applicant's capacity to cultivate the number of Cannabis Plants proposed in the application and maintain such capacity during the initial and renewal time periods of the License;
 - (v) 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
 - (vi) General standard operating procedures and plans that are in compliance with the Act and these Rules;
- (D) The Applicant's employee training plan, which may amount to a maximum possible score of fifty (50) 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
 - (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 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 vault that will be used to secure or store Cannabis;
 - (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 or Cannabis Items to any Testing Facilities, Cannabis Dispensary Licensees, Micro-Cultivation Permittees and Cannabis Manufacturing Licensees;
- (F) 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;
- (G) 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, Consultants, 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;

- (H) The Applicant's eligibility, if any, for the Social Equity Plan described in section ___ of these Rules, which may amount to a maximum possible score of one-hundred fifty (150) points.
- (d) In awarding the total number of Cultivation Licenses awarded on each island, the OCR may consider the cultivation method and determine an appropriate ratio between different cultivation methods.
- (e) Cultivation Licensees may apply to the OCR to change their cultivation method designation. The OCR may approve or deny such application based upon the suitability of plans presented by the Applicant. The OCR shall approve or deny the application for change in cultivation method designation within sixty (60) days of the submission of a complete application.
- (f) 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 must begin production of Cannabis within six (6) months of licensure. Failure to begin production within six (6) months may result in suspension or revocation of the License unless good cause is shown. Good cause may include unforeseen events, acts of nature, and other events that interfere with a good faith effort to begin production, but shall not include cost overruns, insufficient financing, and other factors evidencing the lack of a good faith effort;
- (2) A Cultivation Licensee must disclose in writing with each Harvest Batch of Cannabis provided to a Cannabis Dispensary Licensee or Cannabis Manufacturer Licensee:
- (A) Test results from the Cannabis Testing Facility that include the potency expressed as a percentage of THC; and
- (B) The name of the Testing Facility, which performed the required quality assurance tests and provided the certificate of analysis for the Harvest Batch.
- (3) Recordkeeping. A Cultivation Licensee must maintain records that contain the following information:
- (A) The date of each Sale or distribution to a Cannabis Dispensary Licensee or Cannabis Manufacturer Licensee, along with the name,

- address, and registration number of the Licensees;
- (B) The Cannabis Item description, and quantity Sold or otherwise distributed to the Cannabis Dispensary Licensee or Cannabis Manufacturer Licensee;
 - (C) The price charged and the amount of money received for the Cannabis Items Sold or otherwise distributed to the Cannabis Dispensary Licensee or Cannabis Manufacturer Licensee;
 - (D) If a Cannabis Item is distributed to a Cannabis Dispensary Licensee or Cannabis Manufacturer Licensee other than by 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 number of Cannabis Plants identified by specific designation as Immature Cannabis Plants or Flowering Cannabis Plants cultivated 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), 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.
 - (P) Documentation of payment of the Cultivation Tax. A Cannabis Cultivation Licensee shall pay a \$0.50 tax per gram of Cannabis cultivated on their Licensed Premises that is transferred to another Licensee, as described in of the Act.
- (4) 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.
 - (B) 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.
 - (C) Cultivation Licensees shall ensure each production area remains free of debris.
 - (D) Cultivation Licensees shall maintain security measures consistent with the security plan submitted to and approved by the OCR at all times.
 - (E) Unless it is cultivating outdoors, 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 odor that is clearly detectable from outside the Cultivation Facility.
 - (F) If it is cultivating Cannabis outdoors, a Cultivation Licensee must surround the cultivation area with fencing that is at least seven (7) feet in height, can be locked at all entrance and exit points, and is covered with material such that visibility from outside of the fence is obscured.
 - (G) 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.
 - (H) At the time of planting, whether by seed or by clone, Cultivation

Licenseses shall account for all plants in groups designated by strain name and date of planting.

- (I) When Cannabis plants reach eight (8) inches in height, Cultivation Licenseses shall assign a specific number for each Cannabis Plant to be recorded into the Inventory Tracking System.
- (J) At the time of harvest, Cultivation Licenseses shall assign a Harvest Batch number to the group of plants of the same strain being harvested within the same seven (7) day period. Harvest Batch numbers shall be recorded into the Inventory Tracking System. Cultivation Licenseses shall ensure the Harvest Batch number is included on the label of the package distributed to a Cannabis Dispensary Licensee or a Cannabis Manufacturing Licensee.
- (K) Cultivation Licenseses 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 ensure such records are available to the OCR upon request.
- (L) Cultivation Licenseses 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.
- (M) Cultivation Licenseses shall construct or retro-fit all building and facility floors, walls, and ceilings in such a manner that they may be adequately cleaned and maintained in good repair.
- (N) Cultivation Licenseses shall install and maintain sufficient lighting in all areas where Cannabis Items are stored and equipment is cleaned.
- (O) Cultivation Licenseses shall adequately inspect the facility for and protect against the entry of pests.
- (P) Cultivation Licenseses shall maintain all buildings and facilities in a sanitary condition.
- (Q) Cultivation Licenseses shall identify, hold, and store toxic cleaning 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.
- (R) Cultivation Licenseses shall at all times maintain an adequate water

supply for the operation of the Cultivation Facility that is capable of providing a safe, potable and adequate supply of water to meet the facility's needs.

- (S) Cultivation Licensees shall install and/or 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 away from the Cultivation Facility. Cultivation Licensees shall not install or maintain any plumbing system that has cross-connections between the water and waste lines.

777-14 Cannabis Manufacturing License

- (a) Cannabis Manufacturing 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 Licensees on the same island.
 - (3) Merit-Based Selection Process: Applicants for a Cannabis Manufacturing License must provide the following information specific to the operation of a Cannabis Manufacturing Facility with the application, which will be subject to the following scoring system, with 1,000 points being the total possible number of points awarded to an Applicant:
 - (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 general character, veracity, background, qualifications and relevant experience of Applicants, Owners, investors, officers, and any other relevant proposed Cannabis Business Representatives
 - (ii) The demonstrated business management experience of the proposed Cannabis Business Representatives 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;
 - (iii) A business plan that describes the proposed long-term operations of the Cannabis Manufacturing Facility with a detailed

description about the amount and source of equity, the financial feasibility of the proposed financing plan, the availability of funds for capital and operating needs, and the financial capacity to operate the proposed business;

- (iv) A plan that describes the amount of Cannabis Products that the Cannabis Manufacturing Licensee will produce, as reflected by weight, value and quantity of packaged products; and
 - (v) The start-up timetable that provides an estimated time from license approval of the Cannabis Manufacturing Facility to full operation, and the assumptions used as a basis for those estimates;
- (B) The Applicant's 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; and
 - (iv) 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, including plans for the use of alternative energy and the treatment of wastewater, run off, and exchanged air.
- (C) The suitability of the proposed Cannabis 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 public;
 - (iii) The Applicant's capacity to manufacture the amount of Cannabis Products proposed in its business plans 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 fifty (50) 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 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 and these Rules, and to interface with Territorial law enforcement. The security plan shall describe the enclosed, locked room or vault 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;
- (F) 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 assurance testing 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 the recalled Cannabis Items;
- (G) 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; and
- (H) The Applicant's eligibility, if any, for the Social Equity Plan described in these Rules, which may amount to a maximum possible score of one-hundred fifty (150) points.

(b) Packaging.

(1) Cannabis Manufacturing Licensees must package all 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; and**
- (E) child resistant;**

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

(3) Cannabis Manufacturing Licensees must design all packaging and Containers so as to minimize their appeal to children and may not include any cartoon or animated characters.

(c) Labeling.

(1) A Cannabis Manufacturing Licensee must ensure that all Cannabis that is distributed is labeled with the following information:

- (A) The name and address of the Cannabis Manufacturing Licensee where the Cannabis Product was Manufactured;**
- (B) The Harvest Batch number;**
- (C) A description of the milligrams of THC per unit and servings per container of Usable Cannabis contained within that Cannabis Product;**
- (D) The results of lab analysis;**
- (E) The recommended dosage and/or directions for use of the Cannabis Product;**
- (F) 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;**
- (G) Instructions for proper storage;**
- (H) 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;**

and

- (1) A notice stating: “The intoxicating effects of this product may be delayed by up to four hours. Do not drive or operate heavy machinery when under the influence of this product. KEEP THIS PRODUCT AWAY FROM CHILDREN.”;
 - (2) Labeling text may not include any false or misleading statements regarding the health or physical benefits of the Cannabis Product to the consumer.
 - (3) A Container may contain multiple labels, so long as the information required by this subsection is not obstructed.
- (d) Cannabis Manufacturing License Specific Requirements. In addition to the general requirements applicable to all Licenses, a Cannabis Manufacturing 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 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 applicable 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 a Cannabis Business Representative 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 hand-washing 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 work station, 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 all Cannabis Items 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) properly storing equipment; and

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

(16) Not subletting any portion of the Licensed Premises.

(e) Unaffiliated Third-Party sourcing requirement.

(1) On the first business day of each calendar month, a Cannabis Manufacturing Licensee that holds a Cultivation License shall submit to the OCR two signed inventory report forms: one for Cannabis Flower and one for Cannabis Trim. The signed inventory report forms shall show that at least 70% of each respective category, as measured by weight, that was used for Manufacturing of Cannabis Products during the previous calendar month, was sourced from Unaffiliated Third Parties. The OCR shall verify these signed inventory report forms with data accessed from the Inventory Tracking System.

(2) Any actual or attempted structuring, pricing or configuration of a transaction, including through use of intermediaries for the purpose of circumventing or attempting to circumvent the requirements of this provision by obtaining or attempting to obtain Cannabis or Cannabis Concentrate 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 Cannabis Manufacturing License and imposition of a fine.

(f) Micro Cultivation Sourcing requirement. A Cannabis Manufacturing Licensee must purchase or acquire 15% of the Cannabis that it stocks in its inventory for Manufacturing, as measured by weight, from Micro-Cultivation Permittees.

(1) The OCR shall determine the sourcing requirement percentage based on factors that include, but need not be limited to, quality assurance testing passage rates of Micro-Cultivation Permittees, and the projected amount of Cannabis produced by Cannabis Cultivation Licensees and Micro-Cultivation Permittees.

(2) The OCR may temporarily suspend or reduce the Micro-Cultivation

sourcing requirement for Cannabis Manufacturing Licensees if it finds that there will be insufficient or inferior production by Micro-Cultivation Permittees for Cannabis Manufacturing Licensees to meet the established percentage requirement.

(3) On the first business day of each calendar month, a Cannabis Manufacturing Licensee shall submit to the OCR two signed inventory report forms showing that at least 15% of all Cannabis Flower and at least 15% of all Cannabis Trim stocked in its inventory during the previous calendar month, as measured by weight, was sourced from Micro-Cultivation Permittees. The OCR shall verify these monthly signed inventory report forms with data accessed from the Inventory Tracking System.

(4) Any actual or attempted structuring, pricing or configuration of a transaction, including through use of intermediaries or the deliberate inclusion of Cannabis that has not been fully dried, for the purpose of circumventing or attempting to circumvent the requirements of this provision by obtaining or attempting to obtain Cannabis Flower or Cannabis Trim from sources other than Micro-Cultivation Permittees in excess of the amount or percentage permitted shall constitute a violation of these Rules and shall be grounds for discipline, including but not limited to suspension or revocation of a Dispensary License and imposition of a fine.

777-15 Cannabis Dispensary License

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

- (1) Store, Sell, purchase, Transfer, and Transport Cannabis Items to and from other Cannabis Cultivation Licensees, Manufacturing Licensees, Micro-Cultivation Permittees and Testing Facilities on the same island;
- (2) Internally test, package, and label Cannabis Items; and
- (3) Sell, Transfer, and Deliver Cannabis Items to Qualified Patients, Designated Caregivers, or the parent or legal guardian of Qualified Patient under the age of twenty-one (21) on the same island.

(b) Merit-Based Selection Process: Applicants for a Cannabis Dispensary License must also provide the following information specific to the operation of a Cannabis Dispensary with the application, which will be subject to the following scoring system, with 1,000 points being the total possible points awarded to an Applicant:

(1) The Applicant's business plan, financials, operating plan and floor plan, which may amount to a maximum possible score of three hundred (300) points, including:

(A) A business plan that describes the proposed long-term operations of the Cannabis 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, 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;

(B) 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;

(C) A plan to ensure the safety of patrons and the community and access by Adult-Use customers and Qualified Patients with efforts to ensure that the location of the Cannabis Dispensary is in an area that does not negatively impact other businesses and entities that rely on family and youth participation; and

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

(E) A plan for the promotion of safe dispensing of Cannabis Items, the facilitation of safe handling and storage of Cannabis Items, the location of Cannabis Item storage areas for use during open and closed hours, 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, break room, and personal storage facility, and the location of each video camera.

(F) The Applicant's environmental plan, if any, including a detailed description of how the air treatment systems to be installed will reduce odors, environmental impact and resource needs for the Cannabis Dispensary, and any possible plans for the use of alternative energy and the recycling of Cannabis packaging.

- (G) The Applicant's emergency plan, 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
- (2) The Applicant's knowledge and experience, which may amount to a maximum possible score of two hundred (200) points, including:
- (A) The character, veracity, background, qualifications and relevant experience of Applicants, Owners, investors, officers, and any other relevant proposed Cannabis Business Representatives;
- (B) The demonstrated business management experience of the Cannabis Business Representatives, primarily the principal officers and Manager, to include experience in the retail and tourism industries and the extent of their involvement in or ability to influence the day-to-day operations of the business;
- (C) The demonstrated knowledge of any proposed Cannabis Business Representatives about Cannabis generally, Cannabis strains and their effects, and Cannabis retail operations;
- (3) The Applicant's employee staffing and training plans, which may amount to a maximum possible score of one hundred (100) points, including:
- (A) 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;
- (B) 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
- (C) An employee training plan sufficient to:
- (i) 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

(ii) Educate employees on how to appropriately advise Qualified Patients, Designated Caregivers, and other consumers regarding the safe consumption of Cannabis Items;

(4) The Applicant's security and recordkeeping plans, which may amount to a maximum possible score of two hundred (200) points, including:

(A) 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;

(B) A plan for recordkeeping, tracking and monitoring inventory, maintaining quality control and security, and any other policies and procedures that will discourage unlawful activity;

(C) 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, Qualified Patient, and Designated Caregiver; and

(D) 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;

(5) 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.

- (6) The Applicant's eligibility, if any, for the Social Equity Plan, which may amount to a maximum possible score of one-hundred fifty (150) points.
- (c) Cannabis Dispensary License Specific Requirements. In addition to the general requirements applicable to all Licensees the following requirements shall apply to Cannabis Dispensary Licensees:
- (1) The permitted hours of operation of a Cannabis Dispensary are Monday through Sunday from 8:00 a.m. to 7:00 p.m. A Cannabis Dispensary Licensee shall not operate at any time its video surveillance equipment, point-of-sale equipment, or lighting is inoperative or deficient;
 - (2) A Cannabis Dispensary may only admit as customers and Sell Cannabis Items to individuals who are either a Qualified Patient, a Designated Caregiver, the parent or legal guardian of a Qualified Patient, or an Adult User over the age of twenty-one (21);
 - (3) A Cannabis Dispensary shall confirm the Cardholder's age by a government-issued driver's license, passport or other government-issued photo identification;
 - (4) A Cannabis Dispensary Licensee shall not have fewer than two (2) people working at the Cannabis Dispensary at any time it is open;
 - (5) A Cannabis Dispensary shall display or Sell Cannabis Items only within its designated Restricted Access Area, unless the Sale is conducted in accordance with regulations governing the delivery of Cannabis Items to Qualified Patients as described in these Rules.
- (6) Unaffiliated Third-Party Sourcing Requirement.
- (A) A Cannabis Dispensary Licensee with a Cultivation License shall source at least seventy percent (70%) of the Cannabis purchased or stocked in its inventory, as measured by weight, from Unaffiliated Third Parties. On the first business day of each calendar month, a Dispensary Licensee that holds a Cultivation License shall submit to the OCR a signed inventory report form that shows that at least 70% of all Cannabis stocked in its inventory during the previous calendar month, as measured by weight of sellable Cannabis, was sourced from Unaffiliated Third Parties. The OCR shall verify this monthly inventory report with data accessed from the Inventory Tracking System.
 - (B) A Cannabis Dispensary with a Manufacturing License shall

source at least 70% of Cannabis Products purchased or stocked in its inventory, as measured by wholesale acquisition price, from Unaffiliated Third Parties. In determining the 70% ratio, a Cannabis Dispensary with a Manufacturing License shall designate a wholesale acquisition prices for each Cannabis Product it produces and the wholesale acquisition price shall match the wholesale acquisition price it charges when distributing the same Cannabis Product to other Dispensary Licensees as verified by the Inventory Tracking System. On the first business day of each calendar month, a Dispensary Licensee with a Manufacturing License shall submit to the OCR a signed inventory report form that shows that at least 70% of all Cannabis Products stocked in its inventory for the previous calendar month, as measured by total wholesale acquisition price, was sourced from Unaffiliated Third Parties. The OCR shall verify this monthly inventory report on Cannabis Products with data accessed from the Inventory Tracking System.

(C) Any actual or attempted structuring, pricing or configuration of a transaction, including through use of intermediaries or the deliberate inclusion of Cannabis that has not been fully dried, 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;

(7) Micro-Cultivation sourcing requirement. A Cannabis Dispensary Licensee must purchase or acquire 15%, as measured by weight, of the Cannabis that it stocks in its inventory from Micro-Cultivation Permittees:

(A) Any change to the sourcing requirement shall be issued no less than ninety (90) days before such change takes effect;

(B) The OCR shall determine changes to the sourcing requirement percentage based on factors that include, but need not be limited to, quality assurance testing passage rates of Micro-Cultivation Permittees, and the projected amount of Cannabis produced by Cannabis Cultivation Licensees and Micro-Cultivation Permittees;

- (C) The OCR may temporarily suspend or reduce the Micro-Cultivation sourcing requirement if it finds that there will be insufficient or inferior production by Micro-Cultivation Permittees for Cannabis Dispensary Licensees to meet the established percentage requirement;
- (D) On the first business day of each calendar month, a Dispensary Licensee shall submit to the OCR a signed inventory report form showing that at least 15% of all Cannabis stocked in its inventory during the previous calendar month, as measured by weight of sellable Cannabis, was sourced from Micro-Cultivation Permittees. The OCR shall verify this monthly inventory report with data accessed from the Inventory Tracking System.
- (E) Any actual or attempted structuring, pricing or configuration of a transaction, including through use of intermediaries or the deliberate inclusion of Cannabis that has not been fully dried, 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 Micro-Cultivation Permittees 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.
- (8) A Cannabis Dispensary Licensee must ensure that all Cannabis Items purchased or otherwise acquired from a Cultivation Licensee has been tested in accordance the quality assurance requirements;
- (9) A Dispensary Licensee shall inspect and inventory all Cannabis Items it receives before dispensing them;
- (10) A Dispensary Licensee shall not allow consumption of Cannabis Items at the Dispensary, unless it is also permitted to operate an Adult Use Lounge in accordance with these Rules;
- (11) Prior to completing the Sale of an Edible Cannabis Product, the Cannabis Business Representative that completes the Sale must inform the consumer 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.”;

- (12) A Dispensary Licensee shall not enter into an exclusive agreement with any Cultivation Licensee or Cannabis Product Manufacturer Licensee;
- (13) A Cannabis 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 Qualified Patients;
- (14) A Cannabis Dispensary Licensee shall not compensate a Practitioner, Designated Caregiver, or any other Person in any way for sending Qualified Patients or other adult users to a specific Dispensary;
- (15) A Cannabis Dispensary Licensee shall not Sell Cannabis to a consumer it knows or has reason to suspect will re-Sell or transport the Cannabis off-island.
- (16) As required by the Act, a Cannabis Dispensary Licensee shall levy a tax of 18% on all sales of Cannabis Items, except that Qualified Patients who are residents of the Territory and who validly possess a Medical Cannabis Patient Card issued by the OCR are exempt from this tax. The Cannabis Dispensary Licensee shall include an itemization of the sales tax on the receipt provided to the customer.
- (17) As required by the Act, a Cannabis Dispensary Licensee must require all customers who are not residents to pay a non-resident Cannabis Fee of \$20, which must be reflected on the receipt at point-of-sale, and at the time of purchase at the Cannabis Dispensary. Residency for the purposes of this subsection is defined as individuals who are residents of the Territory for 45 days or more. To establish residency under this sub-section, a Cannabis Dispensary shall accept either a Virgin Islands Government-issued driver’s license, a Virgin Islands Government issued voter registration card, or a Virgin Islands Government-issued senior citizen identification card.
- (18) On a daily basis, a Cannabis Dispensary may not sell more than:
 - (A) Fourteen grams of Cannabis, three grams of Cannabis

Concentrate, and 500 milligrams of Cannabis Products to an individual who is a non-resident, as defined in this section as an individual who has resided in the Virgin Islands for less than 45 days.

(B) One ounce of Cannabis, 10 grams of Cannabis Concentrate, and 2,000 milligrams of Cannabis Products to an individual who is a resident, defined in this section as an individual who has resided in the Virgin Islands for 45 days or more.

(C) A Cannabis Dispensary shall have an automatic notification in its POS system to alert the Cannabis Business Representative performing any Sales transaction that the customer has exceeded his or her daily purchasing limit.

(D) Failure by a Cannabis Dispensary to enforce daily purchasing limits through an internal notification system shall constitute a violation of these Rules and shall be grounds for suspension or revocation of a Dispensary License and imposition of a fine

(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 Harvest Batch number of each Cannabis Item received;

(ii) The name and registry identification number of the Cannabis Cultivation Licensee, Micro-Cultivation Permittee, or Cannabis 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's Cannabis Business Representative 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, Harvest 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 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.
- (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) 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.
- (f) Nothing in the Act or these Rules prohibits a Dispensary Licensee from refusing to Sell Cannabis Items to any Person, including a Qualified Patient or Designated Caregiver.

777-16 Cannabis Research and Development License

(a) A Cannabis Research and Development Licensee shall be authorized by the OCR to:

- (1) Purchase Cannabis Items from Cannabis Licensees or Micro-Cultivation Permittees;
- (2) Internally test, package and label Cannabis Items;
- (3) Store, Sell, purchase, transfer and transport Cannabis Items to and from other Cannabis Licensees or Micro-Cultivation Permittees in accordance with the limitations in the Act and these Rules;
- (4) To conduct experiments and testing on every form and derivative of Cannabis;
- (5) To conduct product development and clinical investigations of Cannabis Products, including Edible Cannabis Products, topical products, and oils;
- (6) To conduct research on the efficacy and safety of administering Cannabis as part of medical treatment;
- (7) To conduct genomic or agricultural research on Cannabis;
- (8) To develop new strains of Cannabis and new Cannabis Products to facilitate the Medicinal Use of Cannabis;
- (9) Cultivate Immature Cannabis Plants and Flowering Cannabis Plants within the following production limits:
 - (A) 4,500 Immature Cannabis Plants under 12 inches in height;
 - (B) 4,00 Immature Cannabis Plants more than 12 inches in height; and
 - (C) 100 Flowering Cannabis Plants.
- (10) Sell seeds and Immature Cannabis Plants under 12 inches in height to Cannabis Dispensaries, Cannabis Cultivation Licensees, and Micro-Cultivation Permittees.

(b) A Cannabis Research and Development Licensee shall not sell Flowering

Cannabis Plants or any Cannabis Items to other Licensees other than seeds and Immature Cannabis Plants that are twelve inches in height or less.

- (c) Information on all sales transactions and quantities of seeds and Immature Cannabis Plants to Licensees shall be included in the Inventory Tracking System.**
- (d) Any other Cannabis plant material, in excess of what is needed for research and testing, shall be destroyed by a method approved by the OCR.**
- (e) A Cannabis Research and Development Licensee that also operates as a Cannabis Testing Facility shall not hold any other Cannabis License or Permit and shall not engage in any Sale, purchase or transfer of any Cannabis Item or Product to any Licensee or Permittee.**
- (f) Any animal or human testing trial undertaken by a Cannabis Research and Development Licensee must be first approved by the OCR.**
- (g) Merit-Based Application Process. Applicants must provide the following information specific to the operation of a Cannabis Research and Development Facility with the application, which will be subject to the following scoring system, with 1,000 points being the total possible points awarded to an Applicant:**
 - (1) The Applicant's business plan, which may amount to a maximum possible score of two hundred (200) points, including:**
 - (A) The character, veracity, background, qualifications and relevant experience of Applicants, Owners, investors, officers, and any other relevant proposed Cannabis Business Representatives;**
 - (B) Evidence the Applicant has the appropriate personnel, expertise, facilities and infrastructure, funding, and other approvals in place to successfully conduct the proposed research and development projects;**
 - (C) The demonstrated business management experience of the Cannabis Business Representatives 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;**
 - (D) 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;
- (2) The Applicant's research and development plans and cultivation plans, which may amount to a maximum possible score of two hundred fifty (250) points, including:
- (A) Description of the number of Cannabis plants to be cultivated at any one time;
 - (B) A description of planned research and development topics, types of research methods to be used, and types of product development to be conducted and the value of such research to the Virgin Islands economy or community;
 - (C) If breeding and genetic strain selection research is involved, a description of the source strains and goals of the research and development;
 - (D) If cultivation is involved in the plans, a description of the cultivation methods to be used, along with a description of the Applicant's or proposed Cannabis Business Representatives' experience, if any, with cultivation of Cannabis Plants or comparable agricultural products; and
 - (E) The procedures and processes to be implemented to ensure the quality, including the purity and consistency, of the Cannabis to be cultivated;
- (3) Evidence of the suitability of the proposed Cannabis Research and Development Facility and Licensed Premises, which may amount to a maximum possible score of one hundred fifty (150) points, including:
- (A) 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 and/or exterior layout, interior and/or exterior lighting, and security;
 - (B) Evidence that the proposed facility and premises are sufficient in size and layout to handle all stages of research and development and cultivation of Cannabis, including research and product development projects, cultivation, handling, and storage;
 - (C) 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
 - (D) General standard operating procedures and plans that are in

- compliance with the Act and these Rules;
- (4) The Applicant's employee training plan, which may amount to a maximum possible score of fifty (50) points, including:
- (A) A staffing plan that ensures adequate staffing with requisite experience for each position and allows for safe production, sanitation, security, and theft prevention;
 - (B) An employee handbook that provides a working guide to employees for the day-to-day operations of the Cannabis Research and Development Facility and contains appropriate personnel policies and practices; and
 - (C) A plan to provide a safe, healthy, and economically beneficial working environment for its employees, including, but not limited to plans regarding workplace safety and environmental standards, codes of conduct, healthcare benefits, educational benefits, retirement benefits, and living wage standards.
- (5) The Applicant's security plan and recordkeeping plan, which may amount to a maximum possible score of one hundred fifty (150) points, including:
- (A) 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 vault that will be used to secure or store Cannabis;
 - (B) 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;
 - (C) A plan for the destruction and disposal of unused or surplus Cannabis in accordance with the Act and these Rules; and
 - (D) 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 Immature Cannabis Plants or seeds to Cannabis Cultivation Licensees or Micro-Cultivation Permittees.
- (6) 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;
- (7) Applicant's eligibility, if any, for the Social Equity Plan described in these Rules, which may amount to a maximum possible score of one-hundred fifty (150) points.
- (h) Cannabis Research and Development License Specific Requirements. An Applicant for a Cannabis Research and Development License shall provide the following additional information:
- (1) A description of the maximum number of Immature Cannabis Plants and Flowering Cannabis Plants to be grown;
 - (2) A justification of the numbers of Flowering Cannabis Plants to be cultivated that conforms with the research and development uses of the Flowering Cannabis Plants;
 - (3) A detailed plan on the procedures for disposing of unused Cannabis plant material;
- (i) 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.
- (j) Research and Development License specific requirements. In addition to the general requirements applicable to all Licensees as stated in these Rules, 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) Any 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 any person and shall be destroyed and disposed of pursuant to section __ of these Rules.
- (4) A Research and Development Licensee shall maintain records of all research and development tests and experiments performed for at least two (2) years from the date of performance and provide such records to the OCR upon request;
- (k) A Research and Development Licensee, operating at a shared facility, shall maintain all of its Research and Development operations in areas that are fully separated by walls or fencing from the areas used for any other Cannabis License.

777-17 Cannabis Testing Facility Licensees

- (a) Cannabis Testing Facility Licensees shall be authorized by the OCR to:
 - (1) Acquire, possess, analyze, test, and transport Cannabis Items obtained from Cannabis Businesses, the OCR, Qualified Patients, Designated Caregivers, and any other Person authorized to possess Cannabis;
 - (2) Provide Licensees with 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 Items testing shall address the following areas:
 - (1) CBD and/or THC potency;
 - (2) the presence of prohibited Pesticides;
 - (3) the presence of microbial contaminants such as E. coli or salmonella;
 - (4) the presence of residual solvents; and
 - (5) the total yeast and mold count.
- (c) Any change to testing requirements shall be made public at least ninety (90) days before such change goes into effect.
- (d) Test sampling is conducted after the Cannabis or Cannabis Product is in its final form. Sampling and testing are conducted on each Harvest Batch or each Production Batch that a Licensee or Micro-Cultivation Permittee produces.

- (1) For Cannabis Cultivation Licensees and Micro-Cultivation Permittees, the final forms of Cannabis that must be tested by Harvest Batch before any Cannabis Item in a Harvest Batch is sold or transferred to another Licensee are: Cannabis Flower, Cannabis Trim, and Cannabis Pre-Rolls.
- (2) For Cannabis Manufacturing Licensees, all Production Batches must be sampled and tested before being Sold or transferred to a Licensee.
- (e) The OCR shall offer a License for one (1) OCR-Certified Cannabis Testing Facility in the island of St. Thomas, one (1) OCR-Certified Cannabis Testing Facility in the island of St. Croix, and one (1) OCR-Certified Cannabis Testing Facility on the island of St. John, pursuant to a competitive bid process in accordance with the Government of the Virgin Islands' standard procurement process. In addition to serving Licensees and Permittees, these OCR-certified Testing Facilities shall serve as the Cannabis Testing Facility used by the OCR for any of its testing needs, including, to verify testing results from any other licensed Cannabis Testing Facilities.
- (f) Should the OCR be granted approval by a Federal entity or agency to conduct inter-island transport of Cannabis Items as described in section 777(a)(4) of the Act, the OCR may authorize and license only one (1) OCR-Certified Cannabis Testing Facility that would serve all of the Virgin Islands.
- (g) After commencement of operations by at least one OCR-Certified Testing Facility, the OCR shall make applications available for additional, non-OCR-Certified Testing Facility Licenses.
- (h) No Owner, officer, board member, employee, Manager, volunteer, Consultant, any other agent, or Contractor of a Cannabis Business, 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.
- (i) In addition to any general application requirements set forth in these Rules, 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 capable of being 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) a description and visual layout of the proposed facility;
 - (4) a description of the equipment, machinery or technology to be used in the operation of the Testing Facility;
 - (5) a description of how the Applicant will ensure and document chain of custody of any samples held or tested by the Testing Facility;
 - (6) a general written security policy that addresses safety and security procedures;
 - (7) training documentation prepared for each employee and other agent of the Testing Facility; and
 - (8) any other information required by the OCR.
- (j) Testing Facility specific requirements. In addition to the general requirements applicable to all Licensees issued by the OCR pursuant to these Rules, Testing Facility Licensees shall:
- (1) Maintain ISO/IEC 17025 Accreditation;
 - (2) Complete pre-inspection audit checklists before commencing operations;
 - (3) Complete the required inspection(s) that may be conducted by any OCR representative or any representative from the Department of Health;
 - (4) Utilize analytical methods that are appropriate for the purpose of testing Cannabis Items;
 - (5) 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;
 - (6) Ensure weighing and measuring devices and other equipment used in testing are appropriately documented as having undergone routine maintenance, registration, and calibration;
 - (7) Establish a protocol for recording the chain of custody of all Cannabis Item samples;
 - (8) 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;
- (9) 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;
- (10) 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;
- (11) Retain all test results conducted for a period of at least five (5) years and make such results available to the OCR upon request;
- (12) 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;

- (13) Designate an agent or agents responsible for records maintenance who shall serve as the custodian of records;
- (14) Segregate and store Cannabis Item samples in a manner that prevents contamination and protects against theft and diversion;
- (15) 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;
- (16) Establish and maintain a training program approved 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 of samples;
- (17) 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;
 - (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.
- (k) Sampling Protocols. For all required testing, an authorized agent of a Cannabis Testing Facility, shall perform sample collections at the Licensed Premises of the Licensee or Permittee requesting the test, pursuant to the following protocols:
- (1) Samples may only be collected by a designated employee of the Cannabis Testing Facility who has been trained as a part of the Responsible Vendor Training Program.
 - (2) Before a sampling is conducted, two (2) Cannabis Business Representatives from the Licensee or Permittee requesting the test must be present and must sign off on documentation asserting their presence and observation of the sampling;
 - (3) Samples shall be representative of the Batch from which it is taken, and shall be taken randomly throughout the length, width, and depth of the Harvest Batch or Production Batch;
 - (4) Samples taken from the same Harvest Batch or Production Batch shall be secured in a single use, tamper-evident Container that meets the specifications of the Testing Facility's policies and procedures;

- (5) Samples shall be labeled with the following information:
 - (A) the Licensee or Permittee registration number as issued by the OCR;
 - (B) the Harvest Batch or Production Batch number assigned by the Licensee or Permittee;
 - (C) the date the sample was taken;
 - (D) the name of the individual collecting the sample; and
 - (E) the list of tests to be performed;
- (6) Disposal of any sample that is not destroyed during the testing process must occur in accordance with these Rules.

- (l) Licensed Premises. A Cannabis Testing Facility Licensee shall:
 - (1) not share its Licensed Premises with any other Cannabis Business except with Cannabis Research and Development Licenses that are not Licensed to Sell any Cannabis plants or seeds.
 - (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.

777-18 General Requirements for All Permit Types

- (a) The OCR shall issue a Permit to an Applicant that meets the requirements contained in the Act and these Rules.
- (b) General Application Requirements:
 - (1) submission of application on a form to be provided by the OCR;
 - (2) consent by the Applicant to a site visit;
 - (3) consent by the Applicant to a background check.
 - (4) Applicants must submit the non-refundable Permit application fee at the time of submission of the application.
- (c) General requirements for a Micro-Cultivation Permit. In addition to the requirements set forth in the Act, Micro-Cultivations Permits:
 - (1) shall be issued to a single person or group of persons with a farming license from the Department of Agriculture and at a designated location;
 - (2) shall be issued upon the OCR's approval of the Applicant's operational

- plan;
- (3) shall be issued to current residents of the Virgin Islands who have resided in the Virgin Islands for at least three (3) years and shall have no less than seven (7) years of cumulative residency at the time of application. A Micro-Cultivation Permit shall immediately become void if the Permittee ceases to be a Virgin Islands resident; and
 - (4) An individual who holds a Financial Interest in a Licensee shall be prohibited from holding a Micro-Cultivation Permit.
- (d) General requirements for Cannabis Use Permit. In addition to the requirements set forth in the Act, Cannabis Use Permits:
- (1) shall be issued to a Person at a designated location;
 - (2) shall be issued to a Person with a Virgin Islands business license; and
 - (3) shall be issued upon the OCR's approval of the Applicant's floor plan, which must identify the areas designated for the use of Cannabis.
- (e) General requirement for Temporary Cannabis Use Permits. In addition to the requirements set forth in this Act, Temporary Cannabis Use Permits:
- (1) shall be issued to a Person at a designated location and for a specified date or dates and time-period;
 - (2) shall be issued to a Person with a Virgin Islands business license;
 - (3) shall be issued upon the OCR's approval of the operational plan with a description of the event, estimated number of people in attendance, procedures for verifying patrons are twenty-one years of age or older, floor plan specifying the area where Cannabis will be used, and any other operational details required by the OCR; and
 - (4) shall be issued upon proof of consent of the owner of the property where the event will be conducted.
- (f) General requirements for Adult Use Lounge Permits. In addition to the requirements set forth in the Act, Adult Use Lounge Permits:
- (1) shall be issued to a Person at a designated location;
 - (2) shall be issued to a Person with a Virgin Islands business license; and
 - (3) shall be issued upon OCR's approval of a floor plan identifying the area of consumption and an operational floor plan that includes dates and times of operation, procedures for verifying patrons are twenty-one years of age or older; and any other operational details required by the

OCR.

(g) **General requirement for On-Site Consumption Permits.** In addition to the requirements set forth in the Act, Onsite Consumption Permits:

(1) shall be issued to Cannabis Cultivation Licensees only at its Licensed Premises; and

(2) shall be issued upon OCR's approval of a floor plan depicting where on-site consumption will occur.

777-19 Micro-Cultivation Permit

(a) A Micro-Cultivation Permittee may cultivate, cure, process, and store Cannabis and Sell, Transfer, and transport Cannabis to Cannabis Licensees.

(b) A Micro-Cultivation Permit shall only be issued to persons who possess a valid farmer's license or are in the process of applying for a farmer's license with the Department of Agriculture and the Department of Licensing and Consumer Affairs, but at no time shall Micro-Cultivation of Cannabis occur on land leased by the Government of the Virgin Islands.

(c) An individual may not possess more than one (1) Micro-Cultivation Permit and no more than one (1) Micro-Cultivation Permit may be issued for a single address.

(d) A Micro-Cultivation Permittee must be at least twenty-one (21) years of age.

(e) A Micro-Cultivation Permittee shall not cultivate Cannabis Plants for commercial use outside of its designated Micro-Cultivation Site. A Micro-Cultivation Permittee may only sell Cannabis that was harvested from Cannabis Plants cultivated within its Micro-Cultivation Site and in accordance with all applicable laws and regulations.

(f) A Micro-Cultivation Permittee may not hold an interest in any other Cannabis Business License. An Owner of a Cannabis Business License may not hold a Micro-Cultivation Permit.

(g) A Micro-Cultivation Permittee may cultivate no more than fifty (50) Flowering Cannabis Plants and no more than two hundred (200) Immature Cannabis Plants at a single time. The Cannabis Plants cultivated pursuant to a Micro-Cultivation Permit shall be for commercial-use only and shall be physically

separated from any Cannabis Plants cultivated for Medicinal Use by a Qualified Patient or Sacramental User.

(h) A Micro-Cultivation Permittee shall not consume any of the Cannabis cultivated pursuant to a Micro-Cultivation Permit.

(i) A Micro-Cultivation Permit may not be possessed by an individual who:

(1) Has a Disqualifying Felony Offense; or

(2) Has been convicted of selling Cannabis to a Person other than a Cannabis Cultivation Licensee while in possession of a Micro-Cultivation Permit.

(j) A Micro-Cultivation Permittee shall track all Cannabis cultivated for commercial use pursuant to its Micro-Cultivation Permit from seed or immature plant through sale to a Licensee using the OCR-certified Inventory Tracking System as described in these Rules. The records shall include the total number of Flowering Cannabis Plants and Immature Cannabis Plants, the harvest date of Flowering Cannabis Plants, and any other record keeping requirements as determined by the OCR, necessary to prevent diversion and protect public safety, and that would not make operations unreasonably impracticable for a Micro-Cultivation Permittee.

(k) A Micro-Cultivation Permittee may transport Cannabis in accordance with these Rules.

(l) If awarded a permit, Micro-Cultivation Permittees must begin cultivation of Cannabis plants within two (2) months of licensure. Failure to begin production within two (2) months may result in suspension or revocation of the License unless good cause is shown. Good cause may include unforeseen events, acts of nature, and other events that interfere with a good faith effort to begin production, but shall not include cost overruns, insufficient financing, and other factors evidencing the lack of a good faith effort.

(m) Quality assurance program. A Micro-Cultivation Permittee must disclose in writing with each Harvest Batch of Cannabis provided to a Cannabis Dispensary Licensee or Cannabis Manufacturer Licensee that it Sells to the name of the Testing Facility, which performed the required quality assurance tests. The Micro-Cultivation Permittee must also provide the certificate of analysis for the Harvest Batch.

(n) **Recordkeeping.** A Micro-Cultivation Permittee must maintain records that contain the following information:

- (1) The date of each Sale or distribution to a Cannabis Dispensary Licensee or Cannabis Manufacturer Licensee, along with the name, address, and registration number of the Licensees;
- (2) The Cannabis Item description, and quantity Sold or otherwise distributed to the Cannabis Dispensary Licensee or Cannabis Manufacturing Licensee;
- (3) The price charged and the amount of money received for the Cannabis Items Sold or otherwise distributed to the Cannabis Dispensary Licensee or Cannabis Manufacturing Licensee;
- (4) If a Cannabis Item is distributed to a Cannabis Dispensary Licensee or Cannabis Manufacturing Licensee other than by Sale, then the reason for the distribution;
- (5) The quantity and type of Cannabis maintained at the premises on a daily basis;
- (6) The number of Cannabis Plants identified by specific designation as Immature Cannabis Plants or Flowering Cannabis Plants cultivated at the premises on a weekly basis;
- (7) 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;
- (8) Production records, including records of planting, harvesting and curing, weighing, destruction of Cannabis, creation of Batches of Cannabis Items, and packaging and labeling;
- (9) Documents pertaining to the disposal of Cannabis Items and waste material associated with production of Cannabis;
- (10) Transportation records;
- (11) Documentation of all samples sent to a Testing Facility, including any governmental Testing Facility, along with the corresponding quality assurance results;

- (12) Documentation of any theft, loss, or other unaccountability pertaining to any Cannabis Item;
 - (13) Documentation of payment of the Cultivation Tax. A Micro-Cultivation Permittee shall pay a \$0.50 tax per gram of Cannabis cultivated on their Licensed Premises that is transferred to a Licensee, as described in the Act.
- (o) Plant production.
- (1) Micro-Cultivation Permittees shall cultivate pursuant to the cultivation plan submitted to and approved by the OCR as part of the application process.
 - (2) A Micro-Cultivation Permittee may cultivate either indoors or outdoors as approved by the OCR and as follows:
 - (A) if indoors, a Micro-Cultivation Permittee shall only cultivate Cannabis in an enclosed building or fenced cultivation area with locking mechanisms on both the interior and exterior of the building or enclosure;
 - (B) if outdoors, the cultivation area does not require a roof or other covering and must be fully surrounded by a fence at least seven feet in height that can be locked at all entrance and exit points.
 - (3) A Micro-Cultivation Permittee may not cultivate Cannabis within fifteen (15) feet of a property line.
 - (4) Micro-Cultivation Permittees 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.
 - (5) Micro-Cultivation Permittees shall ensure each production area remains free of debris.
 - (6) Micro-Cultivation Permittees shall maintain security measures consistent with the security plan submitted to and approved by the OCR at all times.
 - (7) At the time of planting, whether by seed or by clone, Micro-Cultivation Permittees shall account for all plants in groups designated by strain name and date of planting.

- (8) When plants reach eight (8) inches in height, Micro-Cultivation Permittees shall assign a specific number for each plant to be recorded into the Inventory Tracking System.
 - (9) At the time of harvest, Micro-Cultivation Permittees shall assign a Harvest Batch number to the group of plants of the same strain being harvested within the same seven (7) day period. Micro-Cultivation Permittees shall ensure the Harvest Batch number is included on the label of the package distributed to a Cannabis Dispensary Licensee or a Cannabis Manufacturing Licensee.
 - (10) Micro-Cultivation Permittees 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.
 - (11) Micro-Cultivation Permittees shall adequately inspect the facility for and protect against the entry of pests.
 - (12) Micro-Cultivation Permittees shall maintain all grounds, buildings and/or facilities in a sanitary condition.
 - (13) Micro-Cultivation Permittees shall identify, hold, and store toxic cleaning 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.
 - (14) Micro-Cultivation Permittees shall at all times maintain an adequate water supply for the operation of the Cultivation Facility and capable of providing a safe, potable and adequate supply of water to meet the facility's needs.
- (p) To obtain a Micro-Cultivation Permit, an Applicant must:
- (1) Submit a copy of the farmer's license issued by the Virgin Islands Department of Agriculture and a business license issued by the Department of Licensing and Consumer Affairs, or for Applicants who have not yet received a farmer's license, a completed application for farmer's license;
 - (2) Submit a completed and signed application form as provided in these Rules;

- (3) Submit all documentation showing that the Applicant meets the residency requirement as described in these Rules.
- (4) Remit the requisite application fee; and
- (5) Submit an operational plan that:
 - (A) Describes the quantity of Cannabis Plants to be grown at any one time and the frequency of harvests;
 - (B) Includes a written description and visual layout of the cultivation area and its location; and
 - (C) Includes descriptions of cultivation methods, security plans, record-keeping plans, harvesting plans and storage plans.
- (q) If there are more Applicants than available Micro-Cultivation Permits, applications will be evaluated on its merits and the Social Equity Plan and Permits will be awarded to Applicants with the highest score.

777-20 Adult-Use Lounge Permit, Cannabis Use Permit, Temporary Cannabis Use Permit

- (a) Notwithstanding any other law or regulation, a Person in possession of a valid Adult Use Lounge Permit; Cannabis Use Permit or Temporary Cannabis Use Permit is authorized to undertake and allow the restricted consumption of Cannabis Products by individuals twenty-one years of age or older in an on-site Designated Consumption Area licensed and authorized by the OCR by individuals.
- (b) Notwithstanding any other law to the contrary, it shall be lawful to consume or use Cannabis in or within a Designated Consumption Area of an Adult Use Lounge Permittee, a Cannabis Use Permittee or a Temporary Cannabis Use Permittee, provided that:
 - (1) the Permittee has received a permit from the OCR, which has not expired;
 - (2) no person under the age of 21 years old is permitted to enter, or remain in or upon the Designated Consumption Area of the Permittee;
 - (3) There shall be no sale of Cannabis, Cannabis Products, or Cannabis accessories in or within the Adult Use Lounge, except that an Adult Use Lounge may be owned and operated by a Cannabis Dispensary Licensee, and may be located adjacent to the premises of a Cannabis Dispensary, provided that:

- A. The Adult Use Lounge is separated from the Cannabis Dispensary by walls that do not allow visibility between the Cannabis Dispensary and the Designated Consumption Area of the Adult Use Lounge;
 - B. The Adult Use Lounge has a different point of entry or exit than the points of entry or exit from the Cannabis Dispensary; and
 - C. The Adult Use Lounge ensures that smoke from its Designated Consumption Area cannot be detected inside the Cannabis Dispensary.
- (c) An Adult Use Lounge Permittee, a Cannabis Use Permittee, or a Temporary Cannabis Use Permittee shall not Sell, transfer, or distribute Cannabis Items within its premises. Similarly, a Cannabis Use Permittee shall take reasonable measures to prevent the unauthorized sale or transfer of Cannabis for remuneration by others in and around its premises; unless such Sale or transfers is a Delivery made pursuant to a Cannabis Dispensary License.
- (d) The consumption of Cannabis Items pursuant to an Adult Use Lounge Permit, Cannabis Use Permit, or Temporary Cannabis Use Permit shall only be permitted in the Designated Consumption Area.
- (e) At all times when the consumption of Cannabis Products is permitted within a Designated Consumption Area, the Permittee shall possess and maintain possession of the premises by ownership, lease, rental, or other arrangement for possession of the Designated Consumption Area; or the Permittee shall have permission to use the premises to allow Cannabis consumption from a Person who is the lawful owner of the property where the Designated Consumption Area is located.
- (f) The consumption of Cannabis Products by smoking must occur in accordance with The Virgin Islands Smoke-free Act. Vaporizing Cannabis Items shall not be considered smoking for the purposes of this chapter or The Virgin Islands Smoke-free Act.
- (g) An individual shall not be permitted within the Designated Consumption Area unless the Cannabis Use Permittee confirms that the individual is over twenty-one (21) years of age or older.
- (h) Designated Consumption Areas must be clearly marked with conspicuous signage measuring not less than forty (40) square inches in size that includes the

statement "CANNABIS CONSUMPTION AREA - ACCESS RESTRICTED" in all uppercase letters not less than one (1) inch high.

- (i) The Permittee shall ensure that the consumption of inhaled Cannabis Items occurring at the street level is not visible from a public right-of-way or a place where minors may be present. The Permittee shall make reasonable accommodations to ensure that Persons immediately outside of a designated consumption area are not subject to Cannabis odor caused by Cannabis consumption occurring within a Designated Consumption Area.
- (j) Adult Use Lounge Permittees, Cannabis Use Permittees, and Temporary Cannabis Use Permittees shall be subject to the same advertising restrictions as Cannabis Business Licensees, as described in these Rules.
- (k) A Designated Consumption Area shall not require specific zoning permits and shall be permitted in any zone lot where the underlying business or event is permitted.

777-21 Renewals

- (a) Licensees and Permittees may request renewals by submitting an application for renewal on a form provided by the OCR.
- (b) Every License or Permit shall expire annually on the date it was issued unless a different expiration date is designated by the OCR. Applications for renewal shall be processed in the following manner:
 - (1) the Applicant 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 Cannabis Business 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;
 - (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 was submitted without the renewal application fee. An Applicant may re-submit 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 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;
 - (c) The denial of a renewal application shall be considered a final agency action subject to administrative appeal as set forth in these Rules.
 - (d) If a License or Permit has expired and the Licensee or Permittee applied for a renewal less than thirty (30) days prior to the date of expiration, the OCR shall allow for an administrative continuance of the License or Permit until such time as the OCR either approves or denies the renewal application. Such an administrative continuance shall be issued in the form of a letter from the OCR stating that the License and/or Permit continues to remain valid until such time as the OCR either approves or denies the renewal application.
 - (e) A Licensee or Permittee shall not exercise the privileges of its License or Permit past its expiration date unless the OCR has administratively continued the License or Permit.

777-22 Other applications to the OCR

- (a) A Licensee or Permittee shall not make changes to its location, ownership, or Licensed Premises, without approval from the OCR.
- (b) Change in ownership.

- (1) A Licensee or Permittee shall not undergo any change in ownership, whether adding or removing Owners or adjusting equity amongst Owners, without prior approval from the OCR. A License or Permit granted under the provisions of this chapter is not transferable except as provided for in these Rules.
 - (2) A Micro-Cultivation Permit may not have its ownership transferred.
 - (3) A Licensee or Permittee shall apply for a Change of Ownership on forms prepared and furnished by the OCR.
 - (4) A change in ownership or business structure of any Licensee or Permittee is prohibited unless all proposed owners of the Licensee or Permittee meet criminal background and suitability requirements as required by the Act and these Rules.
 - (5) A change in Majority Ownership of any Licensee or Permittee is prohibited for one (1) year after the date the License or Permit is issued unless the Licensee or Permittee can demonstrate that a transfer of ownership is made necessary by death or disability of an Owner, or substantial financial hardship.
 - (6) No application for transfer of ownership or change in the business structure of any Licensee or Permittee shall be approved by the OCR until all taxes, fines, penalties, and interest assessed against or imposed upon such Licensee or Permittee in relation to the licensed business are paid in full.
- (c) Change of location.
- (1) A Licensee or Permittee shall not undergo any change in a location without prior approval from the OCR.
 - (2) A Licensee or Permittee shall apply for approval to change its location on forms prepared and furnished by OCR.
 - (3) The OCR shall have thirty (30) days to approve or deny a complete application for change of 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:
 - (A) the transition period shall not commence until the new location is ready to begin operation;
 - (B) 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; and

(C) the Licensee shall notify the OCR when the transition is complete.

(4) A License or Permit issued pursuant to this chapter shall be prohibited from changing location to a different island within the Virgin Islands or any location outside of the Virgin Islands.

(5) A Licensee or Permittee may move the permanent location of its Licensed Premises to any other place within the island where the License or Permit was issued once permission to do so is granted by the OCR.

(d) Modification of Licensed Premises

(1) A Licensee or Permittee shall not materially modify its Licensed Premises, Micro-Cultivation Site, or Designated Consumption area without prior approval from the OCR.

(2) A Licensee or Permittee shall apply for a Modification of Licensed Premises on forms prepared and furnished by the OCR. 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.

(3) A Licensee or Permittee shall be required to submit a Modification of Licensed Premises Form to the OCR whenever the following conditions are met:

(A) The proposed modification increases or decreases in the total physical size or capacity of the Licensed Premises;

(B) The proposed modification involves the sealing off, creation of or relocation of a common entryway, doorway, passage or other such means of public ingress or egress, when such common entryway, doorway, or passage alters or changes Limited Access Areas and Restricted Access Areas, where the cultivation, Manufacturing, testing, packaging, or storage of Cannabis Items occurs; and

(C) The proposed modification involves any physical modification that would require additional or reduced number of video surveillance cameras.

(e) Closure of operations. Licensees or Permittees shall notify the OCR, on

a form provided by OCR, of any plans to cease operations and close the Cannabis Business. This notification shall be given with as much advance notice as possible, but no less than thirty (30) days before the date of closure of operations. The Licensee or Permittee shall 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 these Rules.

777-23 Inventory Tracking System

- (a) The OCR shall establish an Inventory Tracking System to remotely monitor and track all Cannabis from the acquisition of seeds or clones through sale or delivery of a finished product to the consumer.
- (b) The system must provide for real-time access by the OCR, Licensees, Permittees, and law enforcement personnel, to the extent that they are authorized to receive or submit the information to comply with, enforce, or administer the requirements of this Rule.
- (c) The Inventory Tracking System utilized by the OCR shall support interoperability with third-party software applications, including seed-to-sale tracking systems, and allow all Licensee-facing system activities to be performed through a secure application programming interface (“API”) or comparable technology which is well documented, bi-directional, and accessible to any third-party application that has been validated and has appropriate credentials. The API or comparable technology shall have version control and provide adequate notice of updates to third-party applications. The system should provide a test environment for third-party applications to access, which mirrors the production environment.
- (d) The OCR shall require that Cannabis Dispensary Licensees, Cannabis Cultivation Licensees, Cannabis Manufacturing Licensees and Micro-Cultivation Permittees all utilize a common Inventory Tracking System selected and certified by the OCR.
- (e) In selecting or designing the Inventory Tracking System, the OCR shall solicit Requests for Proposals from entities that provide inventory tracking system software then select the most competitive proposal that meets the needs of the OCR.

777-24 Responsible Vendor Training Program

- (a) All Licensees, Permittees, Cannabis Business Representatives, and Third-Party Vendors who possess, transport, Deliver, store, secure, Sell, or dispose

of Cannabis Items must participate, implement, maintain, and comply with the OCR's Responsible Vendor Training Program by ensuring all Cannabis Business Representatives complete the training course with the first thirty (30) days of employment or engagement 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 online or virtually only if these requirements are met;
- (2) include at least two (2) 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 identification, Medical Cannabis Patient Cards, Designated Caregiver Cards, and Agent Identification Cards;
 - (F) required health and safety standards;
 - (G) permitted hours of Sale;
 - (H) how to properly maintain records;
 - (I) how to prepare and maintain transport manifests;
 - (J) privacy protection;
 - (K) prohibited purchases; and
 - (L) any topic deemed necessary by the OCR.
- (b) The OCR may contract with an entity or entities to develop, implement, and administer the training courses that form the Responsible Vendor Training Program. The selection of such entity or entities shall be made by the Request for Proposal (RFP) process administered through the Department of Property and Procurement.
- (c) Licensees and Permittees shall pay the costs associated with implementation of and compliance with the Responsible Vendor Training Program.
- (d) OCR shall determine and approve the rates charged to Licensees and

Permittees by the provider of the Responsible Vendor Training Program.

777-25 Sacramental Use

- (a) The OCR shall maintain a list of OCR-certified religious or faith-based organizations that are able to apply to cultivate Cannabis, either on the grounds of the organization or by individual members at their personal residences.
- (b) In order to be certified by the OCR, a religious or faith-based organization must be an organized and registered non-profit organization under the laws of the Virgin Islands and must maintain its status in good standing.
- (c) In order to apply to be certified by the OCR, a religious or faith-based organization must submit an application that includes:
 - (1) A description of the spiritual or religious beliefs that include the use of Cannabis as a part of their religious or sacramental rituals;
 - (2) A current membership list of names and addresses of at least ten (10) individuals;
 - (3) A description of membership requirements that includes minimum meeting attendance requirements and rules relating to the enforcement of the meeting attendance requirements;
 - (4) A description of a membership identification method that involves some form of written identification that members in good standing possess;
 - (5) A description of the methods by which individuals whose membership is no longer in good standing are removed from the organization's membership list;
- (d) The OCR shall include an in-person interview with an officer of the organization as a part of its application process for OCR certification in order to verify that the organization is genuinely religious or faith-based in nature and that the organization represents members who use Cannabis in the sincere exercise of their religion or faith.
- (e) An OCR-certified religious or faith-based organization may apply for and be issued a Collective Sacramental Cannabis Cultivation Certificate that allows for

the non-commercial cultivation of Cannabis on the grounds of the organization provided that:

- (1) The religious or faith-based organization shall not engage in any commercial activities involving Cannabis or Cannabis Items without a Cannabis License or Permit;
 - (2) If the religious or faith-based organization does hold a Cannabis License or Permit, the Cannabis Plants cultivated pursuant to the Collective Sacramental Cannabis Cultivation Certificate are separated and not commingled with any Cannabis Plants cultivated pursuant to a License or Permit;
 - (3) The organization has written permission from the property owner to engage in Sacramental Cannabis Cultivation.
 - (4) The organization consents to unannounced and scheduled site visits by OCR enforcement officers to verify compliance with the plant count limitations and any applicable fencing requirements.
- (f) Specific requirements for Collective Sacramental Cultivation Certificate holders:
- (1) The limit on the number of Immature Cannabis Plants and Flowering Cannabis Plants that may be cultivated under a Collective Sacramental Cannabis Cultivation Certificate are as follows: twelve (12) Immature Cannabis Plants and six (6) Flowering Cannabis Plants per each registered member of the organization at the time of application for Collective Sacramental Cannabis Cultivation Certificate. The list of registered members produced at the time of application must include names, telephone numbers and addresses. OCR may call individuals members provided on the membership lists for verification purposes.
 - (2) An organization that holds a Collective Sacramental Cultivation Certificate may apply to the OCR to increase or decrease its plant count limits based on changes in membership size. Each application for annual renewal of a Collective Sacramental Cannabis Cultivation Certificate shall include an updated membership list and corresponding plant count limit.
 - (3) At no time shall the allowable numbers of Immature Cannabis Plants or Flowering Cannabis Plants under a Collective Sacramental Cannabis

Cultivation Certificate exceed the total number of plants allowed under a Cannabis Cultivation License as described in these Rules.

- (4) The religious or faith-based organization may not Sell the Cannabis to its members, or to anyone else, but the organization may require additional membership fees from members who utilize the collectively grown Cannabis in order to offset cultivation costs. The holder of a Collective Sacramental Cannabis Certificate must maintain, and provide upon request by the OCR, records regarding any fees or extra dues charged to individual members for use of the collectively grown Cannabis.
- (5) Cannabis grown for Sacramental Use and pursuant to a Collective Sacramental Cultivation Certificate are subject to the following requirements:
 - (A) If outdoors, the cultivation area must be fully surrounded by a fence at least seven feet in height that can be locked at all entrance and exit points;
 - (B) If outdoors, the surrounding fencing must be covered with material such that visibility from the outside is obscured;
 - (C) May not be within fifteen (15) feet of a property line;
- (g) Sacramental Users who are registered members of an OCR-certified religious or faith-based organization and who have been residents of the Territory for 45 days or more, may apply for and be issued an Individual Sacramental Cannabis Cultivation Certificate to possess, use, grow or process not more than six (6) Flowering Cannabis Plants and six (6) Immature Cannabis Plants for personal Sacramental use, provided that:
 - (1) The Cannabis Plants are cultivated on private property with the express written consent of the property owner;
 - (2) The Cannabis plants and the Cannabis produced from these plants are not Sold, nor made available for Sale;
 - (3) If an Individual Sacramental Cannabis Cultivation Certificate is issued to the same address as a Qualified Patient Cultivation Permit, the plants and all Cannabis produced from the plants under the Individual Sacramental Cannabis Cultivation Certificate must be clearly segregated and not comingled with the plants and Cannabis from the Qualified Patient Cultivation Permit; and

- (4) If an Individual Sacramental Cannabis Cultivation Certificate is issued to the same address as a Micro-Cultivation Permit, the plants and all Cannabis produced from the plants under the Individual Sacramental Cannabis Cultivation Certificate must be clearly segregated and not comingled with the plants and Cannabis from the Micro-Cultivation Permit.
- (h) The OCR shall require an Individual Sacramental Cannabis Cultivation Certificate holder to pay an annual fee of no more than \$100.
- (i) The OCR shall issue a card or certification document to holders of an Individual Sacramental Cannabis Cultivation Certificate;
- (j) Any plants cultivated pursuant to an Individual Sacramental Cannabis Cultivation Certificate shall be located in an area not visible to the public. Fencing or other forms of visual barriers may be utilized to prevent public view, but public view does not include visibility from adjacent properties.
- (k) Holders of an Individual Sacramental Cannabis Cultivation Certificate shall consent to inspection visits by OCR enforcement officers or other law enforcement personnel to ensure that cultivation is within the limits and parameters outlined in these Rules.
- (1) Such inspection visits by OCR enforcement officers may be unannounced or scheduled.
 - (2) An unannounced inspection visit shall only be conducted by OCR enforcement officers for purposes of compliance with these Rules, with referral to VIPD officers for any potential criminal violations.
 - (3) An Individual Sacramental Cannabis Cultivation Certificate holder who receives notice that he or she has missed an unannounced inspection visit by OCR enforcement officers shall contact the OCR with general times of availability during the subsequent week for a return unannounced inspection.
 - (4) Should an Individual Sacramental Cannabis Cultivation Certificate holder be unavailable for three consecutive unannounced inspection visits after receiving notice to contact the OCR with general times of availability, the OCR shall rescind the Individual Sacramental Cannabis Cultivation Certificate.
- (l) The forty-five day residency requirement for the Individual Sacramental Cannabis Cultivation Certificate may be demonstrated by a Virgin Islands Government-issued photo identification card, or by a bill from the Virgin Islands Water and Power Authority, along with a photo identification.

777-26 Social Equity Plan

- (a) The Social Equity Plan allots additional points during the Merit-Based Application Process to Applicants who are included in the following groups:
- (1) Applicants whose Majority Ownership is held by an individuals or group of individuals who were adversely impacted by the criminal justice system for activities that the Act now considers legal. Adverse impact can be shown by any previous arrest or conviction of the Applicant for activities that the Act now considers legal, as well as any arrest or conviction of a parent or legal guardian for activities that the Act now considers legal;
 - (2) Applicants whose Majority Ownership is held by an individual or group of individuals who are members of religious groups who were adversely impacted by law enforcement for Sacramental Use of Cannabis as shown by valid and current membership in an OCR-certified Religious or Faith-Based Organization;
 - (3) applicants who qualify as a Female-owned Entity; and
 - (4) applicants who qualify as a Service-disabled Veteran Entity
- (b) The Merit-Based Application Processes for Cannabis Cultivation Licenses, Cannabis Manufacturing Licenses, Cannabis Dispensary Licenses and for any Third-Party Vendor shall set aside 15% of the total points awarded for applicants who are included in the Social Equity Plan. The maximum total of possible points awarded through the Social Equity Plan is expressed as 150 points out of 1000 possible points in the Merit-Based Application Process. An Applicant who meets any of the criteria listed in subsection (a) above shall receive the additional 150 points.

777-27 Third-Party Vendors

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

(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.

(e) Renewals. Every certification shall expire annually on the date it was issued. 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.

(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; and

- (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 are over the age of twenty-one (21) at the time of hire or association and possess an Agent Identification Card and provide such documentation to the OCR upon request.

777-28 Advertising

- (a) A Cannabis Business may display its name and logo on labels, signs, websites, and informational material provided to Adult Users, Qualified Patients, vendors, and other Licensees or Permittees. The name and logo must not include:
 - (1) the image of any Cannabis Item or Cannabis Paraphernalia;
 - (2) colloquial references to Cannabis;
 - (3) symbols that bear a reasonable semblance to the OCR's logo or symbols;
 - (4) symbols of any Territorial departments or agencies; or
 - (5) symbols of any established medical associations.
- (b) A Cannabis Business Entity may display public signs at its Licensed Premises except that a Cultivation Facility may not display a public sign;
- (c) An advertisement for Cannabis or a Cannabis Product may not contain a statement or illustration that:
 - (1) Is false or misleading;
 - (2) Includes any depiction of Cannabis consumption;
 - (3) Promotes excessive consumption;
 - (4) Represents that the use of Cannabis has curative or therapeutic effects;
 - (5) Depicts a person under twenty-one (21) years of age; and
 - (6) Includes an object or character, including a toy, an animated character, or other depiction designed to appeal to a person under twenty-one (21) years of age, that promotes consumption of Cannabis.
- (d) A Cannabis Dispensary may not have more than three signs, visible to the general public from a public right-of way, that identify the Dispensary by its business name.
 - (1) The size of each sign may not exceed 1,600 square inches.

- (2) The publicly visible signs may not utilize graphics related to Cannabis, Cannabis plants or Cannabis paraphernalia.
- (3) Other forms of signage and outdoor advertising at a Dispensary Licensed Premises are prohibited, such as sign spinners, sandwich boards, inflatables, persons in costume, etc.
- (e) A Cannabis Dispensary may not use giveaway coupons as promotional materials, or conduct promotional activities such as games or competitions to encourage the Sale of Cannabis or Cannabis Products.
- (f) A Cannabis Dispensary shall not advertise the price of Cannabis or Cannabis Products, except that, within a Cannabis Dispensary, it may display or distribute a list of the prices and strains of Cannabis available.
- (g) All advertising for Cannabis and any Cannabis product must contain each of the following warning: "For use only by adults twenty-one and older. Keep out of reach of children."
- (h) A Licensee may not display Cannabis Items in a way that is visible to the public from a public right-of way.

777-29 Security

- (a) **Video Surveillance.** Licensees shall be 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 video surveillance system 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 at least four (4) hours. A Licensee must notify the OCR if the entire system is not operational for more than four (4) hours;
 - (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) the video surveillance system must have a notification trigger to alert a Cannabis Business Representative that the system is not operational and in need of repair.
- (6) a display monitor with a minimum screen size of 12 inches must be connected to the surveillance system at all times;
- (7) the surveillance system and electronic recording system must be maintained in good working condition and operational at all times;
- (8) 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;
- (9) security recordings must be retained for a minimum of thirty (30) days after which time the video recording may 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;
- (10) each Licensee located in a shared Licensed Premises must have a separate surveillance room or area dedicated to the business operations of the Licensee;
- (11) 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;
- (b) Security alarm systems. The following security alarm systems and lock standards apply to all 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;
 - (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.

777-30 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 a Licensed Premises and a Testing Facility, and between a Dispensary Licensee and a Qualified Patient or a Qualified Patient's Designated Caregiver.
- (c) Transportation Manifest. A transport manifest containing the following information and generated by the Inventory Tracking System must be produced and maintained by Licensees, Permittees, and Third-Party Vendors:

- (1) the date and approximate time of Delivery or transport;
 - (2) the name, location, address, and License or Permit number of the Cannabis Business or the name, location, address, and registry identification number of the Qualified 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 Cannabis Business, the Qualified Patient, or the Designated Caregiver;
 - (4) the Agent Identification Card number and signature of the Transporter; and
 - (5) the make, model, 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 Cannabis Business, Qualified 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 Cannabis Business Representative both upon departure from the Licensed Premises and upon receipt at the receiving Cannabis Business, Qualified 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 Cannabis Business Representative, receive the Cannabis as inventory to be documented or a sample to be tested.
- (f) A Dispensary Licensee shall not Deliver Cannabis Items to a Qualified Patient, unless:
- (1) the Dispensary Licensee is also certified to transport, and delivery can be made by the holder of an Agent Identification Card or 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 Qualified Patient at the point of delivery;
 - (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 at all times during Delivery;
 - (6) prior to Delivery the Dispensary Licensee enters the Delivery in the Inventory Tracking System; and
 - (7) the Cannabis item is returned to the Dispensary if the Transporter is unable to deliver directly to the Qualified Patient Caregiver and entered into the Inventory Tracking System as such.
- (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 Third-Party Vendor.
- (h) The Transporter transporting Cannabis on the public roadway shall:
- (1) travel directly to the recipient of the Cannabis Items; and
 - (2) document any 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

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 at all times when transporting or delivering Cannabis Items and produce their Agent Identification Card to the OCR or any Territorial law enforcement official upon request.

777-31 Fees

- (a) The OCR shall use all fees collected under the Act for its general operational budget.
- (b) Application fees shall be set by the OCR in the Form ___ “Application and Renewal Fee Schedule”.
- (c) The Director shall compile and submit to the Board an annual report on all fees collected by the OCR that shall include:
 - (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; and
 - (4) the total amount of fees collected by category.

777-32 Inspection Procedures

- (a) Each Licensee and Permittee shall keep a complete set of all records necessary to show all business transactions of the Licensee or Permittee, all of which shall be open for the inspection and examination by the OCR or its duly authorized representative upon demand.
- (b) The Licensed Premises shall be subject to inspection by OCR enforcement officers or any other law enforcement officer during all business hours and other times of apparent activity for inspection or investigation. For examination of any inventory or books and records required to be kept by the Licensees and Permittees, access shall be required during business hours. Where any part of the Licensed Premises consists of a locked area, upon demand to the Licensee or Permittee, such area shall be made available for inspection without delay.
- (c) Each Licensee and Permittee shall retain all books and records necessary to show fully the business transactions of the Licensee or Permittee for a period of the current tax year and the immediately prior seven (7) tax years.

777-33 Suspensions, Revocations and Fines

- (a) In addition to any other sanctions prescribed by this chapter or rules promulgated pursuant to this chapter, the OCR has the power, on its own motion or on complaint, after investigation and opportunity for the Licensee or Permittee to be heard, to suspend or revoke a License or Permit issued by the OCR for a violation by the Licensee or Permittee or by any of the agents or employees of the Licensee or Permittee, or of any of the terms, conditions, or provisions of the License or Permit issued by the OCR. The OCR has the power to administer oaths and issue subpoenas to require the presence of Persons and the production of papers, books, and records necessary to the determination of a hearing that the OCR is authorized to conduct.
- (b) The OCR shall provide notice of suspension, revocation, fine, or other sanction by mailing the same in writing to the Licensee or Permittee at the address contained in the License or Permit. A suspension shall not be for a longer period than six (6) months. If a License or Permit is suspended or revoked, no part of the fees paid therefore shall be returned to the Licensee or Permittee.
- (c) Any License or Permit may be summarily suspended by the OCR without notice pending any prosecution, investigation, or public hearing for public safety purposes and the Licensee or Permittee shall be entitled to due process subsequent to the suspension, but at no time should the suspension last more than ten (10) days without a due process hearing.
- (d) The OCR may enter into a stipulated settlement with a Licensee or Permittee in lieu of going to a public hearing. The stipulated settlement may contain any of the following: admission(s) by the Licensee or Permittee of violation(s) of rules or statutory provisions, the suspension of a License or Permit, that a suspension be held in abeyance pending no further violation(s) as specified and agreed to by the parties, a fine imposed against the Licensee or Permittee, and/or any other terms agreed to by the OCR and Licensee or Permittee.
- (e) Cash payments of fines described herein shall not be accepted by the OCR. The OCR shall only accept certified checks, bank checks, or credit cards.
- (f) The fines described herein shall be deposited into the Cannabis Fund for use by the OCR as set forth in Title 19, Chapter 11, section 801 of the Virgin Islands Code.

777-34 Unlawful Acts and Violations; and Penalties

- (a) It is unlawful for any Person to engage in any form of business or commerce involving the cultivation, processing, manufacturing, storage, sale, distribution, or consumption of Cannabis other than those forms of businesses and commerce that are expressly provided in the Act or these Rules.
- (b) It is unlawful for a Licensee or Permittee to buy, sell, transfer, give away, or acquire Cannabis except as allowed pursuant to the Act and these Rules.
- (c) A Qualified Patient who willfully fails to provide a notice required by section 782 of the Act is civilly liable for the infraction, subject to a fine of not more than \$100.
- (d) In addition to any other penalty applicable in law, a Cannabis Business that intentionally sells or otherwise transfers Cannabis in exchange for anything of value to a person other than a Qualified Patient, Designated Caregiver or adult user over the age of 21 may be subject to a fine of not more than \$3,000. A person convicted under this subsection may not continue to be affiliated with the Cannabis Business and is disqualified from further participation in any Cannabis Business.
- (e) In addition to any other penalty applicable in law, a Qualified Patient, Designated Caregiver or Sacramental User who intentionally sells or otherwise transfers Cannabis or Cannabis plants to any person, or to a legally licensed Cannabis Business or its agent is guilty of a misdemeanor punishable by imprisonment for not more than one year or by payment of a fine of not more than \$1,000, or both, and may have their authorization to cultivate suspended or revoked by the OCR.
- (f) A person who intentionally makes a false statement to a law enforcement official about any fact or circumstance relating to the use of Cannabis to avoid arrest or prosecution is guilty of a misdemeanor punishable by imprisonment for not more than 90 days or by payment of a fine of not more than \$1,000, or both. This penalty is in addition to any other penalties that may apply for making a false statement or for the possession, cultivation, or Sale of Cannabis not protected by the Act.
- (g) A person who knowingly submits false records or documentation required by the OCR to certify a Cannabis Business under the Act is guilty of a felony and may be sentenced to imprisonment for not more than two years or by payment of a fine of not more than \$3,000, or both.
- (h) A Practitioner who knowingly refers patients to a Cannabis Business or to a

Designated Caregiver, who advertises in a Cannabis Business, or who issues written certifications while holding a Financial Interest in a Cannabis Business shall be fined up to \$1,000.

- (i) It shall be unlawful for a Practitioner who recommends the use of Cannabis, provides Qualified Patients with Medical Cannabis Certification Forms, or refers patients to Cannabis Dispensaries to receive anything of value from a Cannabis Licensee or its agents, servants, officers, or owners or anyone financially interested in the Licensee. It shall be further unlawful for a Licensee licensed pursuant to these Rules to offer anything of value to a Practitioner for the same. Any Practitioner or Licensee who violates this section shall be fined \$1,000.
- (j) It is a misdemeanor punishable by up to 180 days in jail and a \$1,000 fine for any person, including any employee or official of the OCR or another territorial agency, to breach the confidentiality of information obtained pursuant to the Act or these Rules.
- (k) A Cannabis Business shall be fined up to \$1,000 for any violation of the Act, or these Rules where no penalty has been specified. This penalty is in addition to any other penalties applicable in law. Further, the OCR has the authority to require a Person convicted for unlawful acts pursuant to this section to become unaffiliated with the relevant Cannabis Business and disqualify him or her from further participation under the Act.
- (l) It shall be an independent violation of the Act and these Rules and grounds for an independent enforcement action or imposition of other disciplinary measures, in the discretion of the OCR, for any Person or Licensee to attempt to avoid or circumvent any of the requirements or limitations contained in the Act.

777-35 Limitations

The Act and these Rules do not authorize any Person to engage in, and does not prevent the imposition of any civil, criminal, or other penalties for engaging in, the following conduct:

- (a) Undertaking any task under the influence of Cannabis, when doing so would constitute negligence or professional malpractice;
- (b) Consuming Cannabis while operating any form of public transportation or in any public place or any place that is open to public use, unless the location is designated in an Adult Use Lounge Permit, Cannabis Use Permit or Temporary Cannabis Use Permit and the consumption occurs in accordance with applicable

laws and regulations; or

(c) Operating, navigating, or being in actual physical control of any motor vehicle, aircraft, train, or motorboat while under the influence of Cannabis, except that a Qualified Patient shall not be considered to be under the influence of Cannabis solely because of the presence of metabolites or components of Cannabis that appear in insufficient concentration to cause impairment.

777-36 Addition to Qualifying Medical Conditions

- (a) Any resident of the Virgin Islands who has resided in the Virgin Islands for 45 days or more, may petition the OCR to include additional medical conditions or their treatments to the list of debilitating Qualifying Medical Conditions.
- (b) Such a petition must be accompanied by a certification of the nature of such medical conditions and the benefit that would be derived from the Medicinal Use of Cannabis.
- (c) The OCR shall consider petitions in the manner required by OCR regulation.
- (d) The OCR shall approve or deny a petition not later than 60 days after its submission. If the petition is denied, the petitioner may file an administrative appeal and provide notice that an appeal has been filed with the OCR no later than 30 days after the denial. The approval or denial of any timely filed appeal is a final decision of the OCR, subject to judicial review. Jurisdiction and venue are vested in the Superior Court of the Virgin Islands.

777-37 Disaster Relief

- (a) If a Licensee or Permittee is unable to comply with any requirement or limitation of the Act or these Rules due to a Disaster, the Licensee or Permittee 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 or Permittees 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 or Permittee to recover from the Disaster;
- (d) The OCR may require that certain conditions be imposed for a Licensee or Permittee to receive temporary relief from specific requirements.
- (e) Licensees or Permittees shall not be subject to enforcement action for

violating a requirement from which the Licensee has received temporary relief.

- (f) If a Licensee or Permittee 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 or Permittee 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 Licensee and its authorized agents;
 - (2) the Licensee or Permittee 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 of the Cannabis Items;
 - (3) the Licensee or Permittee agrees to grant the OCR access to the location where the Cannabis Items have been Transferred; and
 - (4) the Licensee or Permittee 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.

777-38 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. 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, Permittee, or 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, Permittee, or 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, Permittee, Third-Party Vendor, 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.* 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.

**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 for the Virgin Islands Cannabis Use Act, 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.

Lieutenant Governor
United States Virgin Islands

5/13/2024
Date

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 *Rules and Regulations for the Virgin Islands Cannabis Use Act* from the Virgin Islands Cannabis Advisory Board were published on the official website for the Office of Cannabis Regulation, for not less than 30 days for public comment. 19 VIC § 777(d)


ALBERT BRYAN JR.
Governor
United States Virgin Islands

Date 5/4/24

Attest:


TREGENZA A. ROACH, ESQ.
Lieutenant Governor

5/13/2024
Date

CERTIFICATION OF TRANSMITTAL TO LEGISLATURE

I hereby certify that the above approved *Rules and Regulations for the Virgin Islands Cannabis Use Act* from the Virgin Islands Cannabis Advisory Board were transmitted to the Legislature of the United States Virgin Islands pursuant to 3 V.I.C. § 913(a) on the date noted below.

R. J. Egan
Governor/Governor's Designee

May 15, 2024
Date