



THE UNITED STATES VIRGIN ISLANDS
OFFICE OF THE GOVERNOR
GOVERNMENT HOUSE
Charlotte Amalie, V.I. 00802
340-774-0001

May 15, 2020

OFFICE OF THE
SENATE PRESIDENT
2020 MAY 19 AM 10:11

VIA MESSENGER

The Honorable Novelle E. Francis, Jr.
President
Thirty-Third Legislature of the Virgin Islands
Capitol Building
St. Thomas, VI 00802

Re: Governor's Resubmittal of Proposed Virgin Islands Cannabis Use Act

Dear Mr. President:

On December 2, 2019 I submitted to the Legislature a Proposed Bill in the form of the *Virgin Islands Cannabis Use Act* to substantially amend Title 19, Chapter 34 as enacted by Act No. 8167. The Legislature met in Special Session on December 18, 2019 to hear testimony on the Bill. Subsequently, this Administration has conducted listening discussions with multiple Senators and the general public to provide explanatory information and to receive input for further revisions to the Proposed Bill.

I am pleased to now resubmit a further amended substitute proposed Bill that incorporates the product of collaboration and input from those multiple Senators who came forward and comments received from the public in townhall meetings.

Consideration of this proposed Bill is exigent given that the principal benefit of the revenues to be derived from this Bill are directed to assisting the stoppage of the hemorrhaging of the Government Employees Retirement System ("GERS"). I once again state that this Bill will not solve the GERS financial status; rather, it is one of the tools and we must continue to work together to find other means to shore up the System. It is also important that we utilize the present time while we are in the process of putting our economy back together in readiness for the post-COVID Pandemic environment, to put this revenue mechanism in place.

The members of my team stand ready to appear before the Committee of the Whole once more to review the details of the revised and resubmitted legislation.

Thank you for assisting and enabling this exigent matter to be attended to as promptly as

possible for the benefit of the People of the Virgin Islands.

Sincerely,


Albert Bryan, Jr.
Governor

Enclosure

BILL NO. 33- _____

**THIRTY-THIRD LEGISLATURE OF THE VIRGIN ISLANDS
OF THE UNITED STATES**

**To amend Title 19, Chapter 34 of the Virgin Islands Code to expand the legalization of
Medicinal Cannabis.**

PROPOSED BY THE GOVERNOR

1
2 **WHEREAS**, the use of Cannabis for medicinal purposes was previously legalized by the
3 Legislature of the Virgin Islands and signed into law by the Governor;
4

5 **WHEREAS**, expanding the use of Cannabis provides an opportunity to generate tax
6 revenues to alleviate the deficit within the current Government Employee Retirement System and
7 the ongoing deficits in the General Fund;
8

9 **WHEREAS**, expansion of the Cannabis industry provides additional opportunities
10 including, increasing business ownership and employment opportunities for Virgin Islands
11 residents;
12

13 **WHEREAS**, the legalization of Cannabis can alleviate social injustices experienced by
14 persons subjected to the criminal justice system for simple possession of Cannabis;
15

16 **WHEREAS**, the Government must ensure that bona fide residents of the Virgin Islands
17 have the ability to participate in the Medicinal Cannabis industry and must actively protect the
18 rights of Virgin Islanders to participate in a meaningful way in the Medicinal Cannabis industry;
19

20 **WHEREAS**, it is also appropriate to recognize certain cultural and sacramental uses of
21 Cannabis within the US Virgin Islands;
22

23 ***Be it enacted by the Legislature of the Virgin Islands:***
24

25 **SECTION 1.** Title 19, Chapter 34 of the Virgin Islands Code is hereby amended and
26 substituted in its entirety to read as follows:
27

28 **CHAPTER 34. THE VIRGIN ISLANDS CANNABIS USE ACT**
29

30 **§774 – Short Title.**
31

32 This Act may be cited as “The Virgin Islands Cannabis Use Act”.
33

34 **§775 – Purpose.**
35

1 The purpose of this chapter is to establish a regulated system for the cultivation, manufacture, and
2 distribution of Cannabis for Medical, Non-Certified, and Sacramental use. By establishing a
3 regulated system, this Act provides oversight of the cannabis industry to protect public safety,
4 improve public health, and create economic opportunities for the Virgin Islands and its bona fide
5 residents.

6
7 The intent of this Act is to establish control over the commercial cultivation, manufacture, and
8 distribution of Cannabis as a business, which shall be maintained by bona fide residents of the
9 Virgin Islands pursuant to law and regulations. Any attempts to circumvent this intent will be
10 deemed null and void as a matter of public policy and any agreement attempting such
11 circumvention is non-enforceable.

12
13 Under this Act, persons over the age of twenty-one (21) that are legally responsible for their own
14 medical decisions are considered authorized to possess, purchase, and consume Medicinal
15 Cannabis on their own decision. As with any over-the-counter medicine, these adults are
16 considered to be responsible for their own medical decisions and do not require a doctor's
17 certification to qualify as a Non-Certified purchaser or user of cannabis and/or cannabis products.

18
19 In the interest of the economic development and revitalization of the Virgin Islands, the Legislature
20 of the Virgin Islands further determines that encouraging foreign and domestic investment in the
21 Virgin Islands for the purpose of research and development will serve the interests of the people
22 of the Virgin Islands.

23 24 **§776 – Definitions.**

25
26 As used in this chapter the following words, terms, and phrases have the following meaning:

27
28 (a) **“Advertising”** or **“Advertisement”** means the act of providing consideration for the
29 publication, dissemination, solicitation, or circulation of visual, oral, or written
30 communications that induce any person to patronize a place of sale or purchase
31 cannabis items. “Advertising” does not include packaging and labeling, consumer
32 education materials, or branding. “Advertising” proposes a commercial transaction or
33 otherwise constitutes commercial speech.

34
35 (b) **“Adult Use Lounge”** means a space, determined by the Office of Cannabis Regulation
36 pursuant to an issued permit, wherein individuals over the age of 21 may use Cannabis,
37 commercial Cannabis products, or commercial Cannabis accessories. Said space may
38 be public or private and may be owned by an individual, corporation, partnership,
39 association, trust, government or entity, or any combination thereof.

40
41
42 (c) **“Applicant”** means a person who has submitted an application for a Medical Cannabis
43 Patient Card, Medical Cannabis Caregiver Card, Medical Cannabis License, or Medical
44 Cannabis Permit, renewal, change of ownership, or change of location of a Medical
45 Cannabis License pursuant to this Act, which application has been accepted for review
46 but has not been approved or denied by the OCR.

- 1
2 (d) **“Auto-Expungement Project”** means the review of criminal records of individuals
3 convicted of Cannabis related crimes and the expungement of qualifying records, as
4 determined by the Auto-Expungement Report and any subsequent amendments issued
5 by the OCR.
6
7 (e) **“Bona fide Practitioner-Patient Relationship”** means:
8
9 (1) A practitioner and patient have a treatment or consulting relationship,
10 during the course of which the practitioner has completed an assessment
11 of the patient’s medical history and current medical condition, including
12 an appropriate in-person physical examination;
13 (2) The practitioner has consulted with the patient with respect to the
14 patient’s debilitating medical condition; and
15 (3) The practitioner is available or offers to provide follow-up care and
16 treatment to the patient, including, but not limited to, patient
17 examinations.
18
19 (f) **“Branding”** means the promotion of a business’s brand through publicizing a
20 Cannabis business by name, logo, or distinct design features of the brand.
21
22 (g) **“Business Entity”** means a legal entity incorporated pursuant to Title 13 of the Virgin
23 Islands Code or formed under Title 26 of the Virgin Islands Code, whose shareholders,
24 officers, directors, members, partners, or owners are each residents of the U.S. Virgin
25 Islands as required by Section 785(a) of this Act and that is not publicly traded. A
26 Business Entity and each of the persons who are its shareholders, officers, directors,
27 members, partners, or owners are Owners.
28
29 (h) **“Cannabis”** or **“Medical Cannabis”** means all parts of the plant of the genus Cannabis
30 whether growing or not, the seeds thereof, the resin extracted from any part of the plant,
31 and every compound, manufacture, salt, derivative, mixture, or preparation of the plant,
32 its seeds, or its resin, including cannabis concentrate. “Cannabis” or “Medical
33 Cannabis” does not include industrial hemp, nor does it include fiber produced from
34 the stalks, oil or cake made from the seeds of the plant, sterilized seed of the plant
35 which is incapable of germination, or the weight of any other ingredient combined with
36 cannabis to prepare topical or oral administrations, food, drink or other product.
37 “Cannabis” or “Medical Cannabis” does not include “Hemp” or “Industrial Hemp” as
38 specifically defined by the United States Department of Agriculture.
39
40 (i) **“Cannabis Business”** means a Cannabis Licensee or Micro-Cultivation Permittee. A
41 Cannabis Business may include a Cannabis Non-Prescription Use Permittee.
42
43 (j) **“Cannabis Business Representative”** means an Owner, employee, or agent of a
44 Cannabis Business and shall not include a Contractor or a Consultant.

- 1 (k) **“Cannabis Concentrate”** means a specific subset of Cannabis Items that were
2 produced by extracting cannabinoids, through a solvent or non-solvent manufacturing
3 process, from Cannabis or Medical Cannabis or by combining extracted cannabinoids
4 with Cannabis or Medical Cannabis or other ingredients and are intended for use by
5 smoking or vaporizing.
6
- 7 (l) **“Cannabis Cultivation License”** or **“Cannabis Cultivation Licensee”** means a
8 person licensed pursuant to this Code to operate a business as described in section 791
9 that cultivates Cannabis for sale to Medical Cannabis Licensees or Non-Certified Use
10 Permittees.
11
- 12
- 13 (m) **“Cannabis Infused Product”** means any product that is comprised of Cannabis
14 Concentrate or Cannabis Flower and other ingredients and is intended for use or
15 consumption other than by smoking or vaporizing, including edible Cannabis-Infused
16 Products, Topical Cannabis-Infused Products, Transdermal Cannabis-Infused
17 Products, and Transmucosal Cannabis-Infused Products. An extract of Cannabis that
18 does not include any other non-cannabis ingredients but includes activated
19 cannabinoids intended for oral administration shall be considered an Edible Cannabis-
20 Infused Product.
21
- 22 (n) **“Cannabis Item”** means raw Cannabis plant material, Cannabis Concentrate, and
23 Cannabis Infused Product.
24
- 25 (o) **“Cannabis Manufacturing License”** means a person licensed pursuant to this Code
26 to operate a business as described in section 792 that manufactures Cannabis Items
27 for sale to other Cannabis Licensees.
28
- 29 (p) **“Cannabis Paraphernalia”** or **“Medical Cannabis Paraphernalia”** means any
30 equipment, products, or material of any kind which are used, intended for use, or
31 designed for use in planting, propagating, cultivating, growing, harvesting,
32 composting, manufacturing, compounding, converting, producing, processing,
33 preparing, testing, analyzing, packaging, repackaging, storing, vaporizing, or
34 containing Cannabis, or for ingesting, inhaling, or otherwise introducing Cannabis into
35 the human body.
36
- 37 (q) **“Cannabis Permit”, “Cannabis Permittee”, “Medical Cannabis Permit”,**
38 **“Medical Cannabis Permittee”, “Permit” or “Permittee”** means a person permitted
39 pursuant to this Code to engage in a Cannabis related activity, unless specific provision
40 or context provides otherwise. Cannabis Permittees include Micro-Cultivation
41 Permittees, Cannabis Non-Certified Use Permittee, Cannabis Temporary Non-
42 Certified Use Permittee, or Onsite Consumption Permittee.
43
- 44 (r) **“Cannabis Product”** or **“Medical Cannabis Product”** means concentrated cannabis
45 products and cannabis products that are comprised of cannabis and other ingredients

1 and are intended for use or consumption, such as, but not limited to, edible products,
2 ointments, and tinctures.

3
4 (s) **“Cannabis Non-Certified Use Permit”** or **“Cannabis Non-Certified Use**
5 **Permittee”** means a person permitted pursuant to this Code to operate a business as
6 described in section 790 *et seq.* that allows for the consumption of Cannabis or that
7 permits the non-certified use of Cannabis Products. Patrons of such business shall be
8 known as “Non-Certified Users”.

9
10 (t) **“Cannabis Research and Development License”** or **“Cannabis Research and**
11 **Development Licensee”** means a person licensed pursuant to this Code to operate a
12 business as described in section 797 who engages in research and development around
13 Cannabis testing, genetics, seed manufacturing, plant tissue cultivation and
14 manufacturing, with the intention of developing new products and technologies.

15
16 (u) **“Cannabis Temporary Non-Certified Use Permit”** or **“Cannabis Temporary**
17 **Non-Certified Use Permittee”** means a Person permitted pursuant to this Code to
18 operate a business as described in section 795 that allows for the temporary
19 consumption of Cannabis. Patrons of such business shall be known as “Non-Certified
20 Users”.

21
22 (v) **“Cardholder”** means a Qualifying Patient or a Designated Caregiver who has been
23 issued and possesses a valid Medical Cannabis Registry Card issued by the OCR.

24
25 (w) **“Child-Resistant”** means special packaging that is:

- 26
27 (1) Designed or constructed to be significantly difficult for children under five (5)
28 years of age to open and not difficult for normal adults to use properly as
29 defined by 16 C.F.R. 1700.20 (1995);
30 (2) Opaque so that the packaging does not allow the product to be seen without
31 opening the packaging material; and
32 (3) Resealable for any product intended for more than a single-use or containing
33 multiple servings.

34
35 (x) **“Consultant”** means a person who visits the Licensed Premises of a Cannabis Licensee
36 or Medical Cannabis Licensee on a temporary basis to perform a service related to
37 advising a Cannabis Licensee or Medical Cannabis Licensee on the cultivation, curing,
38 processing, internal-testing, storing, packaging, labeling, manufacturing,
39 transportation, transfer, purchase, and sale of Cannabis Items or Medical Cannabis
40 Items.

41
42 (y) **“Consumer Education Materials”** means any informational materials that seek to
43 educate consumers about rules and regulations within the Cannabis industry
44 generally, including, but not limited to, education regarding the safe consumption of
45 Cannabis, regulated Cannabis Concentrate, or regulated Cannabis Products, provided

- 1 it is not distributed or made available to individuals under twenty-one (21) years of
2 age.
- 3 (z) **“Container”** means the sealed package in which Cannabis Items or Medical Cannabis
4 Items are placed for sale to a Use Permittee or Qualified Patient.
- 5
- 6 (aa) **“Contractor”** means a Person other than a Cannabis Business Representative or
7 Medical Cannabis Business Representative, who visits the Licensed Premises of the
8 Cannabis Business on a temporary basis to perform a service, maintenance, or repair in
9 a manner that does not qualify the Person as a Consultant.
- 10
- 11 (bb) **“Crime of Violence”** has the same meaning as defined in Title 23 section 451(g)
12 of the Virgin Islands Code.
- 13
- 14 (cc) **“Cultivation Facility”** means an entity registered with the OCR pursuant to this
15 chapter that acquires, possesses, cultivates, delivers, transfers, transports, supplies, or
sells Cannabis and related supplies to Cannabis establishments.
- 16
- 17 (dd) **“Deliver”** means the commercial transfer of Medical Cannabis Items from a
18 Medical Cannabis Dispensary, up to an amount determined by the OCR, to a Qualified
19 Patient. “Delivery” also includes the use of any technology platform that enables
20 Qualified Patients to arrange for or facilitate the commercial transfer by a Medical
21 Cannabis Dispensary of Medical Cannabis Items. All deliveries shall comply with
22 federal laws and regulations.
- 23
- 24 (ee) **“Designated caregiver”** means an individual identified in writing, pursuant to the
25 provisions of Title 19, Chapter 11, sections 779 and 780 of the Virgin Islands Code, and
26 who also:
- 27 (1) is at least 21 years of age;
- 28 (2) has been designated in writing by the Qualified Medical Cannabis Patient
29 or the parent or legal guardian of the Medical Cannabis Patient, and who
30 may possess, purchase, or administer Medical Cannabis to a Medical
31 Cannabis Patient
- 32 (3) has agreed to assist with a Qualifying Patient’s medicinal use of Cannabis;
- 33 (4) has not been convicted of a disqualifying felony offense; and
- 34 (5) assists no more than three qualifying patients, including him or herself, with
35 their medicinal use of cannabis, unless the designated caregiver’s qualifying
36 patients each reside in or is admitted to a health care facility or residential
37 care facility where the designated caregiver is employed.
- 38
- 39 (ff) **“Designated Consumption Area”** means a designated area where Qualified
40 Patients or Non-Certified Users are expressly permitted to consume Medical
41 Cannabis or Cannabis Items.
- 42
- 43 (gg) **“Disqualifying Felony Offense”** means: (1) a crime that was classified as a felony
44 in the jurisdiction where the person was convicted; (2) a violation of a state,
45 territorial, or federal controlled substances law, that was classified as a felony in

1 the jurisdiction where the person was convicted, not including: (A) an offense for
2 which the sentence was completed, including any term of probation, or supervised
3 release; or (B) an offense that consisted of conduct for which this chapter would
4 likely have prevented a conviction, but the conduct either occurred prior to the
5 enactment of this chapter or was prosecuted by an authority other than the Virgin
6 Islands.

7
8 (hh) **“Edible Cannabis Product”** means a Cannabis-Infused Product that is intended to
9 be taken by mouth, swallowed, and is primarily absorbed through the
10 gastrointestinal tract. Edible cannabis-infused products may be psychoactive when
11 used as intended. Without limitation, edible cannabis-infused products may be in
12 the form of food, beverage, capsule, or tablet.

13
14 (ii) **“Female-operated Bona Fide Virgin Islands Entity”** means a bona fide Virgin
15 Islands entity that is owned and controlled by females who are citizens of the United
16 States and permanent residents of the Virgin Islands, in which at least 51% of the
17 ownership interest is held by females and the management and daily business
18 operations of which are controlled by one or more females, or, in the case of a
19 corporation that has issued stock, of which at least 51% of the capital stock is owned
20 by one or more females.

21
22 (jj) **“Financial Interest”** means any right or entitlement to any portion of revenue or
23 profit from the sales of a Cannabis Business or Medical Cannabis Business,
24 including a Reasonable Royalty or Permitted Interest. A Financial Interest does not
25 include an Indirect Interest. Except as otherwise provided by this Act, a Financial
26 Interest holder shall not be permitted to exercise control over the Cannabis Business
27 or Medical Cannabis Business. A holder of the Financial Interest may not be a
28 publicly-traded company or consist of any other multipart corporate structure that,
29 in the discretion of the OCR, renders it impracticable or impossible for the OCR to
30 conduct its background investigation on all relevant parties and beneficiaries of the
31 Applicant or that that limits or prevents full and direct transparency to underlying
32 direct or indirect ownership, beneficial or otherwise.

33 (kk) **“Financial Interest Holder”** means any person entitled to a Financial Interest
34 pursuant to this Act, including a Reasonable Royalty Holder and a Permitted
35 Interest Holder. A Financial Interest Holders is not an Unaffiliated Third Party.

36
37 (ll) **“Flowering Canopy”** means the total square feet of all Flowering Cannabis Plants
38 on the Licensed Premises of a Cannabis Cultivation Licensee.

39
40 (mm) **“Flowering Cannabis Plant”** means a Cannabis plant in a light cycle
41 intended to stimulate the production of flowers, trichomes, and cannabinoids
42 characteristic of Cannabis.

43
44 (nn) **“Immature Cannabis Plant”** means a nonflowering cannabis plant that is no taller

1 than eight (8) inches and no wider than eight (8) inches, is produced from a cutting,
2 clipping, or seedling, and is in a cultivating device.

3
4 (oo) **“Immediate family member”** means a spouse, parent, or child.

5
6 (pp) **“Indirect Interest”** means any interest in a Cannabis Business or Medical
7 Cannabis Business License that does not rise to the level of a Financial Interest. An
8 Indirect Interest may include but is not limited to a Person’s right to receive
9 commercially reasonable rent payments on a fixed basis pursuant to a bona fide
10 lease agreement, secured or unsecured loans, or security interest in fixtures or
11 equipment with a direct nexus to the cultivation, manufacture, sale, transportation,
12 or testing of Cannabis, a consulting fee on a fixed basis for services that are allowed
13 under this Act, or a person who receives a bonus as an employee if the employee is
14 on a fixed wage or salary and the bonus is based on a written incentive/bonus
15 program that is standard and customary for the services rendered. Except as
16 otherwise provided by these rules, an Indirect Interest holder shall neither exercise
17 control of nor be positioned so as to enable the exercise of control over the Cannabis
18 Business or Medical Cannabis Business Licensee. A holder of an Indirect Interest
19 is not an Unaffiliated Third Party.

20
21 (qq) **“Interest”** means any Financial Interest or Indirect Interest in a Cannabis Business
22 or Medical Cannabis Business Licensee. A holder of an Interest is not an
23 Unaffiliated Third Party.

24
25 (rr) **“Inventory Tracking System”** means an electronic tracking system approved by
26 the OCR pursuant to section 790 that all Licensees are required to utilize, that tracks
27 Cannabis Items from either the seed or immature plant stage until the Cannabis
28 Item is sold to a Non-certified Medical User or Qualified Patient or is destroyed.
29 Cannabis Business Licensees and Medical Cannabis Business Licensees may
30 utilize a third-party seed-to-sale tracking system if such system is approved by the
31 OCR and is able to transmit the required information to the “Inventory Tracking
32 System”.

33
34 (ss) **“Licensee”, “License”, “Medical Cannabis Licensee”, or “Medical Cannabis**
35 **License”** means a Person Licensed pursuant to this Code. Cannabis Licensees or
36 Medical Cannabis Licensees include Cannabis Cultivation Licensees, Cannabis
37 Manufacturing Licensees, and Medical Cannabis Dispensary Licensees.

38
39 (tt) **“Licensed Premises”** means the premises specified in an application for a License
40 under this Code, which are owned or in possession of the Licensee and within which
41 the Licensee is authorized to cultivate, manufacture, distribute, or sell Cannabis
42 Items in accordance with this Code.

43
44 (uu) **“Limited Access Area”** means a building, room, or other contiguous areas upon the
45 Licensed Premises where Cannabis Items are cultivated, manufactured, stored,
46 weighed, packaged, sold, or processed for sale under control of the Licensee.

- 1
2 (vv) **“Majority Ownership”** or **“Majority Owner”** means a person or group of
3 persons who are Owners of, or control more than fifty-one percent (51%) of the
4 equity interest, voting rights, and profits interest in a Cannabis Business or
5 Cannabis Business on a fully diluted basis.
6
7 (ww) **“Manager”** means any person who is not an Owner or holder of a Financial Interest
8 and to whom a licensed Cannabis Business has delegated discretionary authority to
9 organize, direct, carry on or supervise day to day operations.
10
11 (xx) **“Medical Cannabis Adult Use Permit”** means a permit provided by the OCR that
12 each individual shall be required to validly possess before purchasing any Cannabis
13 items from a Dispensary.
14
15
16 (yy) **“Medical Cannabis Business”** or **“Cannabis Business”** means a Medical
17 Cannabis Licensee or Micro-Cultivation Permittee or Cannabis Business Licensee
18 or Non-certified Cannabis Use Permittee. Operation of a Medical Cannabis
19 Business shall be strictly operated for medical dispensary purposes under the
20 provisions of section 793.
21
22 (zz) **“Medical Cannabis Business Representative”** or **“Cannabis Business**
23 **Representative”** means an Owner, employee, or agent of a Medical Cannabis
24 Business and shall not include a Contractor or a Consultant.
25
26 (aaa) **“Medical Cannabis Concentrate”** means a specific subset of Medical Cannabis
27 Items that were produced by extracting cannabinoids, through a solvent or non-
28 solvent manufacturing process, from Medical Cannabis or by combining extracted
29 cannabinoids with Medical Cannabis or other ingredients and are intended for use
by smoking or vaporizing.
30
31 (bbb) **“Medical Cannabis Cultivation License”** or **“Medical Cannabis Cultivation**
32 **Licensee”** means a person licensed pursuant to this Code to operate a business as
33 described in section 791 that cultivates Medical Cannabis for sale to other Medical
Cannabis Licensees.
34
35 (ccc) **“Medical Cannabis Dispensary License”** or **“Medical Cannabis Dispensary**
36 **Licensee”** means a person licensed pursuant to this Code to operate a business as
37 described in section 793 that sells Medical Cannabis Items and Medical Cannabis
Paraphernalia to Qualified Patients.
38
39 (ddd) **“Medical Cannabis Certified Patient”** means an individual who is referenced in
40 a Medical Cannabis Registry Form signed by a licensed practitioner, certifying that
41 in the practitioner’s professional opinion, the patient has a Qualifying Medical
Condition.

- (eee) **Medical Cannabis Registry Card**” means an identification card provided by the OCR signifying the individual's status as a Medical Cannabis Certified Patient.
- (fff) **“Medical Cannabis Registry Form”** means a form created by the OCR for the purposes of a practitioner certifying an individual as a Medical Cannabis Certified Patient.
- (ggg) **“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 qualifying patient’s debilitating medical condition or symptoms associated with the patient’s debilitating medical condition. The term does not include:
- (1) the cultivation of Cannabis by a nonresident cardholder;
 - (2) the cultivation of Cannabis by a cardholder who is not designated as being allowed to cultivate on the cardholder’s registry identification card; or
 - (3) the extraction of resin from Cannabis by solvent extraction unless the extraction is done by a Cannabis product manufacturing facility.
- (hhh) **“Merit-Based Application Process”** means the process, as described in sections 777 and 786, by which the OCR selects Cannabis Licensees.
- (iii) **“Micro - Cultivation Permit”** or **“Micro -Cultivation Permittee”** means an individual, or group of individuals, authorized pursuant to this Code to operate a business at a specific location as described in section 794 that allows for the small-scale cultivation of Cannabis for commercial sale to a Cannabis Licensee.
- (jjj) **“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.
- (kkk) **“Minority Ownership”** or **“Minority Owner”** means a person who is an Owner of, or controls less than fifty percent (50%) of a Cannabis Business or Medical Cannabis Business on a fully diluted basis.
- (lll) **“Minority Protections”** means control exerted over a Cannabis Business which does not extend to direct or indirect control over day-to-day operations, but may include a veto right over the actions listed below. Notwithstanding

1 anything herein, nothing in this section is intended to modify the rights of any
2 shareholder under Title 13 of the Virgin Islands Code. In the event of a conflict
3 between this Act and Title 13 of the Virgin Islands Code, Title 13 shall control:

- 4 (1) Amendment of the organizing documents of the Cannabis Business;
- 5 (2) The decision to sell all or substantially all of the assets, or a decision to
6 change the Majority Owner;
- 7 (3) Any issuance of additional equity in the Cannabis Business;
- 8 (4) Any material change in the line of business of the Cannabis Business;
- 9 (5) Any material incurrence of debt; and
- 10 (6) Any other material decision substantially similar to those enumerated
11 above.

12
13 (mmm) **"Modification of Premises"** means the substantial change in the use or
14 structure of a Cannabis Licensee's Licensed Premises as described in sections
15 778 and 790-796.

16 (nnn) **"Non-Certified Medical Use"** includes all use of Cannabis Items or
17 paraphernalia by Non-Certified Use Permittee or for Sacramental Use in such
18 restricted or designated areas and facilities provided by law or by the OCR,
19 and shall not include cultivation or extraction of Cannabis or Cannabis
20 products. Persons over the age of twenty-one (21) that are legally responsible
21 for their own medical decisions are authorized on their own written
22 certification to possess, purchase, and consume Medicinal Cannabis. As with
23 any over-the-counter medicine, these adults are considered to be responsible
24 for their own medical decisions and do not require a doctor's certification to
25 qualify as a Non-Certified purchaser or user of cannabis and/or cannabis
26 products

27 (ooo) **"Non-Certified Use Permit"** means a Non-certified Cannabis Use Permit,
28 Medical Cannabis Temporary Non-Certified Use Permit, or an Onsite
29 Consumption Permit. Individuals issued such permits shall be designated
30 "Non-Certified Users".

31 (ppp) **"Nonresident Medical Cannabis Card"** means valid documentation that
32 exempts the individual from criminal prosecution for the purchase,
33 possession, and use of Medical Cannabis under the laws of the issuing state or
34 jurisdiction, and indicates all of the following:

35 The issuance of the card is conditioned upon a practitioner advising the individual
36 that the medical use of cannabis may mitigate symptoms or effects of the person's
37 medical condition;

- (1) 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;
- (2) 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;
- (3) 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;
- (4) The card issued is currently valid and is similar to the USVI Medical Cannabis Card or the equivalent of a Medical Cannabis 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;
- (5) The cardholder has submitted any documentation required by the OCR and has received confirmation of registration; and
- (6) The cardholder is otherwise a Qualified Patient as defined in this chapter.

(qqq) **“Nonresident in-patient cardholder”** means a person who:

- (A) 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;
- (B) is not a resident of the Virgin Islands or who has been a resident of the Virgin Islands for less than 45 days;
- (C) is attending or participating in medicinal cannabis treatment in the Virgin Islands under the supervision of a practitioner in the Virgin Islands, and has been issued a temporary non-resident valid registry identification card by the Virgin Islands for the duration of the non-resident in-patient’s treatment, and which may be extended by the OCR for good cause shown; and
- (D) has submitted any documentation required by the OCR and has received confirmation of registration as an in-patient.

(rrr) **“Office of Cannabis Regulation (“OCR”)** means the government agency charged with implementing this chapter and administering its provisions and regulations.

(sss) **“Onsite Consumption Permit”** means a permit issued to a Medical Cannabis Cultivation Licensee authorizing limited onsite consumption of Cannabis at the Licensed Premises.

(ttt) **“Owner”** means a natural Person or Business Entity that owns any share of

1 stock or membership interest in a Medical Cannabis License, including but not
2 limited to, the officers, directors, members, or partners of the Cannabis
3 Licensee, and any person in receipt of or who has the right to receive any share
4 of the revenues or profits derived from the Cannabis Business or Medical
5 Cannabis Business that is not a Financial Interest approved by the OCR.
6 "Owner" shall include any and all types of legal entities, individually or as a
7 group, that may be formed as comingled or derivative ownership structures
8 for the purpose of being an Owner or participating, in any manner, in the rights
9 and/or privileges typically reserved for Owners. "Owner" for purposes of this
10 statute does not include an owner who holds the License or shares or any
11 other interests in any entity, for which he or she is not the actual beneficial
12 owner.

13 (uuu) **"Permitted Interest"** means a right to obtain an ownership interest, right
14 to control, or share of profits or revenues in a Cannabis License or Medical
15 Cannabis License pursuant to a Permitted Interest Agreement where the
16 holder of such Permitted Interest is a Natural Person who is a lawful U.S.
17 citizen whose right to ownership in the Cannabis License is contingent on the
18 Permitted Interest Holder's qualification, approval by the OCR, and licensure
19 as an Owner. A "Permitted Interest" is a Financial Interest.

20 (vvv) **"Permitted Interest Agreement"** means the agreement between the
21 Permitted Interest Holder and Cannabis Licensee setting forth the terms and
22 conditions upon which the Permitted Interest Holder has a right to obtain
23 ownership interest, right to control, or share of profits or revenues in a
24 Cannabis License. A Permitted Interest Agreement may be in the form of a
25 convertible debt option, option agreement, warrant or any other agreement as
26 defined by the OCR.

27 (www) **"Permitted Interest Holder"** means the holder of a Permitted
28 Interest. A "Permitted Interest Holder" is a Financial Interest Holder and must
29 be a Natural Person who is a lawful U.S. citizen.

30 (xxx) **"Person"** means a Natural Person, partnership, association, company,
31 corporation, limited liability company, organization, trust or similar entity,
32 estate, joint venture, or a manager, agent, owner, director, servant, officer, or
33 employee thereof; except that "Person" does not include any governmental
34 organization.

35 (yyy) **"Pesticide"** means (1) a substance or mixture of substances intended for
36 preventing, destroying, repelling, or mitigating any pest, or (2) any substance

1 or mixture of substances intended for use as a plant regulator, defoliant, or
2 desiccant. For the purposes of this chapter, the definition includes herbicides
3 regulated under the Federal Insecticide, Fungicide, and Rodenticide Act
4 (“FIFRA”).

5 (zzz) **“Practitioner”** means a person who is licensed and in good standing in the
6 Virgin Islands as a medical doctor, osteopath, naturopath, homeopath,
7 chiropractor, practitioner’s assistant who maintains, in good standing, a
8 license to practice medicine issued by the U.S. Virgin Islands or with respect to
9 any non-resident medical cannabis card, any practitioner or other person
10 qualified under the laws of the jurisdiction of residence of any non-resident to
11 prescribe medical cannabis.

12 (aaaa) **“Qualifying Medical Condition”** means:

- 13 1. Cancer;
- 14 2. Glaucoma;
- 15 3. Positive status for Human Immunodeficiency Virus (HIV);
- 16 4. Acquired Immune Deficiency Syndrome (AIDS);
- 17 5. Hepatitis C;
- 18 6. Amyotrophic Lateral Sclerosis (ALS);
- 19 7. Crohn’s Disease;
- 20 8. Parkinson’s Disease;
- 21 9. Post-Traumatic Stress Disorder;
- 22 10. Multiple Sclerosis;
- 23 11. Severe nausea;
- 24 12. Autism;
- 25 13. Any condition for which a practitioner would prescribe an opiate for pain;
- 26 or
- 27 14. Any other conditions as certified in writing by a practitioner that, in the
28 professional opinion of the practitioner, the potential benefits of the medical
29 use of cannabis would likely outweigh the health risks for the Qualifying
30 Patient.

31
32 (bbbb) **“Qualified Patient”** or **“Patient”** means (1) an individual twenty-one (21) years
33 of age or older with legal responsibility for their own medical decisions or (2) an
34 individual less than twenty-one (21) years of age or who otherwise is not legally
35 responsible for their own medical decisions, with a valid, signed Medical Cannabis
36 Certification Form or Nonresident Medical Cannabis Card and consent of their
37 legal parent or guardian for the above Medical Cannabis Cards.

38
39 (cccc) **“Reasonable Royalty”** means a right to a royalty payment for the use of licensed
40 Intellectual property in the form of technology, brands, trade secrets, trademarks,
41 copyrights, or other intellectual property approved by the OCR related to the
42 production, sale, or distribution of Cannabis or Cannabis Items based on the value

1 of gross revenue generated from the manufacturing or processing of Cannabis or
2 Cannabis Products. While no specific percentage of such revenue can be deemed
3 reasonable for purposes of this section, whether a rate is reasonable is subject to
4 the discretion of the OCR pursuant to factors set forth by the OCR in accordance
5 with *Georgia-Pacific Corp. v. United States Plywood Corp.*, 318 F. Supp. 1116,
6 1119-20 (S.D.N.Y. 1970), or its progeny and in no event shall the OCR approve
7 an agreement for a Reasonable Royalty where such agreements transfer more than
8 thirty percent (30%) of the gross wholesale revenue of the Cannabis Business
9 derived from the use of the licensed intellectual property to the Reasonable Royalty
10 Holder.
11

12 (dddd) **“Reasonable Royalty Holder”** means any Person who receives a Reasonable
13 Royalty in exchange for a Licensee’s use of the Reasonable Royalty Holder’s
14 intellectual property. A Reasonable Royalty Holder shall not exercise control over
15 the Cannabis Business unless such holder is also an Owner. Notwithstanding
16 anything herein to the contrary, provisions in licensing agreements whereby the
17 Reasonable Royalty Holder imposes reasonable requirements to protect its
18 intellectual property, standard and customary in such agreements, shall not be
19 considered evidence of control over a Cannabis Business. Such provisions include,
20 but are not limited to, quality controls and regulations governing marketing and
21 advertising. A Reasonable Royalty Holder is a Financial Interest Holder.
22

23 (eeee) **“Registry Identification Card”** means a document issued by the OCR that
24 identifies a person as a registered Qualifying Patient or registered Designated
25 Caregiver, or documentation that is deemed a registry identification card pursuant
26 to section 780.
27

28 (ffff) **“Resealable”** means that the package continues to function within the
29 effectiveness specifications, which shall be established by the OCR similar to the
30 federal “Poison Prevention Packaging Act of 1970”, 15 U.S.C. sec. 1471 *et seq.*, for
31 the number of openings and closings customary for its size and contents.
32

33 (gggg) **“Resident”** means any natural Person who has resided in the Territory for ten (10)
34 of the last fifteen (15) years prior to applying for any license or permit, OR who
35 qualifies under Title 29, Section 1003(9)(c) of the Virgin Islands Code; and who
36 remains a bona fide resident of the Territory and who is subject to personal income
37 tax in the Territory for the entire period such person holds title to a license or permit.
38

39 (hhhh) **“Resident-Owned Business”** means a business enterprise owned by an individual
40 who is, or by a majority number of individuals, who meet the definition of Resident.
41

42 (iiii) **“Restricted Access Area”** means a designated and secure area within a Licensed
43 Premises where Cannabis and Retail Cannabis Products are sold, possessed for sale,
44 and displayed for sale, and where no one under the age of twenty-one (21) is
45 permitted.
46

- (jjjj) **“Sacramental Usage”** means lawful use and means of production, transport, and location of use by persons over the age of twenty-one (21) of an organized religion of faith in the sincere exercise of their religion as may be prescribed by the OCR.
- (kkkk) **“Sale” or “Sell”** means to exchange, barter, or traffic in, to solicit or receive, and order through a Licensee licensed under this article, to deliver for value in any way other than gratuitously, to peddle or possess with intent to sell, or to traffic in for any consideration.
- (llll) **“Sales Tax”** means the per gram tax levied on a Cannabis Cultivation Licensee or Medical Cannabis Cultivation Licensee of Cannabis or Medical Cannabis that is cultivated on their Licensed Premises and transferred to another Licensee.
- (mmmm) **“School”** means a public or private preschool or a public or private elementary, middle, junior high, or high school.
- (nnnn) **“Service-Disabled Veteran”** means a veteran who is a citizen of the United States and resident of the Virgin Islands 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.
- (oooo) **“Service-Disabled Veteran-Operated Bona Fide Virgin Islands Entity”** means a bona fide 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, 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 veteran, on a fully diluted basis.
- (pppp) **“Shipping Container”** means any container or wrapping used solely for the transport of Cannabis Items in bulk to other Cannabis Licensees.
- (qqqq) **“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.
- (rrrr) **“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 Cannabis Items.
- (ssss) **“Unaffiliated Third Party”** means, in the case of a Cannabis Dispensary or Cannabis Production Licensee, a Person who has no ownership or financial interest, direct or indirect, in that Cannabis Dispensary or Cannabis Production Licensee and, in the case of a Medical Cannabis Dispensary, a Person who has no ownership or financial interest, direct or indirect, in that Medical Cannabis Dispensary. A Financial

1 Interest Holder or a person who holds an Indirect Interest is not an Unaffiliated Third
2 Party.
3

4 (ttt) **“Unreasonably Impracticable”** means that the measures necessary to comply with
5 the regulations require such a high investment of risk, money, time, or any other
6 resource or asset that the operation of a Cannabis establishment is not worthy of being
7 carried out in practice by a reasonably prudent business person.
8

9 (uuuu) **“Written Certification”** means a document dated and signed by a Practitioner,
10 stating that in the Practitioner’s professional opinion the patient is likely to receive
11 therapeutic or palliative benefit from the medicinal use of Cannabis to treat or alleviate
12 the patient’s debilitating medical condition or symptoms associated with the
13 debilitating medical condition. A written certification must affirm that it is made in the
14 course of a bona fide practitioner-patient relationship and must specify the Qualifying
15 Patient’s Qualifying Medical Condition.
16

17 **§777. Office of Cannabis Regulation.** 18

19 (a) There is hereby created, the Office of Cannabis Regulation (“OCR”), as part of the
20 Department of Licensing and Consumer Affairs, with the executive authority to
21 implement this chapter and administer the provisions including, but not limited to,
22 rulemaking authority. The OCR shall exercise its powers and perform its respective
23 duties and functions as specified in this Code and shall have full and exclusive
24 authority to:
25

26 (1) Promulgate rules and regulations related to the cultivation, manufacture, sale,
27 dispensary, testing, licensing, and use of Medical Cannabis, Non-Prescription
28 Medical Cannabis, and Sacramental Cannabis being necessary for efficient
29 administration of its duties, as set forth in this chapter within one-hundred-
30 eighty (180) days of enactment of this Chapter; and may include any
31 amendments to such regulations from time to time. No regulation adopted by
32 the OCR, shall make it unreasonably impracticable to operate or issue any
33 Licenses or Permits;
34

35 (2) Establish reasonable production limits governing the cultivation of Medical
36 Cannabis, Non-Certified Medical Cannabis, and Sacramental Cannabis in the
37 interest of preventing oversaturation within each market;
38

39 (3) Shall establish defined geographical zones within which Cannabis cultivation,
40 manufacturing, production, dispensing, consumption, and related business
41 activities may occur as a means of facilitating control and enforcement;
42
43

44 (4) Promulgate rules and regulations related to the inter-island transport of
45 Cannabis items between Cannabis Licensees under this Chapter, to the extent
46 permitted by federal law. Before enacting any such rules and regulations on

1 inter-island transport of Cannabis items, the OCR shall seek formal and legal
2 approval from all relevant local and federal agencies.

3
4 (5) Grant or refuse Licenses for the commercial cultivation, manufacture,
5 distribution, and sale of Medical Cannabis, Non-Certified Cannabis, and
6 Sacramental Cannabis Items as provided by law;

7
8 (6) Establishing the form and content of registration and renewal applications
9 submitted under this chapter and to establish license, permit and application
10 fees;

11
12 (7) Grant or refuse Permits for the Micro-Cultivation and Non-Certified Use of
13 Medical Cannabis as provided by law;

14
15 (8) Establishing a system to evaluate competing Medicinal Cannabis applicants
16 that includes an analysis of:

- 17 i. in the case of dispensaries, the suitability of the proposed medicinal
18 location and its accessibility for patients;
19 ii. the character, veracity, background, qualifications, and relevant
20 experience of applicants and their principal officers and board
21 members;
22 iii. the economic benefits that will inure to the residents of the Virgin
23 Islands by local ownership, jobs, and other opportunities; and
24 iv. the business plan proposed by the applicant, which, in the case of
25 cultivation facilities and dispensaries must include the ability to
26 maintain an adequate supply of Cannabis, plans to ensure safety and
27 security of patrons, and the protection of the community, as well as
28 procedures to be used to prevent diversion of Cannabis products, and
29 any plan for making Cannabis available to low-income registered
30 Qualifying Patients;
31 v. inclusion of interests for Minority-owned Business Enterprises,
32 Female-operated bona fide Virgin Islands entities, and Service-
33 disabled veteran-operated bona fide Virgin Island entities.

34
35 (9) Establish procedures governing Cannabis Businesses with the goals of ensuring
36 the health and safety of Qualifying Patients, Non-Certified Users, and
37 Sacramental Use organizations and preventing diversion and theft from such
38 businesses without imposing an undue burden or compromising the
39 confidentiality of cardholders, including:

- 40 i. oversight requirements;
41 ii. recordkeeping requirements;
42 iii. security requirements, including lighting, physical security, and
43 alarm requirements;
44 iv. health and safety regulations, including restrictions on the use of
45 pesticides that are injurious to human health;
46 v. standards for the manufacture of Cannabis products, and both the

- 1 indoor and outdoor cultivation of Cannabis by cultivation facilities;
2 vi. requirements for the transportation and storage of Cannabis by
3 Cannabis Businesses; including requirements that transportation
4 manifests be kept for all transportation of medicinal Cannabis;
5 vii. requirements for banking and transportation of cash deposits;
6 viii. employment and training requirements, including requiring that each
7 medicinal Cannabis establishment create an identification badge for
8 each agent;
9 ix. standards for the safe manufacture of Cannabis products, including
10 extracts and concentrates;
11 x. restrictions on the advertising, signage, and display of medicinal
12 Cannabis dispensaries and non-certified centers, but the restrictions
13 may not prevent appropriate signs on the property of a dispensary or
14 non-certified center, listings in business directories, including phone
15 books, listings in Cannabis-related or medical publications, or the
16 sponsorship of health or not-for-profit charity or advocacy events;
17 xi. requirements and procedures for safe, accurate and appropriately
18 childproofed packaging and labeling of medicinal Cannabis
19 products; and
20 xii. certification standards for testing facilities, including requirements
21 for independence from Cannabis Businesses whose products are
22 tested by such testing facilities, and equipment and qualifications for
23 personnel;
24
25 (10) Establish licensing goals for service-disabled veterans and females, and
26 service-disabled veteran-operated bona fide Virgin Island entities and female
27 operated bona fide Virgin Islands entities.
28
29 (11) Establishing labeling requirements for Cannabis and Cannabis Products,
30 including requiring that edible Cannabis Products be clearly identifiable,
31 when practicable, with a standard symbol indicating that it contains cannabis,
32 and requiring that Cannabis Products' labels include the following, where
33 applicable:
34 i. the estimated length of time it typically takes for the product to take
35 effect;
36 ii. warnings to limit additional consumption while waiting for edible
37 cannabis to enter the bloodstream and be fully absorbed;
38 iii. disclosure of ingredients and possible allergens;
39 iv. a nutritional or supplement fact panel;
40 v. date of expiration; and
41 vi. name and address of the manufacturer.
42
43 (12) Suspend, fine, restrict, or revoke such Licenses or Permits upon a violation
44 of this article or any rule promulgated pursuant to this article;
45
46 (13) Impose any penalty authorized by this article or any rule promulgated

1 pursuant to this article; and
2

3 (14) Establish an Advisory Board representative of the community, licensees, law
4 enforcement, and retirees.
5

6 (15) In conjunction with the Department of Labor and/or the University of the
7 Virgin Islands, establish a Cannabis Industry Workforce Training Program
8 to provide information, resources and training to interested Virgin Islands
9 residents.
10

11 (16) In conjunction with the Economic Development Authority, establish a
12 Cannabis Cultivation Micro-Lending Program for Micro-Cultivation
13 Permittees.

14 (b) The OCR shall be governed by an eleven (11) member board known as the Virgin
15 Islands Cannabis Licensing Board (“the Board”), appointed by the Governor with
16 advice and consent of the Legislature.
17

18 (1) The Board must be comprised of:

- 19 i. one representative of the Department of Health;
20 ii. one representative of the Department of Agriculture;
21 iii. one representative of the Department of Licensing and Consumer
22 Affairs;
23 iv. one farmer recommended by the Commissioner of Agriculture;
24 v. one healthcare practitioner knowledgeable in Cannabis medicine
25 recommended by the Board of Medical Examiners;
26 vi. one disability advocate or representative appointed from the resident
27 retirement community;
28 vii. one representative from the University of the Virgin Islands
29 Cooperative Extension Service;
30 viii. one economist or person with expertise in finance;
31 ix. one representative from the Department of Tourism;
32 x. one representative from the Virgin Islands Department of Justice;
33 xi. and the Director of the OCR who serves as an *ex officio* voting

1 member.

2 The term of each member's appointment shall be three (3) years and shall serve and
3 be enabled to vote and be qualified to meet a quorum until a successor is appointed
4 and qualified. The farmer recommended by the Commissioner of Agriculture who
5 is named to the Board is not prohibited from obtaining a Cannabis License or
6 Permit. This farmer shall recuse him or herself from any Board decision relative to
7 his or her specific license or permit.

8 (2) The Board shall meet at least six times per year for the purpose of providing
9 oversight and establishing policies to be carried out by the OCR.

10 (3) Members of the Board who are employed by the Government are not entitled to
11 a per diem for their service on the Board, but non-governmental members are
12 entitled to a \$75 per day per diem or a proportionate amount of \$75 for hours
13 worked if less than an eight-hour day is worked, plus actual travel expenses when
14 the member must travel from the island of the member's residence to attend official
15 meetings and perform official duties.

16 (4) The Board shall establish a program of regular collaboration with the Industrial
17 Hemp Commission established under Title 7 Virgin Islands Code Chapter 13,
18 Subchapter III, Section 207 for discussion on areas of related regulation.

19
20 (c) Notwithstanding anything provided herein to the contrary, the Board shall further
21 establish:

22 (1) rules authorizing and permitting a Virgin Islands sponsored Non-
23 Resident Medical Cannabis tourism program;

24 (2) a Virgin Islands cannabis testing lab in each of the two major
25 districts—St. Croix and St. Thomas/St. John—initially operated by
26 private entities awarded annual contracts using the Government of the
27 Virgin Islands' Request for Proposal process, with the Board retaining
28 the authority to establish and direct construction of its own cannabis
29 testing facilities at a later date;

30 (3) educational and certification requirements for Medical Cannabis
31 Establishment Applicants and licensees, their agents and employees;
32 medical practitioners; and Medical Cannabis-related businesses
33 including, vendors, transporters, security companies, etc.;

34 (4) an approved list of Medical and Non-Certified Cannabis
35 Establishment vendors and qualified Sacramental Cannabis
36 organizations;

37 (5) such other programs that provide a benefit to patients, non-certified
38 users and promote the economic welfare of the Virgin Islands, including
39 drug education and drug rehabilitation programs and centers, without
40 exceeding the authority granted in this chapter; and

(6) regulations to ensure that all cannabis establishments are located in and advertised in areas that do not negatively impact enterprises and entities that rely primarily on family and youth participation, such as schools and houses of worship. Regulations must address street-level and media-based advertising and marketing guidelines, to ensure that Cannabis advertising and marketing does not negatively impact family-based enterprises and civic organizations. Regulation must also provide that each cannabis establishment has comprehensive security and camera monitoring systems in place at all times.

(7) an approved list of credit unions and other banking institutions; and security firms that Cannabis businesses can legally and safely utilize.

(8) a recommended list of local third-party vendors that Cannabis businesses can utilize.

(d) All rules and regulations promulgated by the Board must be published on a Virgin Islands official website. The Board shall provide not less than 30 days for public comment. Not later than 30 days after the period for public comment, the Board shall publish the final rules and proceed with the implementation of the program in accordance with the rules.

(e) The Director of the Office of Cannabis Regulation shall be appointed by the Board for a three-year term, which may be extended. The Director of the OCR has the responsibility to ensure:

- i. the ability of qualifying patients in all areas of the Territory to obtain timely access to high-quality Medicinal Medical Cannabis;
- ii. the effectiveness of the dispensaries and cultivation facilities, individually and together, in serving the needs of Qualifying Patients, Non-certified Users, and Sacramental Uses, including the provision of educational and support services by dispensaries, the reasonableness of their prices, whether they are generating any complaints or security problems, and the sufficiency of the number operating to serve the Territory's registered Qualifying Patients;
- iii. the effectiveness of the Cannabis testing facilities;
- iv. the sufficiency of the regulatory and security safeguards contained in this chapter and adopted by the OCR, to ensure that access to and the use of cannabis cultivated are provided only to cardholders;
- v. the proposal of additions or revisions to the OCR regulations or this chapter, relating to security, safe handling, labeling and nomenclature are considered; and
- vi. that research studies regarding the health effects of Medicinal Medical Cannabis for patients are encouraged and conducted.

(f) The Director shall hire additional staff as may be required to implement the program, including consultants, but the program must become self-sufficient from the taxes or fees generated through the program not more than two years after the

1 commencement of the program.

2
3 (g) The Director shall submit a bi-annual administrative report to the Commissioner of
4 the Department of Licensing and Consumer Affairs, briefly outlining the staff roles,
5 any changes to administrative policies, and any potential administrative issues or
6 needs.

7
8 (h) The Director shall submit an annual report to the Governor, the Commissioner of
9 Department of Licensing and Consumer Affairs (DCLA); the Legislature of the
10 Virgin Islands, Committee on Health; and the Board. The annual report must
11 comprehensively outline compiled data on the program, accomplishments,
12 challenges and recommended regulation changes, including:

13
14 (1) The number of applications for each type of License or Permit processed
15 by the OCR in the prior calendar year, the time between submission of a
16 complete application, the number of Licenses and Permits approved or
17 denied by type, and the total number of active Licenses and Permits by
18 type that were valid on a monthly basis for the prior calendar year;

19
20 (2) An overview of the Medical Cannabis market, including but not limited to
21 actual cultivation and sales volumes for the prior year and anticipated
22 demand and production levels;

23
24 (3) The amount of revenue generated by Medical Cannabis, including but not
25 limited to sales taxes, application and License fees, and any other fees paid
26 to the OCR, as well as expenses incurred by the OCR; and

27
28 (4) Enforcement measures imposed, and a list of Persons against whom
29 enforcement measures were taken that possess a Permit or License issued
30 pursuant to this Code.

31
32 (h) The OCR shall create and issue an Auto-Expungement Report.

33
34 (1) The OCR shall create an Auto-Expungement Working Group that includes,
35 but shall not be limited to, participants from relevant territorial agencies,
36 including the Virgin Islands Department of Justice, necessary to expunge
37 cannabis-related crimes.

38
39 (2) Based upon recommendations from the Auto-Expungement Working
40 Group, the OCR shall issue an Auto-Expungement Report no later than ten
41 (10) months from the date of enactment of this Chapter that details:

42
43 i. Classifications of crimes that should be expunged for persons
44 convicted for reasons solely related to possession, control, or sale of
45 under one (1) pound of Cannabis, and subject to classification of
46 crimes that may be expunged under the provisions of Title 5 Virgin

1 Islands Code, Chapter 314; and the classification of crimes that
2 cannot be expunged under any circumstances;

3
4 ii. Administrative processes necessary for the Territory to automatically
5 expunge certain Cannabis related crimes; and
6

7 iii. Funding necessary to implement the recommendations of this report.
8

9 (3) All relevant territorial agencies shall follow the directed recommendations
10 of the Auto-Expungement Report.
11

12 (4) Upon issuance of the Annual Expungement Report to the Governor,
13 Legislature, and Supreme Court, the Superior Court shall consider the
14 Report as a Petition for Expungement and process qualifying persons for
15 expungement under the provisions of Title 5, chapter 314 of the Virgin
16 Islands Code and any applicable court rule and may thereupon issue an
17 order expunging each conviction for Cannabis use or possession offenses
18 entered by the court prior to the date of the Auto Expungement Report for
19 such Persons deemed to be eligible for Auto Expungement.
20

21 (5) Each year following the issuance of the Auto-Expungement Report, the
22 OCR shall issue a report detailing any amendments necessary to its initial
23 recommendations and the progress towards expunging Cannabis related
24 crimes until all of the recommendations in the Auto-Expungement Report
25 have been fully addressed.
26

27 (i) All inspectors and regulatory enforcement officials of the OCR may be considered
28 Peace Officers and health inspectors of the USVI Department of Health pursuant to 5
29 V.I.C. § 3561.
30

31 (j) The OCR shall promulgate regulations and adopt policies designed to maintain the
32 confidentiality of individually identifiable patient information and records, as well as
33 any confidential or proprietary business' information and records. These types of
34 confidential and federally protected records shall also be exempt from the Virgin
35 Islands Public Records law in Title 3, Chapter 33 of the Virgin Islands Code. The
36 records and information that the OCR obtains, shall remain confidential but, unless
37 release is ordered by a court of competent jurisdiction, are not limited to information
38 about a business's operations, sales, financial records, tax returns, credit reports,
39 cultivation information, testing regulations, security information and plans, or any
40 revealing patient information. Any employee of the OCR or the Board, or any entity
41 contracting with or working for the OCR or the Board, directly or indirectly, who
42 discloses any confidential records or information that the OCR or the Board obtains,
43 shall be subject to criminal prosecution punishable by a minimum of one (1) year of
44 imprisonment or a fine of One Thousand Dollars (\$1000).
45

46 (k) The OCR may conduct or have conducted on its behalf, a market demand study in

1 order to manage production by Permittees and Licensees prior to the issuance of new
2 Licenses authorized by this chapter.

3
4 (l) OCR is responsible for establishing and overseeing an OCR Enforcement Division,
5 which will be tasked with enforcement of all civil, criminal and regulatory violations
6 related to Cannabis. This Enforcement Division, in collaboration with the Industrial
7 Hemp Commission under Title 7 Virgin Islands Code Chapter 13, Subchapter III,
8 Section 207, will also be responsible for defining and assisting in the clarification of
9 lawful cultivation, manufacture, sale and use of hemp. The OCR Enforcement
10 Division shall have all the powers of any peace officer to:

11 1. Investigate violations or suspected violations of Title 19, chapter 34 and
12 any rules promulgated pursuant to it. Make arrests, with or without warrant, for any
13 violation of Title 19, chapter 34, any rules promulgated pursuant to it, any other
14 laws or regulations pertaining to Cannabis in this Territory, or any criminal law of
15 this Territory, if, during an officer's exercise of powers or performance of duties
16 pursuant to Title 19, chapter 34, probable cause exists that a crime related to such
17 laws has been or is being committed;

18 2. Serve all warrants, summons, subpoenas, administrative citations, notices
19 or other processes relating to the enforcement of laws regulating Cannabis Items;
20

21 3. Assist or aid any law enforcement officer in the performance of his or her
22 duties upon such law enforcement officer's request or the request of other local
23 officials having jurisdiction;
24

25 4. Inspect, examine, or investigate any premises where the Licensee's
26 Cannabis Items or products are grown, stored, cultivated, manufactured, tested,
27 distributed, or sold, and any books and records in any way connected with any
28 licensed activity;

29 5. Require any Licensee, upon demand, to permit an inspection of a
30 Licensed Premises, during business hours or at any time of apparent operation,
31 Cannabis equipment, and Cannabis accessories, or books and records, and, to
32 permit the testing or examination of Medical Cannabis, Medical Cannabis
33 Concentrate, or Medical Cannabis-Infused Product;
34

35 6. Conduct investigations into the character, criminal history, and all other
36 relevant factors related to suitability of all Licensees and Applicants for Cannabis
37 Licenses and such other Persons with a direct or indirect interest in an Applicant or
38 Licensee, as the Department of Licensing and Consumer Affairs may require; and
39

40 7. Exercise any other power or duty authorized by law.
41

42 (m) All private entities awarded contracts to serve as a neutral-testing lab shall hire sixty

1 percent (60%) of its entire workforce, full-time and part-time, as bona fide Virgin
2 Islands residents, and may not have, among its ownership interests or workforce, any
3 conflicting ownership interest of any form with a Cannabis Business establishment in
4 the Territory that will be the subject of such testing services.
5

- 6 (n) Nothing in this chapter shall prevent a dispensary from providing appropriate space
7 within the dispensary facility where patients may consume medical or non-certified
8 cannabis or medicinal cannabis products, provided that it complies with the rules
9 adopted by the Board in reference to that consumption.
10

11 **§778. Licenses and Permits**

12

- 13 (a) The OCR is hereby authorized to issue the following types of Permits and Licenses,
14 which shall entitle the holder of such Permit or License to all the privileges and impose
15 all the restrictions on the holder of such Permit or License as set forth in this Chapter
16 and any regulations adopted thereto:
17

18 (1) Cannabis Cultivation License;

19 (2) Cannabis Manufacturing License;

20 (3) Medical Cannabis Dispensary License;

21 (4) Micro-Cultivation Permit;

22 (5) Medical Cannabis Adult Use Permit-Resident;

23 (6) Medical Cannabis Adult Use Permit- Non-Resident;

24 (7) Cannabis Non-certified Use Permit;

25 (8) Cannabis Temporary Non-Certified Use Permit; and

26 (9) Onsite Cannabis Consumption Permit for Medical and Non-Certified
27 Cannabis License;

28 (10) Cannabis Research and Development License;

- 29 (b) All Licenses and Permits shall be issued to a specific Person at a defined location,
30 except that this provision shall not prevent a Person from applying for more than one
31 License or Permit type identified in (a)(1) – (4) of this section that is intended to be
32 operated at the same defined location provided that co-location of the License or
33 Permit would not result in a violation of this Act. The Person and location associated
34 with a Permit or License may only be changed under the limited circumstances
35 authorized by this Chapter and shall require approval from the OCR.
36
37
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46

- 1 (c) All Licenses and Permits shall be valid for one (1) year unless a shorter term is
2 requested by the Applicant, except that a Cannabis Temporary Non-Certified Use
3 Permit may be valid for no longer than fourteen (14) days.
4
- 5 (d) The OCR shall determine the final number of Medical Cannabis Dispensary Licenses,
6 Cultivation Licenses, Micro-Cultivation Permits, Manufacturing Licenses, Cannabis
7 Non-Certified Use Permits, Cannabis Temporary Non-Certified Use Permits, or
8 Onsite Cannabis Consumption Permits that will be issued by the OCR based statistical
9 analysis of supply and demand, public safety concerns, and market survey analysis.
10 The OCR shall take into account market and other circumstances in each island district
11 in determining the final number of licenses and permits. In no event shall the number
12 of licenses exceed the quantities set forth in § 786 of this Chapter. Two (2) years after
13 the issuance of the first license, the number of licenses shall be reviewed, and the OCR
14 shall make written recommendations to the Legislature on possible changes to the
15 limits on numbers of Medical Cannabis Dispensary and Cultivation Licenses.
16
- 17 (e) The application, annual and renewal fees charged to all Licensees, Permittees,
18 Qualifying Patients, nonresident cardholders, and Designated Caregivers shall be
19 determined by the Board.
20
- 21 (f) Renewal fees are charged annually in an amount equal to the application fees or as
22 otherwise determined by the Board's regulations. It is within the discretion of the
23 Board to adjust all License fees annually.
24
- 25 (g) If the OCR revokes a License, a Licensee elects to surrender a License, or the OCR
26 issues new or additional licenses, the OCR shall conduct a Merit-Based Application
27 Process to determine whether a new Medical Cannabis License of the same type
28 should be issued. If the License is a Cannabis Cultivation License, preference shall be
29 given to Micro-Cultivation Permittees.
30
- 31 (h) A license authorized by this chapter and issued by the OCR may not be held by, or
32 issued to, directly or indirectly, any person or any immediate family member of any
33 person who, at any time within the previous twelve (12) months, held office in, or was
34 employed by any agency of the Government of the Virgin Islands, or any of its
35 political subdivisions, or who was a member of the OCR or the CAB, not including
36 the farmer representative on the Board, when the duties of such person concerned or
37 otherwise related to the enforcement or regulation of this chapter, or any other penal
38 provisions of law of the Virgin Islands prohibiting or regulating the sale, use,
39 possession, transportation, distribution, testing, manufacturing, or cultivation of
40 Cannabis. No person shall be precluded from owning stock in a publicly-traded
41 corporation on the basis of this provision alone, if so licensed and operating in the
42 Territory.
43

44 **§779. Qualified Patients; Medical Cannabis Patients**
45

- 46 (a) A Qualified Patient shall be entitled to all the protections and rights set forth in this

1 title.

2
3 (b) Possession limits for Qualified Patients:

4
5 (1) While within a private residence, a Qualified Patient may possess, use, display,
6 consume, and process up to:

- 7
8 i. Four (4) ounces of Medical Cannabis;
9
10 ii. One (1) ounce of Medical Cannabis Concentrate for inhalation;
11 and
12
13 iii. One (1) ounce of THC contained in Medical Cannabis Infused
14 Products.
15

16 (2) While outside a private residence, a Qualified Patient may possess, display,
17 purchase from a licensed Medical Cannabis Dispensary, consume, process, and
18 transport up to:

- 19
20 i. Four (4) ounces of Medical Cannabis;
21
22 ii. Ten (10) grams of Medical Cannabis Concentrate for inhalation;
23 and
24
25 iii. Twenty (20) grams of THC contained in Medical Cannabis
26 Infused Products.
27

28
29 (c) Nothing in the Code shall protect, nor be interpreted to protect, a Qualified Patient from
30 prosecution for:

- 31
32 (1) Operating a motor vehicle or vessel on the road or waters of the U.S. Virgin Islands
33 while impaired by Medical Cannabis. Impairment from the use of Medical
34 Cannabis by a Qualified Patient shall not be determined solely by the presence of
35 cannabinoids in the individual's blood or urine and the courts shall instead consider
36 other relevant evidence;
37
38 (2) Transfer of Medical Cannabis to a Qualified Patient for remuneration unless
39 transferor possesses a current and valid License or Permit and the transfer is
40 conducted in accordance with this Chapter;
41
42 (3) Knowingly consuming Cannabis Items in a public place that does not possess a
43 valid Non-Certified Use Permit; or
44
45 (4) Display or transfer of Medical Cannabis to a Qualified Patient or nonpatient for no
46 remuneration within one thousand (1,000) feet of a cruise ship dock in Charlotte
47 Amalie (Havensight) or Crown Bay in St. Thomas and within five hundred (500)

1 feet of primary cruise ship dock in Frederiksted or within five hundred (500) feet
2 of a cruise ship tender pier in Cruz Bay.
3

- 4 (d) A Qualified Patient may designate a Designated Caregiver, who may acquire, possess,
5 or administer Medical Cannabis upon the Qualified Patient's behalf. A Designated
6 Caregiver for a Qualified Patient under twenty-one (21) years of age or not legally
7 responsible for his or her own medical decisions must be designated by that patient's
8 parent or legal guardian.
9

10 **§780. Medical Cannabis Certification Forms, Medical Cannabis Registry, Medical Cannabis**
11 **Patient Cards**
12

- 13 (a) The OCR shall create and publish a Medical Cannabis Registry Form for Physicians
14 to certify that an individual has a Qualifying Medical Condition and would benefit
15 from access to Medical Cannabis. The USVI Department of Health shall provide
16 advice and guidance on the creation of the form.
17
- 18 (b) The OCR shall create and publish a specific Medical Cannabis Registry Form for
19 Qualified Patients under twenty-one (21) years of age or not in control of their own
20 medical decisions, which shall require the Qualified Patient's parent or legal
21 guardian's name and signature.
22
- 23 (c) The OCR shall notify the USVI Department of Health if it has reason to suspect that
24 a Physician is providing individuals with a Medical Cannabis Certification Form in a
25 fraudulent manner or in violation of this Code.
26
- 27 (d) Evidence of a Physician's attestation and signature on Medical Cannabis Registry
28 Forms, certifying an individual as a Qualified Patient, shall be sufficient to provide
29 the individual with all protections entitled to a Qualified Patient.
30
- 31 (e) A Physician shall only recommend the use of Medical Cannabis and provide an
32 individual with a Medical Cannabis Certification Form after the performance of an
33 in-person examination and determination that the individual has a Qualifying Medical
34 Condition and would benefit from the medicinal use of cannabis.
35
- 36 (f) A Physician that has an interest in or obtains any financial benefit from a Medical
37 Cannabis Licensee may not provide an individual a Medical Cannabis Certification
38 Form, nor may that Physician's Medical Cannabis Certification be used as the basis
39 for providing an individual with a Medical Cannabis Certification Form.
40
- 41 (g) Prior to completing a Medical Cannabis Certification Form for Qualified Patients
42 under twenty-one (21) years of age who are not legally responsible for their own
43 medical decisions, a Physician must obtain the signature of the Qualified Patient's
44 parent or legal guardian.
45
- 46 (h) A Physician shall include an expiration date on all Medical Cannabis Certification

1 Forms that shall not exceed two (2) years from the date of issuance for residents of
2 the USVI, and that shall not exceed six (6) months from the date of issuance for non-
3 residents.
4

- 5 (i) The OCR shall create a Medical Cannabis Patient Registry and issue Medical
6 Cannabis Patient Cards to Qualified Patients that submit a valid application and shall
7 also maintain a Registry for Non-certified Cannabis Users from information
8 submitted on applications for such use.
9

10 (1) The Medical Cannabis Patient Registry and Non-Certified User Registry, as
11 well as any information obtained in relation to an application to the registry,
12 shall remain confidential and exempt from the Virgin Islands public records law
13 in Title 3, Chapter 33 of Virgin Islands Code. The OCR may confirm an
14 individual's status as a Qualified Patient at the request of the individual or the
15 individual's legal guardian to a third party.
16

17 (2) A Qualified Patient may apply to the OCR to be listed within the Medical
18 Cannabis Patient Registry and receive a Medical Cannabis Patient Card. The
19 OCR will provide qualified Applicants a Medical Cannabis Patient Card that
20 must include, but need not be limited to, the following information:
21

- 22 i. The name of the cardholder;
23
24 ii. A designation that the cardholder is a Qualified Patient;
25
26 iii. A random alphanumeric number assigned to the Qualified Patient for
27 purposes of identification in the Medical Cannabis Patient Registry;
28
29 iv. A phone number and web address where the validity of the Medical
30 Cannabis Patient Card can be verified pursuant to the request of the
31 Qualified Patient; and
32
33 v. The expiration date of the Medical Cannabis Patient Card, which must
34 be the same as the date on the Qualified Patient's Medical Cannabis
35 Registry Form.
36

37 (3) A valid Medical Cannabis Card will be considered the legal equivalent of a valid
38 and signed Medical Cannabis Patient Registry Form.
39

40 (4) A Designated Caregiver shall be required to possess a Medical Cannabis
41 Caregiver Card to possess or administer Medical Cannabis on behalf of a Medical
42 Cannabis Patient.
43

- 44 (j) If the Qualifying Patient designates a Designated Caregiver, OCR may designate
45 whether the Qualifying Patient or Designated Caregiver will be allowed to possess
46 and cultivate cannabis plants for the Qualifying Patient's medicinal use.
47

- 1 (k) If the Qualifying Patient is unable to submit the information required under subsection
2 (a) due to the persons' age or medical condition, the person responsible for making
3 medical decisions for the Qualifying Patient may do so on behalf of the Qualifying
4 Patient.
5
- 6 (l) Except as provided in subsection (m), the OCR shall:
7
- 8 (1) verify the information contained in an application or renewal submitted
9 pursuant to this chapter and approve or deny an application no later than 15 days or
10 renewal no later than five days after receiving a completed application or renewal
11 application; and
12
13 (2) issue registry identification cards to a Qualifying Patient and the Designated
14 Caregivers, if any, not later than five days after approving the application or
15 renewal. A Designated Caregiver must have a registry identification card for each
16 Qualifying Patient for whom such Designated Caregiver is responsible.
- 17 (m) The OCR may conduct a background check of the prospective Designated Caregiver
18 in order to carry out this provision.
19
- 20 (n) The OCR may not issue a registry identification card to a Qualifying Patient who is
21 younger than 21 years of age unless:
22
23 (1) the Qualifying Patient's practitioner has explained the potential risks and benefits
24 of the medicinal use of cannabis to the custodial parent or legal guardian with
25 responsibility for health care decisions for the Qualifying Patient; and
26
27 (2) the custodial parent or legal guardian with responsibility for health care decisions
28 for the Qualifying Patient consents in writing to:
29 i. allow the Qualifying Patient's medicinal use of Cannabis;
30 ii. serve as the Qualifying Patient's designated caregiver; and
31 iii. control the acquisition of the Cannabis, the dosage, and the frequency
32 of the medicinal use of Cannabis by the Qualifying Patient.
- 33 (o) The OCR may deny an application or renewal of a Qualifying Patient's registry
34 identification card only if the applicant:
35
36 (1) did not provide the required information, fee, or materials;
37 (2) previously had a registry identification card revoked; or
38 (3) provided false information.
- 39 (p) The OCR may deny an application or renewal for a Designated Caregiver chosen by
40 a Qualifying Patient whose registry identification card was granted only if:
41
42 (1) the Designated Caregiver does not meet the requirements of Title 19, Chapter
43 11, section 207 of the Virgin Islands Code;
44 (2) the applicant did not provide the required information;
(3) the Designated Caregiver previously had a registry identification card revoked;
or

1 (4) the applicant or the Designated Caregiver provided false information.
2

3 (q) The OCR shall give written notice to the Qualifying Patient of the reason for denying
4 the issuance of a registry identification card to the Qualifying Patient or to the
5 Qualifying Patient's Designated Caregiver.
6

7 (r) Denial of an application or renewal is considered a final OCR action, subject to an
8 administrative appeal, as more fully described herein. Denial of the administrative
9 appeal is subject to judicial review. Jurisdiction and venue for judicial review are
10 vested in the Superior Court of the Virgin Islands.
11

12 (s) Until a Qualifying Patient who has submitted an application and the required fee to
13 the OCR receives a registry identification card or a rejection, a copy of the
14 individual's application, written certification, serves as proof that the application was
15 submitted to the OCR and is considered a valid registry identification card.
16

17 (t) Until a Designated Caregiver whose Qualifying Patient has submitted an application
18 and the required fee receives a registry identification card or a rejection, a copy of the
19 Qualifying Patient's application, written certification, serves as proof that the
20 application was submitted to the OCR and is considered a valid registry identification
21 card.
22

23 (u) Written certifications issued within the previous year are considered registry
24 identification cards for a Qualifying Patient, for at least 25 days after the OCR makes
25 applications available for renewal.
26

27 (v) Written certifications issued within the previous year are considered a Designated
28 Caregiver registry identification card for at least 25 days after the OCR makes
29 applications available for renewal if the following occurs:

- 30 (1) a copy of a Qualifying Patient's valid written certification was issued
31 within the previous year; and
32 (2) a signed affidavit attesting that the person has significant responsibility
33 for managing the well-being of the patient and that the person has been
34 chosen to assist the Qualifying Patient.

35 **§ 781. Verification system**
36

37 (a) The OCR shall maintain a confidential list of the persons to whom the OCR has
38 issued Medical Cannabis Registry Cards or Medical Cannabis Adult Use Permits and
39 their addresses, phone numbers, and registry identification numbers. This
40 confidential list may not be combined or linked in any manner with any other list or
41 database, nor may it be used for any purpose not provided for in this chapter.
42

43 (b) The OCR shall establish a secure phone or web-based verification system. The
44 verification system must allow law enforcement personnel and Medicinal Cannabis
45 establishments to enter a registry identification number and determine whether the

number corresponds with a current, valid registry identification card. The system must disclose only:

- (1) whether the identification card is valid;
- (2) the name of the cardholder;
- (3) whether the cardholder is a Qualifying Patient or a Designated Caregiver;
- (4) whether the cardholder is permitted to cultivate Cannabis plants;
- (5) the registry identification number of any affiliated registered Qualifying Patient to a Designated Caregiver; and
- (6) the registry identification of the Qualifying Patient's dispensary or dispensaries, if any.

§ 782. Notifications to OCR and responses

- (a) The following notifications and OCR responses are required:
 - (1) A registered Qualifying Patient shall notify the OCR of any change of name or address, or if the registered Qualifying Patient ceases to have a debilitating medical condition, no later than 10 days after the change.
 - (2) A registered Designated Caregiver shall notify the OCR of any change of name or address, or if the Designated Caregiver becomes aware that the Qualifying Patient is deceased, not later than 10 days after the change.
 - (3) Before a registered Qualifying Patient changes his Designated Caregiver, the Qualifying Patient shall notify the OCR.
 - (4) When a registered Qualifying Patient changes his preference as to who may cultivate cannabis for the Qualifying Patient, the Qualifying Patient shall notify the OCR.
 - (5) If a cardholder loses his registry identification card, he shall notify the OCR no later than 10 days after becoming aware the card has been lost.
- (b) Each notification a registered Qualifying Patient is required to make may instead be made by the patient's Designated Caregiver if the Qualifying Patient is unable to make the notification due to his age or medical condition.
- (c) When a cardholder notifies the OCR of items listed in subsection (a), but remains eligible under this chapter, the OCR shall issue the cardholder a new registry identification card with a new random 10-digit alphanumeric identification number no later than 10 days after receiving the updated information and a fee in accordance with OCR's rules. If the person notifying the OCR is a registered Qualifying Patient, the OCR shall also issue his registered Designated Caregiver, if any, a new registry identification card no later than 10 days after receiving the updated information.
- (d) If the registered Qualifying Patient's certifying practitioner notifies the OCR in writing that either the registered Qualifying Patient has ceased to suffer from a debilitating medical condition or that the practitioner no longer believes the patient would receive therapeutic or palliative benefit from the medicinal use of Cannabis, the card becomes void.
- (e) A Medicinal Cannabis Business shall notify the OCR after one business day of any theft or significant loss of Cannabis.

1 **§783 - Patient's Bill of Rights**
2

- 3 (a) Activities related to Medical Cannabis are unlawful unless they are conducted in
4 accordance with this Chapter.
5
- 6 (b) In accordance with the rights and limitations set forth in this Chapter, a Qualified
7 Patient, Designated Caregiver, or the parent or legal guardian of a Qualified Patient
8 under eighteen (18) years of age, shall not be denied any right or privilege, or be
9 subject to arrest, prosecution or penalty in any manner, including any civil penalty
10 or disciplinary action by a court or occupational or professional licensing board for:
11
- 12 (1) The possession, use, display, transport, process, or transfer of Medical Cannabis
13 Items or Medical Cannabis Paraphernalia;
14
- 15 (2) The purchase of Medical Cannabis Items from a Licensed Medical Cannabis
16 Dispensary or Medical Cannabis Paraphernalia;
17
- 18 (3) The manufacturing of Medical Cannabis into Medical Cannabis Concentrate or
19 Medical Cannabis Product without the use of solvents and in a manner, that does
20 not pose harm to others; and
21
- 22 (c) A Qualified Patient shall not have any personal property related to Medical
23 Cannabis, including any Medical Cannabis Items and Medical Cannabis
24 Paraphernalia, seized or forfeited solely for conduct that is permitted under this
25 Chapter.
26
- 27 (d) Possession of, or application for, a Medical Cannabis Certification or Medical
28 Cannabis Registry Card pursuant to this Code does not alone constitute probable
29 cause or reasonable suspicion, nor shall it be used to support a search of the Person
30 or property of the holder of a Medical Cannabis Certification or Medical Cannabis
31 Registry Card, or otherwise subject the Person or property of the Person to
32 inspection by any governmental agency.
33
- 34 (e) Possession, use, display, transport, process, or transfer of Medical Cannabis Items
35 or Medical Cannabis Paraphernalia by a Qualified Patient does not alone constitute
36 probable cause or reasonable suspicion, nor shall it be used to support a search of
37 the person or property of the holder of a Medical Cannabis Certification or Medical
38 Cannabis Registry Card, or otherwise subject the person or property of the person to
39 inspection by any governmental agency.
40
- 41 (f) No landlord may refuse to lease to, and may not otherwise penalize, a person solely
42 for the person's status as a Qualified Patient unless failing to do so would violate
43 federal law or regulations or cause the landlord to lose a monetary or licensing-
44 related benefit under federal law or regulations. A landlord may not be penalized or
45 denied any benefit under territorial law for leasing to a Qualified Patient. No
46

1 landlord shall be penalized for seeking a smoke-free environment in such leased
2 premises.
3

4 (g) No school may refuse to enroll, or otherwise penalize, a person solely for his or her
5 status as a Qualified Patient unless failing to do so would cause it to lose a monetary
6 or licensing-related benefit under federal law or regulations. No school may be
7 penalized or denied any benefit under territorial law for enrolling a Qualified Patient.
8

9 (h) A Qualified Patient who is a student shall not possess or self-administer Medical
10 Cannabis Items on school grounds, upon a school bus, or at any school-sponsored
11 event, except that a parent, guardian, or Designated Caregiver, or a practitioner, or
12 nurse practitioner approved by the student's parent or guardian, may possess and
13 administer Medical Cannabis Items in a non-smokable form to a Qualified Patient
14 upon the grounds of the preschool or primary or secondary school in which the
15 student is enrolled, or upon a school bus or at a school-sponsored event. The parent,
16 guardian, school nurse, practitioner, or nurse practitioner shall not administer the
17 non-smokable Medical Cannabis in a manner visible to other students, that creates
18 a disruption to the educational environment, or that causes exposure to other
19 students.
20

21 (i) A school district or charter school may not deny eligibility to attend school to a
22 student who holds a valid Medical Cannabis Certification because the student
23 requires Medical Cannabis Items in a non-smokable form as a reasonable
24 accommodation necessary for the child to attend school.
25

26 (j) This Section does not apply to a school district or charter school if:
27

- 28 (1) The school district or charter school loses federal funding as a result of
29 implementing this paragraph;
30 (2) The school district or charter school can reasonably demonstrate that it lost
31 federal funding as a result of implementing this paragraph; and
32 (3) The school district or charter school posts on its website in a conspicuous place
33 a statement regarding its decision not to comply with this paragraph.
34

35 (k) No employer is required to allow the consumption of cannabis in any workplace or
36 to allow any employee to work while under the influence of Medical Cannabis.
37 Similarly, a Qualified Patient shall not be protected from sanctions for engaging in
38 activities under the influence of Medical Cannabis in a manner that is a violation of
39 a privileged license. However, a registered Qualified Patient shall not be considered
40 to be under the influence of Medical Cannabis solely because of the presence of
41 metabolites or components of cannabis that appear in sufficient concentration to
42 cause impairment.
43

44 (l) For the purposes of providing medical care, including organ and tissue transplants,
45 a Qualified Patient's use of Medical Cannabis Items pursuant to this Chapter are
46 considered the equivalent of the authorized use of any other medication used at the

1 discretion of a practitioner and does not constitute the use of an illicit substance or
2 otherwise disqualify a Qualified Patient from receiving or being eligible to receive
3 needed medical care.
4

5 (m) A person may not be denied custody of, or visitation rights, or parenting time with
6 a minor for the Person's status as a Qualified Patient, and there may be no
7 presumption of neglect or child endangerment for conduct allowed under this
8 chapter unless the person's behavior is such that it creates an unreasonable danger to
9 the safety of the minor as established by clear and convincing evidence.
10

11 (n) An employer is not required to permit or accommodate conduct otherwise allowed
12 by this act in the workplace or on the employer's property. An employer may
13 discipline an employee for violation of a workplace drug policy or for working while
14 under the influence of Cannabis. An employer may discharge, discipline, or
15 otherwise take adverse employment action against a person with respect to tenure,
16 terms, conditions, or privileges of employment because of that person's violation of
17 a workplace drug policy during work hours or in the workplace.
18

19 **§ 784. Affirmative Defenses and Dismissal For Medicinal Cannabis**

20 (a) Except as otherwise provided herein, a person may assert the medicinal purpose for
21 using Cannabis as a defense to any prosecution involving Cannabis, and the defense
22 is presumed valid where the evidence shows that:

23 (1) a Practitioner has stated that, in the Practitioner's professional opinion,
24 after having completed a full assessment of the person's medical history
25 and current medical condition made in the course of a bona fide
26 practitioner-patient relationship, the patient has a debilitating Qualified
27 Medical Condition and the potential benefits of using Cannabis for
28 medicinal purposes would likely outweigh the health risks for the person;
29

30 (2) the person, if issued a valid Medical Cannabis Registry Card by the OCR,
31 was in possession of not more than 4.0 ounces of Cannabis, the amount
32 of Cannabis products is within the limits allowed by OCR regulations,
33

34 (3) the person was engaged in the acquisition, possession, use, manufacture,
35 or transportation of Cannabis, paraphernalia, or both, relating to the
36 administration of Cannabis to treat or alleviate the individual's
37 debilitating Qualified Medical Condition or symptoms associated with
38 the individual's debilitating Qualified Medical Condition; and
39

40 (4) the person, if issued a valid Medical Cannabis Registry Card by the OCR,
41 was engaged in the cultivation of Cannabis, relating to the administration
42 of Cannabis to treat or alleviate the individual's debilitating Qualified
43 Medical Condition or symptoms associated with the individual's
44 debilitating Qualified Medical Condition; and any cultivation of
45 Cannabis and storage of no more than the quantities authorized by Section

1 779 occurred in a secure location that only the person asserting the
2 defense could access.

3
4 (b) The defense and motion to dismiss may not prevail if the prosecution proves
5 that:

- 6 (1) The person had a registry identification card revoked for misconduct; or
7 (2) The purposes for the possession or cultivation of Cannabis were not
8 solely for palliative or therapeutic use by the individual with a debilitating
9 Qualified Medical Condition who raised the defense.
10

11 (c) If an individual demonstrates the individual's medical purpose for using
12 Cannabis pursuant to this section, except as otherwise provided herein, the
13 individual is not subject to the following for the individual's use of Cannabis
14 for medicinal purposes:

- 15 (1) disciplinary action by an occupational or professional licensing board or
16 bureau; or
17 (2) forfeiture of any interest in or right to any property other than cannabis.
18

19 **§785. Application Requirements and Ownership Restrictions**
20

21 (a) Ownership; Minimum Requirements for Cannabis Licensees Applicants.
22

- 23 (1) An Applicant entity for a Cannabis License must be composed of Owners,
24 principals, or members, each of whom is twenty-one (21) years of age or
25 older and meets the suitability requirements set forth in this chapter.
26
27 (2) Only Owners may control or hold a partnership interest, limited or
28 general, a joint venture interest, or ownership of a share or shares in a
29 corporation or limited liability company which is licensed.
30
31 (3) An Applicant for a License that is a Business Entity must be organized
32 under Title 13 or Title 26 of the Virgin Islands Code.
33
34 (4) A Cannabis License may not be held by a Person comprised of individuals
35 any of whom has been convicted of a Disqualifying Felony Offense.
36
37 (5) An Applicant for a Cannabis License must demonstrate that they possess
38 available funds in their control and financial capital as required by the
39 OCR, which includes evidence in the form of bank statements,
40 irrevocable lines of credit, or the equivalent showing that the Applicant
41 has sufficient resources to operate.
42
43 (6) A Cannabis Licensee shall submit to the OCR for approval all Financial
44 Interests and each holder of a Financial Interest must be approved by the
45 OCR before such Financial Interest holder may accept any portion of the

1 Cannabis Licensee's revenue, or exercise any of the privileges of the
2 Financial Interest.

3
4 (7) Residency Requirement. All partnerships, employee cooperatives,
5 associations, nonprofit corporations, corporations, and limited liability
6 companies applying for ownership of a Cannabis License must be formed
7 under the laws of the U.S. Virgin Islands with its principal place of
8 business in the U.S. Virgin Islands. Majority Owners must be bona fide
9 Residents of the U.S. Virgin Islands. If a Cannabis Licensee does not
10 have a Majority Owner, then at least 50.1% of the entity holding the
11 License, on a fully diluted basis, must be owned by bona fide Residents
12 of the U.S. Virgin Islands as defined in this chapter. Any Resident-Owned
13 Business must comply with the provisions of Section 776(eeee).
14

15 (b) Control. No Person other than an Owner shall have the authority to exercise
16 control over a Cannabis Licensee. It shall be unlawful and a violation of public
17 safety for any Person who is not an Owner to have control over the management
18 or day-to-day operations of the Cannabis Licensee. Authority given to a
19 Manager approved by the OCR to manage day-to-day operations of the
20 Cannabis Licensee under the direction of the Owners shall not be considered
21 control for the purposes of this Act. Whether a Person exercises control shall
22 be determined by whether the Person takes or is authorized to take the following
23 actions:

- 24 (1) Exercises final decision-making authority over operations of the
25 business;
26
27 (2) Directs the day to day operation of the business, except that Managers
28 may direct the day to day operations subject to oversight by Owners
29 pursuant to a lawful employment contract;
30
31 (3) Is liable for the taxes and fees or other obligations of the Cannabis
32 Licensee;
33
34 (4) Acknowledges liability for the Cannabis Licensee's taxes and fees;
35
36 (5) Has authority to disburse funds of the business other than the receipt of
37 regularly replaced items of stock;
38
39 (6) Makes final policy decisions relative to the operations of the business; or
40
41 (7) Has voting rights or the right to obtain voting rights in the Cannabis
42 Licensee.
43

44 (c) Ongoing Suitability Requirements. An Applicant for a Cannabis License shall
45 have an affirmative duty to notify the OCR in writing of: (i) any Disqualifying
46 Criminal Offense under sections 776(gg) and 790(5) against an Owner within

1 ten (10) days of the Person's arrest and within ten (10) days of disposition; or
2 (ii) any change in residency disqualifying any Owner pursuant to section
3 785(a)(7), within ten (10) days of such change. Upon determination by the OCR
4 that an Owner associated with the Licensee is no longer suitable under this Act,
5 the Cannabis Licensee shall have ninety (90) days to remove the disqualified
6 Person from association with the Cannabis License unless otherwise extended
7 by the OCR for good cause. Failure to remove such disqualified Person in
8 accordance with this section may be grounds for denial, suspension, revocation,
9 or administrative action.

10
11 (d) Requirements Applicable to Financial Interest Holders.
12

13 (1) Approval Required. A Cannabis Licensee shall disclose all Financial
14 Interests at the time of the initial application, change of ownership,
15 change of Business Structure, renewal, and at any other time requested
16 by the OCR. A Cannabis Licensee shall not permit any Person to hold a
17 Financial Interest in a Medical Cannabis License unless and until such
18 Person's Financial Interest has been disclosed to and approved by the
19 OCR. It shall be unlawful to fail to completely report all Financial
20 Interests in each License. Failure to seek pre-approval of a Financial
21 Interest or Financial Interest Holder may form the basis for denial or
22 administrative action against the Cannabis Licensee. Each Financial
23 Interest in a Cannabis License and any amendment, transfer, or
24 assignment of a Financial Interest must be approved.
25

26 (2) Required Agreement. A Cannabis Licensee seeking to apply for a
27 Financial Interest must submit a copy of the contract between the
28 Cannabis Licensee and the proposed Financial Interest Holder. The
29 agreement between the parties must be approved by the OCR and shall
30 be void and of no effect until and unless approved by the OCR. Such
31 agreement shall be subject to rules promulgated by the OCR which shall
32 at a minimum:
33

- 34 i. Prevent the transfer or assignment of the Financial Interest, and
35 shall contain a provision requiring that any funds exchanged
36 pursuant to the agreement shall not be provided until the OCR
37 approves the agreement in writing;
38
39 ii. Include representations and warranties by the Financial Interest
40 Holder that its investment is passive and has no entitlement or
41 expectation of being able to have any control, participation in, or
42 investment in the Cannabis Licensee except as permitted in the
43 agreement as approved by the OCR;
44
45 iii. Include representations and warranties by all parties that the
46 agreement and the relationship between the parties is contingent

1 upon approval of the OCR and that the proposed Financial Interest
2 Holder has no entitlement to or expectation of the OCR approving
3 the Financial Interest;
4

- 5 iv. Contain an acknowledgment that the agreement and relationship
6 between the parties is contingent upon the approval of the OCR;
7 and
8
9 v. Contain an acknowledgment and agreement by both parties that
10 the decision of the OCR to approve or deny the Financial Interest
11 is final and wholly discretionary and any administrative or judicial
12 review of such determination by the OCR will only occur through
13 licensing or enforcement proceedings involving the Cannabis
14 Licensee.
15

16 (3) Investigation and Disclosures.
17

- 18 i. The OCR will conduct a financial investigation as well as a
19 criminal background investigation of all Financial Interest Holders
20 in order to determine whether such Financial Interest Holder is
21 qualified. After licensure, a Financial Interest Holder must
22 continue to disclose the source of funds for all money relating to
23 the Financial Interest in the Cannabis License. The OCR must
24 approve these funds prior to the funds being used in any manner
25 by the Cannabis Licensee.
26
27 ii. As a part of its application, a Cannabis Licensee seeking to obtain
28 approval of a Financial Interest shall provide evidence to establish
29 that the Person seeking to become a Financial Interest Holder,
30 including all members of any Business Entity seeking to become
31 a Financial Interest Holder, are lawful residents of the United
32 States, and shall provide documentation satisfactory to the OCR
33 verifying and confirming the funds used for the Financial Interest
34 were lawfully earned or obtained.
35
36 iii. The OCR may deny an application for a Financial Interest Holder,
37 or any Person who may participate in such interest if its
38 investigation of the Applicant results in a determination that such
39 holder is not suitable to hold a Financial Interest, is not of good
40 moral character, or has not fully disclosed its sources of funds or
41 interest in the Cannabis License
42

43 (4) Ongoing Suitability Requirement.
44

- 45 i. The Financial Interest Holder and the Cannabis License shall be
46 subject to an ongoing duty to disclose in writing to the OCR any

1 and all events which may reasonably disqualify the Financial
2 Interest Holder from having an Interest in a Cannabis License, no
3 later than ten (10) days after receiving notice of the event.
4

- 5 ii. If at any time the OCR finds any Financial Interest Holder is not
6 qualified, the OCR may require the Cannabis Licensee to
7 terminate its relationship, including but not limited to all financial
8 relations, with the Financial Interest Holder within a specified
9 time period by providing written notice to the Cannabis Business.
10 Failure to terminate such a relationship and financial ties within
11 the specified time period may be a basis for administrative action
12 against the Cannabis Business.
13

14 (5) Requirements-Permitted Interest Holders.
15

- 16 i. An application for a Permitted Interest must be initiated by the
17 Cannabis Licensee and must include a sworn affirmation from the
18 Cannabis License Applicant and proposed Permitted Interest
19 Holder on forms prescribed by the OCR that the Permitted Interest
20 Holder will not exercise control, or have any right to control, the
21 Cannabis License, until such time as the Permitted Interest Holder
22 is licensed as an Owner.
23
24 ii. Conversion from a Permitted Interest to an Owner shall occur
25 pursuant to rules promulgated by the OCR and the terms of the
26 Permitted Interest Agreement between the Cannabis Licensee and
27 Permitted Interest Holder, but in no event can the conversion
28 occur until such time as the Permitted Interest Holder meets all
29 qualifications for licensure and ownership pursuant to this chapter
30 and any rules promulgated pursuant to this Code.
31
32 iii. The Cannabis Licensee or Permitted Interest Holder may initiate
33 a conversion of a Financial Interest to Owner pursuant to the terms
34 of the Permitted Interest Agreement by application to the OCR.
35
36 iv. The approval of the Permitted Interest Holder by the OCR is
37 wholly discretionary, and the OCR may, at any time, deny
38 approval of the Permitted Interest or find that the Permitted
39 Interest is no longer qualified. The Permitted Interest shall be
40 terminable immediately upon such determination.
41

42 (6) Requirements-Reasonable Royalty Holders.
43

- 44 i. An application for a Reasonable Royalty must be initiated by the
45 Cannabis Licensee pursuant to rules promulgated by the OCR and
46 must include a sworn affirmation from the Medical Cannabis

1 License Applicant and proposed Reasonable Royalty Holder on
2 forms prescribed by the OCR that the Reasonable Royalty Holder
3 will not exercise control, or have any right to control, the
4 Cannabis Licensee except as otherwise permitted by this Code or
5 the rules promulgated thereto. Any violation of this Section may
6 be the basis for criminal or administrative action against the
7 Applicant for a Cannabis License or Financial Interest.
8

- 9 ii. The approval of the Reasonable Royalty Holder by the OCR is
10 wholly discretionary, and the OCR may, at any time, deny
11 approval of the Reasonable Royalty or find that the Reasonable
12 Royalty Holder is no longer qualified. The Reasonable Royalty
13 shall be terminable immediately upon such determination.
14

15 **§786. License Application Process**
16

- 17 (a) The OCR shall create and furnish forms for the application for a Cannabis License and
18 promulgate regulations governing the application, review, issuance, denial, and renewal of
19 a License.
20
21 (b) In accordance with the provisions set forth in section 778, the OCR may issue the following
22 Cannabis Licenses and Medical Cannabis Licenses on the island of St. Thomas:
23
24 (1) Up to seven (7) Medical Cannabis Dispensary Licenses and Onsite Consumption Use
25 Permit sites; and
26
27 (2) Up to fifteen (15) Cannabis Cultivation Licenses.
28
29
30 (c) In accordance with the provisions set forth in section 778, the OCR may issue the following
31 Cannabis Licenses and Medical Cannabis Licenses on the Island of St. John:
32
33 (1) Up to three (3) Medical Cannabis Dispensary Licenses and Onsite Consumption Use
34 Permit sites; and
35
36 (2) Up to five (5) Cannabis Cultivation Licenses.
37
38 (d) In accordance with the provisions set forth in section 778, the OCR may issue the following
39 Cannabis Licenses and Medical Cannabis Licenses on the Island of St. Croix:
40
41 (1) Up to seven (7) Medical Cannabis Dispensary Licenses and Onsite Consumption Use
42 Permit sites; and
43
44 (2) Up to fifteen (15) Cannabis Cultivation Licenses.
45
46

- 1
2 (e) A Cannabis Licensee that receives a Medical Cannabis Dispensary License shall also
3 receive a Medical Cannabis Cultivation License. The remaining Medical Cannabis
4 Cultivation Licenses authorized for issuance above shall be issued to Persons that do not
5 possess a Medical Cannabis Dispensary License. Notwithstanding this paragraph, a
6 Medical Cannabis License shall be transferable in accordance with this chapter and there
7 shall be no requirement that a Cannabis Dispensary Licensee must possess a Cannabis
8 Cultivation License.
9
- 10 (f) The OCR may issue additional Cannabis Licenses after January 1, 2022, provided it has
11 conducted a study demonstrating that demand for Cannabis Items and Cannabis Items,
12 generally, in the U.S. Virgin Islands exceeds, or is projected to exceed within twenty-four
13 (24) months, the current supply of Cannabis Items and Cannabis Items being produced by
14 all Cannabis Manufacturing Licensees, Cannabis Cultivation Licensees, and Micro-
15 Cultivation Permittees.
16
- 17 (g) Merit-Based Application Process. The OCR shall only issue Cannabis Licenses pursuant
18 to a formal Merit-Based Application Process, whereby Cannabis Licenses are awarded to
19 Persons with the highest application score for the specific License type and on the specific
20 island being sought based on certain criteria set forth by the OCR.
21
- 22 (1) The regulations governing a Merit-Based Application Process, including the process
23 for scoring and points allocated, shall be adopted no later sixty (60) days prior to the
24 application deadline. The criteria shall include consideration of the following:
25
- 26 i. Past USVI taxes paid and evidence of compliant return filing and payment of
27 taxes;
 - 28 ii. Experience of the Applicant in operating a regulated business;
 - 29 iii. Whether an Applicant has had a License suspended or revoked for operating a
30 cannabis business;
 - 31 iv. Odor filtration systems;
 - 32 v. Criminal background;
 - 33 vi. Security measures;
 - 34 vii. Operating plans;
 - 35 viii. Staff training plans;
 - 36 ix. Inventory Tracking and illicit diversion prevention plans;
 - 37 x. Community engagement and cooperation plans including evidence of support
- 38
39
40
41
42
43
44
45
46

1 from community members;

2
3 xi. Evidence of adequate capital and liquidity;

4
5 xii. Evidence of charitable contributions, scholarships;

6
7 xiii. Whether the applicant is a Minority-owned Business Enterprise, Female-operated
8 bona fide Virgin Islands entity, or a Service-disabled veteran-operated bona fide
9 Virgin Islands entity.

10
11 (2) Other criteria subject to evaluation include establishing a system to evaluate competing
12 for adult-use lounge permit applications, such as:

13 (A) an analysis of the geographical area in which the proposed adult use lounge would
14 operate, including with respect to information on criminal activity in the area;

15 (B) the proximity of the proposed adult use lounge to any existing or prospective
16 commercial cannabis dispensaries; and

17 (C) the proximity of the proposed adult use lounge to any child care center, day care
18 center, elementary school, secondary school, or religious institution, and

19 (D) promotion and ensuring the safety and health of consumers.
20

21
22 (3) The OCR shall review all applications submitted to a Merit-Based Application Process
23 and publish a list of successful Applicants, as well as the score for each Applicant, no
24 later than ninety (90) days after the application deadline.
25

26 (4) The OCR shall promulgate rules governing the requirements for a Cannabis License
27 application, which shall include, at a minimum:

28
29 i. Applicant's fingerprints;

30
31 ii. Personal history information concerning the Applicant's qualifications for a
32 License based on forms prepared by the OCR, including at a minimum the name,
33 all mailing addresses for the past fifteen (15) years, e-mail address, telephone
34 number, and social security number of each proposed Owner and Financial Interest
35 Holder;
36

37 iii. If the Applicant for a Cannabis License or Financial Interest is a Business Entity,
38 the following:

39
40 (a) If the Applicant is a partnership, including a limited partnership, the name and
41 percentage interest of each partner holding any interest in the partnership on
42 both a current and on a fully diluted basis, the partnership agreement, and
43 certification of residency for each partner;
44

45 (b) If the Applicant is a limited liability company, the name and percentage interest
46 each member holding any membership interest, the limited liability company

1 agreement, the name of each officer, and certification of residency for each
2 member, on both a current and on a fully diluted basis;
3

4 (c) If the Applicant is a corporation, each owner of any of the corporation's stock,
5 the certificate of corporation, a copy of its articles of incorporation or
6 organization, the name of each corporate officer, a list of all shareholders with
7 a percentage of ownership, and certification of residency for each shareholder,
8 on both a current and on a fully diluted basis;
9

10 (d) A list of all officers with day-to-day operational control over the business.
11

12 iv. For each Applicant Business Entity, Owner, and Financial Interest Holder, all
13 requested information concerning financial and controlling associations and
14 interests of other Persons associated with the business, and classes of stock or
15 membership interests, on both a current and on a fully diluted basis;
16

17 v. Evidence that the Applicant is qualified to do business in the Virgin Islands;
18

19 vi. Supporting documentation to establish the following:
20

21 (a) That the Applicant, including each Owner, meets the residency requirement in
22 Section 776 including the dates when continuous legal residence in the Virgin
23 Islands began for each legal resident that has any ownership interest in the
24 Applicant;
25

26 (b) That all Owners and Cannabis Business Representatives of the Applicant are
27 not less than twenty-one (21) years of age; and
28

29 (c) That the Applicant and its Cannabis Business Representatives do not have any
30 disqualifying criminal convictions as set forth in Section 776.
31

32 vii. Identify all civil litigation in the past ten (10) years and all criminal convictions in
33 the Person's history for any Owner, Financial Interest Holder, Cannabis Business
34 Representative, executive officer, director, and principal employee/ of the
35 Applicant;
36

37 viii. A description of the corporate structure of the Applicant, including any parent,
38 intermediary, or subsidiary of the Applicant, and whether any parent or subsidiary
39 is publicly traded on a securities exchange and whether such Person bears any
40 relationship to the Cannabis Licensee on both a current and on a fully diluted basis;
41

42 ix. A description of all outstanding securities, including a clear diagram with
43 descriptions of corporate structure, capitalization, and ownership including voting
44 rights, of the Applicant and its holding company's subsidiary and intermediary
45 companies and a list of all Holders thereto on both a current and on a fully diluted

1 basis;

- 2
- 3 x. For each Medical Cannabis License Applicant and Financial Interest Holder,
- 4 documentation verifying and confirming the lawful source of funds used for the
- 5 operation of the proposed business;
- 6
- 7 xi. The address and a detailed diagram of the proposed Licensed Premises showing all
- 8 areas of ingress, egress, placement of cameras, and boundaries of the premises;
- 9
- 10 xii. Proof of possession of the proposed Licensed Premises by Applicant;
- 11
- 12 xiii. Proof of filing an emergency response plan with the Virgin Islands Fire Services
- 13 and the Virgin Islands Police Department;
- 14
- 15 xiv. An affidavit by each Owner and Financial Interest Holder declaring, under penalty
- 16 of perjury, that the information contained in its application is accurate, true and
- 17 complete in all material aspects.
- 18
- 19 xv. Federal employer identification number of the Applicant;
- 20
- 21 xvi. Proof of application for a USVI Business License;
- 22
- 23 xvii. Remittance of the required fees.
- 24

25 **§787. Permit Application Process**

26

- 27 (a) The OCR shall create and furnish forms for the application for a Cannabis Permit and
- 28 promulgate regulations governing the application, review, issuance, denial, and renewal of
- 29 a permit.
- 30
- 31 (b) The OCR shall only issue a Cannabis Permit to an Applicant that meets the minimum
- 32 criteria contained in this title and any regulations adopted thereto.
- 33
- 34 (1) A Micro-Cultivation Permit shall only be issued to a single individual with a valid
- 35 farming license from the Department of Agriculture, at a specific location.
- 36
- 37 (2) Micro-Cultivation Permittees shall be current residents of the U.S. Virgin Islands for
- 38 at least two (2) years and shall have no less than 1,825 days of cumulative residency
- 39 during the individual's lifetime, by the date of application. A Micro-Cultivation Permit
- 40 shall immediately become void if the Permittee ceases to be a U.S. Virgin Islands
- 41 Resident.
- 42
- 43 (3) A Non-Certified Use Permit may be issued to Persons at a specific location.
- 44
- 45 (4) A Temporary Non-Certified Use Permit may be issued to Persons at a specific location.

1
2 (5) An Onsite Consumption Permit may be issued to Persons that possess a valid Cannabis
3 Cultivation License and at the location where a Cannabis Cultivation License is issued.
4

5 (c) For individuals associated with the application for a Cannabis Permit, the OCR shall review
6 the criminal history and history of compliance with this chapter and any regulations
7 adopted thereto prior to issuing a Medical Cannabis Permit. A Medical Cannabis Permit
8 shall not be issued to an individual that has discharged the sentence for a conviction for a
9 Crime of Violence in the ten (10) years immediately preceding the individual or Person's
10 application date.
11

12 (d) The OCR shall review the location for which the Cannabis Permit is sought and, Cannabis
13 Temporary Non-Certified Use Permit Site, or any portion or all of an Onsite Consumption
14 Permit Site.
15

16 **§788. Renewals**
17

18 (a) The OCR shall create and furnish forms for the renewal of an existing License or Permit
19 and create rules governing procedures for the renewal of an existing License or Permit.
20

21 (b) Ninety (90) days prior to the expiration date of an existing Medical Cannabis License or
22 Medical Cannabis Permit, the OCR shall notify the Licensee or Permittee of the expiration
23 date by first-class mail at the Licensee's address of record with the OCR.
24

25 (c) A Licensee or Permittee shall apply for the renewal of an existing License or Permit to the
26 OCR not less than thirty (30) days prior to the date of expiration without being subject to
27 penalty.
28

29 (d) The OCR shall adopt policies governing the administrative continuance of a License that
30 has expired pending review of a renewal application.
31

32 (e) A Licensee or Permittee shall not exercise the privileges of its License or Permit past its
33 expiration date unless the OCR has administratively continued the License or permit.
34

35 **§789. Other Applications to the OCR**
36

37 (a) A Licensee or Permittee shall not make any changes to its location, ownership, Licensed
38 Premises, Micro-Cultivation Site, and Designated Consumption Area without approval
39 from the OCR.
40

41 (b) Change in Ownership.
42

43 (1) A Licensee or Non-certified Use Permittee shall not undergo any change in ownership,
44 whether adding or removing owners or adjusting equity amongst owners, without prior
45 approval from the OCR. A License granted under the provisions of this Code is not
46 transferable except as provided for in this section.

- (2) A Micro-Cultivation Permit shall be issued to a single individual and 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, in accordance with all regulations adopted hereto. In determining whether to approve or deny a transfer of ownership, the OCR shall consider the requirements of the Code and any rules promulgated hereto.
- (4) A change in ownership or business structure of any License or Permit issued pursuant to this chapter shall be prohibited unless all proposed owners of the License or Permit meet criminal background and suitability requirements as required by this Chapter.
- (5) A change in majority ownership of any License issued pursuant to this chapter shall be prohibited for one (1) year after the date the License is issued unless the Licensee can demonstrate that a transfer of ownership is made necessary by death or disability of the Licensee, substantial financial hardship, or other reasons as determined by the OCR in accordance with criteria established in regulations.
- (6) No application for transfer of ownership or change in the business structure of any License or Permit shall be approved by the OCR until all taxes, sales taxes, any 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 shall not undergo any change in a location without prior approval from the OCR.
- (2) A Permittee may not undergo a change of location and, instead, must apply for a new permit.
- (3) A Licensee shall apply for approval to change its location on forms prepared and furnished by OCR. In determining whether to approve or deny a transfer of ownership, the OCR shall consider the requirements of this chapter and any rules promulgated hereto.
- (4) A License issued pursuant to this chapter shall be prohibited from changing location to a different island within the U.S. Virgin Islands or any location outside of the U.S. Virgin Islands.
- (5) A Licensee may move the permanent location of its Licensed Premises to any other place within the island where the License was issued once permission to do so is granted by the OCR provided for in this chapter. In permitting a change of location, the OCR shall consider all reasonable restrictions that are or may be placed upon the new

1 location.

2
3 (d) Modification of Premises

4
5 (1) A Licensee or Permittee shall not materially modify its Licensed Premises, Micro-
6 Cultivation Site, or Designated Consumption area without prior approval from the
7 OCR.

8
9 (2) A Licensee or Permittee shall apply for a modification of premises on forms prepared
10 and furnished by the OCR. In determining whether to approve or deny a modification
11 of premises, the OCR shall consider the requirements of the chapter and any rules
12 promulgated hereto.

13
14 (3) The OCR shall adopt regulations governing when a Licensee or Permittee shall be
15 required to submit a modification of premises.

16
17 **§790. Requirements For All License Types**

18
19 (a) The OCR shall establish an Inventory Tracking System to remotely monitor and track all
20 Cannabis from the acquisition of seeds or clones through sale or delivery of a finished
21 product to a Qualified Patient or Non-certified User or Sacramental User.

22
23 (1) The system must provide for real-time access by the OCR, Licensees, and law
24 enforcement personnel, to the extent that they are authorized to receive or submit the
25 information to comply with, enforce, or administer this chapter.

26
27 (2) The Inventory Tracking System utilized by the OCR shall support interoperability with
28 third-party Medical Cannabis License software applications, including seed-to-sale
29 tracking systems, and allow all Licensee-facing system activities to be performed
30 through a secure application programming interface (“API”) or comparable technology
31 which is well documented, bi-directional, and accessible to any third-party application
32 that has been validated and has appropriate credentials. The API or comparable
33 technology shall have version control and provide adequate notice of updates to third-
34 party applications. The system should provide a test environment for third-party
35 applications to access, which mirrors the production environment.

36
37 (b) Cannabis Licensees shall be permitted to transport Cannabis between Licensed Premises,
38 provided the transportation is conducted in accordance with regulations adopted by the
39 OCR.

40
41 (c) An individual who performs work on behalf of a Cannabis Licensee must qualify as an
42 Owner, Cannabis Business Representative, Consultant, or Contractor.

43
44 (1) A Cannabis Licensee or Medical Cannabis Licensee shall not hire an employee, nor
45 hire any Consultant or Contractor under the age of twenty-one (21).
46

- (2) A Cannabis Business Representative or Medical Cannabis Business Representative must be a resident of the U.S. Virgin Islands on the date of hire and for the duration of the performance of work on behalf of the Cannabis Licensee. At least 50% of all Cannabis Business Representatives from each Licensee must be residents who have legally resided in the U.S. Virgin Islands for at least two years prior to the date of hire.
 - (3) 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.
 - (4) A Cannabis Licensee shall conduct a criminal background check on all Cannabis Business Representatives and Consultants prior to the date of hire.
 - (5) A Cannabis Licensee shall not permit individuals whose criminal history includes a conviction for a Crime of Violence for which the sentence has not been discharged within the preceding five (5) years to act as a Cannabis Business Representative or Consultant.
 - (6) A Cannabis Licensee shall maintain a current list of all Cannabis Business Representatives and Consultants at its Licensed Premises.
 - (7) A Cannabis Licensee shall maintain documentation evidencing that all Cannabis Business Representatives were a qualified USVI Resident and over the age of twenty-one (21) upon the date of hire and have had an annual criminal background check for every year since the date of hire.
 - (8) A Cannabis Licensee shall maintain documentation evidencing that all Consultants are over the age of twenty-one (21) upon the date of hire and show that they have had an annual criminal background check for every year since the date of hire.
 - (9) A Cannabis Licensee shall maintain documentation evidencing a written policy that requires all Cannabis Business Representatives and Consultants to sign an attestation to disclose all criminal convictions.
 - (10) All individuals that enter a Licensed Premises that is not an Owner, Cannabis Business Representative, Consultant or Contractor of a Cannabis Licensee shall only be admitted as a visitor and subject to the regulations adopted by the OCR that shall include, but need not be limited to, age requirements, monitoring requirements, and visitor identification badges requirements. All visitors must be at least twenty-one (21) years of age. Visitors may include contractors engaged for the purposes of service, repair, or maintenance.
- (d) All Cannabis Licensees shall develop and implement an on-site training curriculum or enter into contractual relationships with outside resources capable of meeting Cannabis Business Representative training needs. Training shall include but not be limited to professional conduct, ethics, and territory and federal laws regarding patient confidentiality;

1 informational developments in the field of medical use of Cannabis; the proper use of
2 security measures and controls that have been adopted; and specific procedural instructions
3 for responding to an emergency, including robbery or violent accident.
4

5 (e) Cannabis Licensees shall secure its Licensed Premises in accordance with the regulations
6 promulgated by the OCR, which must include but need not be limited to standards for
7 lighting, physical security, video surveillance, alarm systems, and waste disposal.
8

9 (f) Cannabis Licensees may not Advertise in a manner that has a high likelihood of reaching
10 Persons under twenty-one (21) years of age in violation of regulations promulgated by the
11 OCR that must include but shall not be limited to restrictions on:
12

13 (1) Mass media advertising on television, radio, and the internet;
14

15 (2) Outdoor advertising; and
16

17 (3) Event sponsorship, except with the express approval of the OCR.
18

19 (g) The consumption of Cannabis Items shall not be permitted upon the Licensed Premises of
20 a Cannabis Licensee unless duly authorized by an appropriate Permit.
21

22 (1) The Owner of a Medical Cannabis License may Permit the use of Cannabis Items by
23 Qualified Patients in an alternate location subject to a valid Medical Cannabis Social
24 Use Permit or Medical Cannabis Temporary Social Use Permit.
25

26 (2) Cannabis Cultivation Licensee that has been issued an Onsite Consumption Permit may
27 permit the consumption of Cannabis Items within its Licensed Premises in a Designated
28 Consumption area and in accordance with all requirements of its permit.
29

30 (h) A Cannabis Licensee shall not sell any Cannabis Items, nor transfer from one Licensed
31 Premises to another, without having had completed all mandatory Quality Assurance Tests.
32 All mandatory Quality Assurance Tests shall be conducted by the Department of
33 Agriculture unless the OCR approves other entities to conduct Quality Assurance Tests.
34

35 (i) A Cannabis Licensee shall not sell any Cannabis Items, nor transfer from one Licensed
36 Premises to another, without having paid all required Sales Taxes.
37

38 (j) A Cannabis Licensee shall only cultivate, cure, process, store, manufacture, display and
39 sell Cannabis Items within its Licensed Premises, unless a sale is conducted in accordance
40 with regulations governing the delivery of Cannabis Items.
41

42 (k) A Cannabis Licensee shall ensure its facility is kept, and operations conducted, in a sanitary
43 manner and in accordance with regulations promulgated by the OCR designed to reduce
44 the potential for contamination during cultivation, manufacturing, transporting, and
45 dispensing.
46

1 (l) The OCR shall establish a Cannabis quality assurance program as advised by the USVI
2 Department of Agriculture, USVI Department of Health and other state agencies, as
3 requested. The quality assurance program must, at a minimum, establish standards for the
4 safety and potency of Cannabis Items prior to sale at a Cannabis Dispensary.
5

6 (1) The Quality Assurance Program shall require Cannabis Items to be submitted for
7 contaminant and potency testing by the USVI Department of Agriculture or another
8 qualified entity approved by the OCR.
9

10 (2) The Quality Assurance Program shall establish permissible levels of contaminants for
11 Cannabis Items and require the destruction of products deemed unsafe for human
12 consumption due to impermissible levels of contaminants.
13

14 (3) The Quality Assurance Program shall establish standards and procedures for the
15 potency testing of Cannabis Items to ensure the labeling of potency information is
16 accurate and within a defined acceptable variance.
17

18 (m) An individual who holds an Interest in a Medical Cannabis Licensee shall be prohibited
19 from holding a Micro-Cultivation Permit.
20

21 (n) All support service providers to all Cannabis Licensees shall be residents of the Territory.
22

23 **§791. Cannabis Cultivation License** 24

25 (a) A Cannabis Cultivation Licensee shall be authorized by the OCR to purchase Cannabis
26 Items from Cannabis Research and Development Licensees, other Cannabis Cultivation
27 Licensees; Micro-Cultivation Permittees; cultivate, cure, process, internally-test, store,
28 package, and label Cannabis; store, sell, purchase, receive, transfer, and transport Cannabis
29 Items to and from other Cannabis Licensees in accordance with the limitations in this
30 chapter and regulations promulgated by the OCR.
31

32 (b) A Cannabis Cultivation Licensee shall not locate a Licensed Premises within one thousand
33 (1,000) feet of a school or house of worship PROVIDED HOWEVER:
34

35 (1) A Cannabis Cultivation Licensee shall not be required to relocate if its premises was
36 not located within one thousand (1,000) feet of a school or house of worship on the
37 date the Cannabis Cultivation Licensee filed its application for licensure or change of
38 location to its current address.
39

40 (2) The OCR may adopt regulations for Cannabis Cultivation Licensees located in the
41 Charlotte Amalie, Christiansted, and Frederiksted Historic Districts and the town of
42 Cruz Bay that impose additional requirements on licensees, such as security, odor
43 control, and community engagement including, but not limited to signage and fencing.
44 If such regulations are adopted, the OCR can waive or reduce the distance requirements
45 in this section for Cannabis Cultivation Licenses located in the Charlotte Amalie,
46 Christiansted, and Frederiksted Historic Districts and the town of Cruz Bay.

- 1
2 (3) A Cannabis Cultivation License shall not be within one thousand (1,000) feet of a cruise
3 ship dock in Charlotte Amalie (Havensight) or Crown Bay in St. Thomas and within
4 five hundred (500) feet of primary cruise ship dock in Frederiksted and within five
5 hundred (500) feet of a primary cruise ship tender pier in Cruz Bay.
6
7 (c) A Cannabis Cultivation Licensee shall only cultivate Cannabis in accordance with its
8 authorized production limits established by the OCR in regulations.
9
10 (d) Cannabis may be cultivated outdoors provided it meets the same or similar security
11 requirements set forth by the OCR.
12
13 (e) Cannabis may only be cultivated using Pesticides on an approved list maintained by the
14 OCR developed in coordination with the USVI Department of Agriculture.
15
16 (f) A Cannabis Cultivation Licensee may obtain seeds or Immature Cannabis Plants from
17 individuals not in possession of a Cannabis License or Permit for the first thirty (30) days
18 after its facility is operational, as determined by the OCR. Thereafter, a Cannabis
19 Cultivation Licensee may only obtain seeds or immature plants from other Cannabis
20 Cultivation Licensees or Micro-Cultivation Permittees or Cannabis Research and
21 Development Licensees, unless the OCR, upon its discretion and good cause, provides
22 prior written approval due to commercially reasonable needs of the Licensee.
23
24 (g) The OCR shall set production limits on the numbers of plants Cultivation Licensees may
25 cultivate, based on market data on Cannabis sales in the Territory to prevent over-
26 saturation, and using a sliding scale of annual fees based on number of plants grown. In the
27 interest of assuring market balance, the OCR shall set production limits at their discretion
28 at no less than five hundred (500) and no more than one thousand (1,000) Flowering
29 Cannabis plants at a single time. On an annual basis, the OCR shall assess and, if needed,
30 revise its production limits for Cultivation Licensees.
31

32 **§792. Cannabis Manufacturing License**

33

- 34 (a) A Cannabis Manufacturing Licensee shall be authorized by the OCR to purchase Cannabis
35 from Cannabis Licensees, Cannabis Research and Development Licensees, and/or Micro-
36 Cultivation Permittees within the Territory; manufacture, process, internally test, package,
37 and label Medical Cannabis Concentrates and Medical Cannabis Products and non-medical
38 Cannabis Concentrates and Cannabis Products; store, sell, purchase, receive, transfer, and
39 transport Cannabis Items to and from other Cannabis Licensees in accordance with the
40 limitations in this chapter and regulations promulgated by the OCR.
41
42 (b) A Cannabis Manufacturing Licensee shall not locate a Licensed Premises within one
43 hundred (100) feet of a school or house of worship PROVIDED HOWEVER:
44
45 (1) A Cannabis Manufacturing Licensee shall not be required to relocate if its premises
46 were not located within one hundred (100) feet of a school or house of worship on the

1 date the Cannabis Manufacturing Licensee filed its application for licensure or change
2 of location to its current address.

3
4 (2) The OCR may adopt regulations for Cannabis Manufacturing Licenses located in the
5 Charlotte Amalie, Christiansted, and Frederiksted Historic Districts and the town of
6 Cruz Bay that impose additional requirements on licensees, such as security, odor
7 control, and community engagement. If such regulations are adopted, the OCR can
8 waive or reduce the distance requirements in this section for Cannabis Manufacturing
9 Licenses located in the Charlotte Amalie, Christiansted, and Frederiksted Historic
10 Districts and the town of Cruz Bay.

11
12 (3) A Cannabis Manufacturing Licensee shall not be located within one thousand (1,000)
13 feet of any cruise ship dock in Charlotte Amalie (Havensight or Crown Bay) in St.
14 Thomas and within five hundred (500) feet of the primary cruise ship dock in
15 Frederiksted and within five hundred (500) feet of a primary cruise ship tender pier in
16 Cruz Bay on the date the Cannabis Manufacturing Licensee filed its application for
17 licensure or change of location to its current address.

18
19 (c) The manufacturing of Cannabis Concentrates and Cannabis Products shall only be
20 conducted in strict accordance with all safety regulations promulgated by the OCR, which
21 shall include but need not be limited to facility requirements, solvent purity, and food-
22 handling.

23
24 (d) A Cannabis Manufacturing Licensee shall not intentionally or knowingly manufacture, or
25 design a Cannabis Product that has an appearance, label, or package that would cause a
26 reasonable consumer confusion as to whether the Cannabis Product is a trademarked food
27 product.

28
29 (e) Edible non-medical and Medical Cannabis Products shall contain no more than one
30 hundred (100) milligrams of THC per unit of sale.

31
32 (f) Edible Cannabis Products shall be separated or easily separable into single servings, with
33 no more than ten (10) milligrams of THC in a single serving.

34
35 (g) A Cannabis Manufacturing Licensee shall package and label all Cannabis Concentrates
36 and Cannabis Products, including accurate potency information, in accordance with this
37 Code and all regulations promulgated hereto.

38
39 (h) A Cannabis Manufacturing Licensee must purchase or acquire a portion of its Cannabis
40 Flower from Micro-Cultivation Permittees.

41
42 (1) The OCR shall, at its discretion, set this percentage between ten percent (10%) and fifty
43 percent (50%) of all Cannabis purchased or acquired by a Cannabis Manufacturing
44 Licensees.

45
46 (2) The OCR shall determine the sourcing requirement based on factors that include, but

1 need not be limited to, the projected demand for Medical and non-medical Cannabis
2 Items in the USVI and projected amount of Cannabis produced by Cannabis Licensee
3 and Micro-Cultivation Permittees.
4

- 5 (i) Notwithstanding anything to the contrary in this chapter or the regulations, Cannabis
6 Dispensaries and Cannabis Manufacturing licensees shall be required to source at least
7 seventy percent (70%) of the Cannabis used for retail sales or production from Unaffiliated
8 Third Parties. Any actual or attempted structuring or configuration of a transaction,
9 including through use of intermediaries or agents, for the purpose of circumventing or
10 attempting to circumvent the requirements of this provision by obtaining or attempting to
11 obtain Cannabis from sources other than Unaffiliated Third Parties in excess of the amount
12 or percentage permitted, shall constitute a violation of this provision and shall be grounds
13 for suspension or revocation of a License and/or the imposition of a fine on the Licensee,
14 in the discretion of the OCR.
15
- 16 (j) The OCR may suspend or amend the Cannabis Licensee and/or Micro-Cultivation sourcing
17 requirement if it finds that there will be insufficient or inferior production by Cannabis
18 Licensee and Micro-Cultivation Permittees for Cannabis Production Licensees to meet the
19 established percentage requirement.
20

21 **§793. Medical Cannabis Dispensaries** 22

- 23 (a) A Medical Cannabis Dispensary Licensee shall be authorized by the OCR to purchase
24 Medical Cannabis Items from Cannabis Licensees or Micro-Cultivation Permittees;
25 internally test, package and label Medical Cannabis Items; store, sell, purchase, transfer,
26 and transport Medical Cannabis Items to and from other Medical Cannabis Licensees; and
27 sell, transfer, and deliver Medical Cannabis Items to Qualified Patients in accordance with
28 the limitations in this chapter and regulations promulgated by the OCR. Notwithstanding
29 anything to the contrary in this chapter, or the regulations, Medical Cannabis Dispensaries
30 shall be required to source at least seventy percent (70%) of the Cannabis used for retail
31 sales from Unaffiliated Third Parties subject to OCR approved exclusions provided for
32 herein. Any actual or attempted structuring or configuration of a transaction, including
33 through use of intermediaries or agents, for the purpose of circumventing or attempting to
34 circumvent the requirements of this provision by obtaining or attempting to obtain
35 Cannabis from sources other than Unaffiliated Third Parties in excess of the amount or
36 percentage permitted, shall constitute a violation of this provision and shall be grounds for
37 suspension or revocation of a License and/or the imposition of a fine on the Licensee, in
38 the discretion of the OCR.
39

40 A Medical Cannabis Dispensary Licensee may sell Cannabis Items to Qualified Patients,
41 Caregivers, or the parent or legal guardian of a Qualified Patient. Before purchasing, all
42 Qualified Patients who do not possess a valid Medical Cannabis Registry Card issued by
43 the OCR shall be in valid possession of a Medical Cannabis Adult-Use Permit issued by
44 the OCR. The OCR shall determine the fee amount for the Medical Cannabis Adult-Use
45 Permit. The OCR shall utilize an automated online and/or app-based system, in addition to
46 an option to apply and pay at Point of Sale, in processing applications and fees for the

1 Medical Cannabis Adult-Use Permits.

- 2
- 3 (1) The OCR shall adopt regulations concerning what types of identification shall be
- 4 considered permissible for a Medical Cannabis Dispensary to confirm an individual's
- 5 age.
- 6
- 7 (2) A Medical Cannabis Dispensary must engage in reasonable measures to confirm that
- 8 all individuals it sells Cannabis Items to are either a Qualified Patient, Caregiver, or the
- 9 parent or legal guardian of a Qualified Patient.
- 10
- 11 (3) A Qualified Patient over twenty-one (21) years of age shall only be required to provide
- 12 a Medical Cannabis Dispensary a valid form of identification that is acceptable
- 13 pursuant to regulations adopted by the OCR.
- 14
- 15 (4) A Medical Cannabis Dispensary must also confirm an individual's residency prior to
- 16 completing the sale of Cannabis Items to ensure compliance with the purchase limits
- 17 and special sales tax requirements set forth in this Chapter.
- 18
- 19 (b) A Medical Cannabis Dispensary must ensure that all Cannabis purchased or acquired from
- 20 a Cannabis Cultivation Licensee or Micro-Cultivation Permittee has been tested in
- 21 accordance with the quality assurance program.
- 22
- 23 (c) Nothing in this Chapter prohibits a Medical Cannabis Dispensary from refusing to sell
- 24 Medical Cannabis Items to an individual or Qualified Patient.
- 25
- 26 (d) A Medical Cannabis Dispensary shall only display or sell Medical Cannabis Items within
- 27 its designated Restricted Access Area, unless the sale is conducted in accordance with
- 28 regulations governing the delivery of Medical Cannabis Items to Qualified Patients
- 29 promulgated by the OCR. Only Owners, Medical Cannabis Business Representatives,
- 30 Consultants, and Qualified Patients shall be permitted into a Restricted Access Area.
- 31
- 32 (e) The hours of operation of and access to a Medical Cannabis Dispensary shall be established
- 33 by regulations of the OCR.
- 34
- 35 (f) A Medical Cannabis Dispensary shall not Permit any individual under twenty-one (21)
- 36 years of age, including Qualified Patients under twenty-one (21) years of age, to enter its
- 37 Restricted Access Area; except that a parent or legal guardian of a Qualified Patient under
- 38 twenty-one (21) years of age may be permitted.
- 39
- 40 (g) A Medical Cannabis Dispensary shall not sell Cannabis Items to anyone under twenty-one
- 41 (21) years of age, including Qualified Patients under twenty-one (21) years of age. All sales
- 42 of Cannabis Items intended for Qualified Patients under twenty-one (21) years of age shall
- 43 be made to the Qualified Patient's parent, legal guardian, or Designated Caregiver.
- 44
- 45 (h) A Medical Cannabis Dispensary Licensee shall not locate a Licensed Premises within one
- 46 thousand (1000) feet of a school and within one hundred (100) feet of a house of worship

1 PROVIDED HOWEVER

- 2
- 3 (1) A Medical Cannabis Dispensary Licensee shall not be required to relocate if its
- 4 premises was not located within one thousand (1000) feet of a school and one
- 5 hundred (100) feet of a school or house of worship on the date the Medical Cannabis
- 6 Dispensary Licensee filed its application for licensure or change of location to its
- 7 current address.
- 8
- 9 (2) The OCR shall adopt regulations for Medical Cannabis Dispensary Licenses
- 10 located in the Charlotte Amalie, Christiansted, and Frederiksted Historic Districts,
- 11 and the town of Cruz Bay that impose requirements, such as security, odor control,
- 12 and community engagement. Medical Cannabis Dispensary Licenses located in the
- 13 Charlotte Amalie, Christiansted, and Frederiksted Historic Districts and the town
- 14 of Cruz Bay shall be exempt from distance requirements in this section.
- 15
- 16 (i) A Medical Cannabis Dispensary License shall not be within one thousand (1,000) feet of
- 17 any cruise ship dock in Charlotte Amalie (Havensight or Crown Bay) in St. Thomas and
- 18 within five hundred (500) feet of the primary cruise ship dock in Frederiksted and within
- 19 five hundred (500) feet of a primary cruise ship tender pier in Cruz Bay.
- 20
- 21 (j) On a daily basis a Medical Cannabis Dispensary may not sell more than:
- 22
- 23 (1) Seven (7) Grams of Medical Cannabis, three (3) Grams of Medical Cannabis
- 24 Concentrate, and five hundred (500) milligrams of Medical Cannabis Products to a
- 25 Qualified Patient that is not a resident of the USVI.
- 26
- 27 (2) One (1) ounce of Medical Cannabis, ten (10) Grams of Medical Cannabis Concentrate.,
- 28 and two thousand (2,000) milligrams of Medical Cannabis Products to a Qualified Patient
- 29 that is a resident of the USVI.
- 30
- 31 (k) A Medical Cannabis Dispensary shall not intentionally or knowingly sell Medical
- 32 Cannabis to a Qualified Patient that will be resold or transported out of the Territory.
- 33
- 34 (l) Prior to completing the sale of an Edible Medical Cannabis Product to a Qualified Patient,
- 35 the individual that completes the sale must inform the purchaser: *"A standard serving of*
- 36 *edible Medical Cannabis is ten (10) milligrams of THC, though many consumers prefer*
- 37 *five (5) milligrams or less. Please review the product labeling to ensure you consume only*
- 38 *your desired amount. The effects of edible Medical Cannabis can take two (2) or more*
- 39 *hours to take effect."*
- 40
- 41 (m) A Medical Cannabis Dispensary may deliver Medical Cannabis Items to Qualified Patients,
- 42 in accordance with regulations adopted by the OCR.
- 43
- 44 (n) OCR shall implement a Responsible Vendor Training Program, which shall be required of
- 45 all employees that work at a Medical Cannabis Dispensary Licensees business prior to any
- 46 employees first day of work.

1
2 (o) A Medical Cannabis Dispensary Licensee must purchase or acquire a portion of its
3 Cannabis from Micro-Cultivation Permittees.

4
5 (1) The OCR shall, at its discretion, set this percentage at between ten percent (10%)
6 and fifty percent (50%) of all Cannabis purchased or acquired by a Medical
7 Cannabis Dispensary Licensee.

8
9 (2) The OCR shall determine the sourcing requirement based on factors that include,
10 but need not be limited to, the projected demand for Medical and non-Cannabis
11 Items in the USVI, testing passage rates of Micro-Cultivation Permittees and
12 projected amount of Cannabis produced by Cannabis Licensee and Micro-
13 Cultivation Permittees.

14
15 (3) The OCR may suspend or amend the Micro-Cultivation sourcing requirement if it
16 finds that there will be insufficient or inferior production by Micro-Cultivation
17 Permittees for Cannabis Production Licensees to meet the established percentage
18 requirement.

19
20 **§794. Micro-Cultivation Permit**

21
22 (a) A Micro-Cultivation Permittee may cultivate, cure, process, and store Cannabis and sell,
23 transfer, and transport Cannabis to Cannabis Licensees.

24
25 (b) A Micro-Cultivation Permit shall only be issued to a person who is a farmer licensed with
26 the Department of Agriculture and the Department of Licensing and Consumer Affairs.

27
28 (c) An individual may not possess more than one (1) Micro-Cultivation Permit and no more
29 than one (1) Micro-Cultivation Permit may be issued for a single address.

30
31 (d) A Micro-Cultivation Permittee must be at least twenty-one (21) years of age.

32
33 (e) A Micro-Cultivation Permittee shall not cultivate Cannabis Plants for commercial use
34 outside of its designated Micro-Cultivation Site. A Micro-Cultivation Permittee may only
35 sell Cannabis that was harvested from Cannabis Plants cultivated within its Micro-
36 Cultivation Site and in accordance with all applicable laws and regulations.

37
38 (f) A Micro-Cultivation Permittee may not hold an interest in any other Cannabis Business
39 License. An Owner of a Cannabis Business License may not hold a Micro-Cultivation
40 Permit.

41
42 (g) A Micro-Cultivation Permittee may cultivate no more than fifty (50) Flowering Cannabis
43 Plants and no more than two hundred (200) Immature Cannabis Plants at a single time.

44
45 (h) A Micro-Cultivation Permit may not be possessed by an individual who:
46

- 1 (1) Has discharged the sentence for a conviction for a Crime of Violence in the ten (10)
2 years immediately preceding the individual application date or is convicted of a Crime
3 of Violence or Drug Felony while in possession of a Micro-Cultivation Permit; or
4
- 5 (2) Has been convicted of selling Cannabis to a Person other than a Cannabis Cultivation
6 Licensee while in possession of a Micro-Cultivation Permit.
7
8
- 9 (i) As part of its books and records, a Micro-Cultivation Permittee shall track all Cannabis
10 cultivated for commercial use pursuant to its Micro-Cultivation Permit from seed or
11 immature plant through sale to a Cannabis Licensee. The records shall include the total
12 number of vegetative plants, flowering plants, the harvest date of Flowering Cannabis
13 Plants, and any other record keeping requirements as determined by the OCR, necessary to
14 prevent diversion and protect public safety, that would not make operations unreasonably
15 impracticable for a Micro-Cultivation Permittee.
16
- 17 (j) A Micro-Cultivation Permittee shall only cultivate Cannabis in an enclosed and locked
18 space, which may be outdoors and does not need a roof. The OCR may impose additional
19 security requirements upon Micro-Cultivation Permittees that are necessary to prevent
20 diversion and protect public safety but would not make it unreasonably impracticable to
21 operate a Micro-Cultivation Permit.
22
- 23 (k) A Micro-Cultivation Permittee may not cultivate Cannabis within fifteen (15) feet of a
24 property line.
25
- 26 (l) A Micro-Cultivation Permittee may transport Cannabis in accordance with rules
27 established by the OCR. Such rules shall include but are not limited to, requirements for
28 storage, documentation, and contacting the OCR or other governmental authority prior to
29 commencing transportation.
30
- 31 (m) The OCR shall consider the feasibility, demand, and public safety concerns for Micro-
32 Cultivation Permits to be authorized to produce edible and topical medical Cannabis
33 products.
34
- 35 (1) The OCR shall publish a report on whether such Micro-Cultivation Permits should be
36 issued no later than three (3) years after the effective date of this chapter.
37
- 38 (2) Notwithstanding any other law, rule, or regulation, a Micro-Cultivation permittee shall
39 not manufacture Medical Cannabis Concentrates using solvents or in a manner that
40 poses harm to others.
41
- 42 (n) The OCR may consider the feasibility and demand for Micro-Cultivation Permits
43 authorized to cultivate up to one hundred (100) Flowering Cannabis Plants in non-
44 residential areas. The OCR shall publish a report on whether such Micro-Cultivation
45 Permits should be issued no later than three (3) years after the effective date of this Code
46

1 **§795. Non-Certified Use**
2

3 (a) Notwithstanding any other law or regulation, a Person in possession of a valid Non-
4 Certified Use Permit is authorized to undertake the restricted consumption of Cannabis
5 Items in an on-site Non-Certified Use Designated Consumption Area licensed and
6 authorized by the OCR, provided such use conforms to this Chapter and any regulations
7 adopted thereto.
8

9 (b) The consumption of Cannabis Items within a Non-certified Use Permit Designated
10 Consumption Area in accordance with this article shall not be grounds for suspension,
11 revocation, non-renewal, or any other disciplinary action against any overlapping License
12 or Permit validly issued pursuant to the Virgin Islands Code.
13

14 (c) Notwithstanding any other law to the contrary, it shall be lawful to operate, or to consume
15 or use cannabis in or within, an adult use lounge provided that:

16 (1) the adult use lounge has received a permit from the OCR;

17 (2) no person under the age of 21 years old is permitted to enter, or remain in or upon, an
18 adult use lounge;

19 (3) except as provided in subsection (d), there shall be no sale of cannabis, commercial
20 cannabis products, or commercial cannabis accessories in or within the adult use lounge.

21 (d) Notwithstanding any other provision of this section, an adult use lounge may be operated
22 within, adjacent to or within one hundred (100) feet of a commercial Medical Cannabis
23 Dispensary licensed pursuant to this chapter, in which case the sale of cannabis,
24 commercial cannabis products, and commercial cannabis accessories shall be permitted
25 only by the commercial cannabis dispensary or employees or agents thereof.

26 (e) A Non-certified Use Permittee shall not sell, transfer, or distribute Cannabis Items within the
27 premises to which its valid Non-certified Use Permit is issued. Similarly, a Non-certified Use
28 Permittee shall take reasonable measures to prevent the unauthorized sale or transfer of
29 Cannabis for remuneration by others in and around the premises for which its Non-certified
30 Use Permit or has been issued; unless such sale or transfers is a delivery made pursuant to a
31 valid Medical Cannabis Dispensary License.
32

33 (f) The consumption of Medical Cannabis Items pursuant to a valid Non-Certified Use Permit
34 shall only be permitted in the Designated Consumption Area, subject to any operational or
35 other restrictions on Cannabis consumption placed upon the Non-Certified Use Permit
36 pursuant to this Chapter and regulations adopted thereto.
37

38 (g) At all times when the consumption of Cannabis Items is permitted within a Designated
39 Consumption Area, the Permit holder shall possess and maintain possession of the premises
40 by ownership, lease, rental, or other bona fide arrangement for possession of the designated
41 consumption area; or the Permit holder shall have permission to use the premises to allow
42 cannabis consumption from a Person who is the lawful owner of the property where the

1 designated consumption area is located.
2

- 3 (h) The consumption of Cannabis Items by smoking must occur in accordance with The Virgin
4 Islands Smoke-free Act. Vaporizing Cannabis Items shall not be considered smoking for
5 the purposes of this Chapter or The Virgin Islands Smoke-free Act.
6
- 7 (i) An individual shall not be permitted within the Designated Consumption Area unless the
8 Cannabis Use Permittee confirms that the individual is a Qualified Patient, Non-certified
9 Use Permittee, and at least twenty-one (21) years of age.
10
- 11 (j) Designated consumption areas must be clearly marked with conspicuous signage
12 measuring not less than forty (40) square inches in size that includes the statement
13 "CANNABIS CONSUMPTION AREA - ACCESS RESTRICTED" in all uppercase
14 letters not less than one (1) inch high.
15
- 16 (k) The Permit holder shall ensure that the consumption of inhaled Medical Cannabis Items
17 occurring at the street level is not visible from a public right-of-way or a place where
18 children congregate. The Permit holder shall make reasonable accommodations to ensure
19 that Persons immediately outside of a designated consumption area are not subject to
20 Cannabis odor caused by Cannabis consumption occurring within a designated
21 consumption area.
22
- 23 (l) Non-Certified Use Permittees shall be subject to the same advertising restrictions as
24 Cannabis Business Licensees.
25
- 26 (m) A Non-certified Use Permittee shall not locate a Licensed Premises within one thousand
27 (1000) feet of a school and within one hundred (100) feet of a house of worship
28 PROVIDED HOWEVER
29
- 30 (1) A Non-certified Use Permittee shall not be required to relocate if its premises were not
31 located within one thousand (1000) feet of a school and within one hundred (100) feet
32 of a house of worship on the date the Non-certified Use Permittee filed its application
33 for licensure or change of location to its current address.
34
- 35 (2) The OCR may adopt regulations for Non-certified Use Permits located in the Charlotte
36 Amalie, Christiansted, and Frederiksted Historic Districts and the town of Cruz Bay
37 that impose additional requirements on licensees, such as security, odor control, and
38 community engagement. If such regulations are adopted, the OCR can waive or reduce
39 the distance requirements in this section for Non-prescription Use Permits located in
40 the Charlotte Amalie, Christiansted, and Frederiksted Historic Districts and the town
41 of Cruz Bay.
- 42 (3) A Non-certified Use Permittee shall not be within one thousand (1,000) feet of any
43 cruise ship dock in Charlotte Amalie (Havensight or Crown Bay) in St. Thomas and
44 within five hundred (500) feet of primary cruise ship dock in Frederiksted and within
45 five hundred (500) feet of cruise line tender pier in Cruz Bay on the date, the Non-
46 Certified Use Permittee filed its application for licensure or change of location to its

1 current address.

2
3 (n) A designated consumption area shall not require specific zoning permits and shall be
4 permitted in any zone lot where the underlying business or event is permitted.
5

6 (o) A Non-Certified Use Permittee shall not be permitted to cultivate any cannabis plants.

7 **§796. Sacramental Usage**

8 It shall not be unlawful for persons over age twenty-one (21) of an organized religion or faith in
9 the sincere exercise of their religion to consume or cultivate Cannabis or Cannabis derived
10 products as part of their religious or sacramental rituals PROVIDED:

11 (a) Such religious grouping is an organized and registered non-profit organization under the
12 laws of the Virgin Islands and maintains its status in good standing;
13

14 (b) Such religious grouping shall not engage in any commercial activities involving Cannabis
15 or Cannabis derived products;
16

17 (c) Any use and non-commercial cultivation of Cannabis shall occur within a restricted area
18 on land registered to the religious grouping's non-profit organization, complying with all
19 applicable cultivation regulations;
20

21 (d) Production limits for Cannabis cultivation by registered religious groupings under this
22 Section shall be determined by the OCR based on documented membership population
23 size and shall not exceed that of any other Cannabis Licensee;
24

25 (e) Such use shall not endanger public health and safety;
26

27 (f) Such use shall not violate the provisions of Title 19 VI Code Chapter 53A as to smoking
28 in public places; and
29

30 (g) The OCR shall establish regulations for Sacramental Cannabis purchase and use.

31
32 All other uses for assertedly religious or sacramental purposes shall be subject to the provisions
33 of this Act and to all other applicable laws.

34 **§797. Cannabis Research and Development License**
35

36 (a) A Cannabis Research and Development Licensee shall be authorized by the OCR to
37 purchase Cannabis Items from Cannabis Licensees or Micro-Cultivation Permittees;
38 internally test, package and label Cannabis Items; store, sell, purchase, transfer, and
39 transport Cannabis Items to and from other Cannabis Licensees in accordance with
40 the limitations in this chapter and regulations promulgated by the OCR.

- 1
2 (b) A Cannabis Research and Development Licensee shall not locate a Licensed Premises
3 within one thousand (1,000) feet of a school and within one hundred (100) feet house
4 of worship PROVIDED HOWEVER
5
6 (1) A Cannabis Research and Development Licensee shall not be required to relocate
7 if its premises was not located within one thousand (1,000) feet of a school or house
8 of worship on the date the Cannabis Cultivation Licensee filed its application for
9 licensure or change of location to its current address.
10
11 (2) The OCR may adopt regulations for Cannabis Research and Development
12 Licensees located in the Charlotte Amalie, Christiansted, and Frederiksted Historic
13 Districts and the town of Cruz Bay that impose additional requirements on
14 licensees, such as security, odor control, and community engagement including, but
15 not limited to signage and fencing. If such regulations are adopted, the OCR can
16 waive or reduce the distance requirements in this section for Cannabis Research
17 and Development Licenses located in the Charlotte Amalie, Christiansted, and
18 Frederiksted Historic Districts and the town of Cruz Bay.
19
20 (3) A Cannabis Research and Development Licensed premises shall not be within one
21 thousand (1,000) feet of a cruise ship dock in Charlotte Amalie (Havensight) or
22 Crown Bay in St. Thomas and within five hundred (500) feet of primary cruise ship
23 dock in Frederiksted and within five hundred (500) feet of a primary cruise ship
24 tender pier in Cruz Bay
25
26 (c) A Cannabis Research and Development Licensee may also operate as a Cannabis
27 testing facility as described in Section 777 (a) (9) (xii) and Section 777 (c)(2).
28
29 (d) A Cannabis Research and Development Licensee shall be authorized to conduct
30 experiments and testing on every form and derivative of Cannabis, including live
31 plants, fresh and dried plant material, seeds, wax, oil and edible manufactured items.
32
33 (e) Any animal or human testing trial undertaken by a Cannabis Research and
34 Development Licensee must submit a detailed plan and receive the explicit written
35 permission from the Commissioner or Assistant Commissioner of the Department of
36 Health.
37
38 (f) A Cannabis Research and Development Licensee may cultivate Immature Cannabis
39 Plants and Flowering Cannabis Plants within production limits set by the OCR.
40
41 (g) A Cannabis Research and Development Licensee may sell seeds and Immature
42 Cannabis Plants to Cannabis Dispensaries, Cannabis Cultivation Licensees, and
43 Micro-Cultivation Permittees. Information on all sales transactions and quantities of

1 seeds and Immature Cannabis Plants to Cannabis Licensees shall be transmitted to the
2 OCR for inclusion in the Inventory Tracking System as provided by Section 790 of
3 this Chapter.
4

5 (h) A Cannabis Research and Development Licensee shall not sell Flowering Cannabis
6 Plants or any Cannabis items to other Cannabis Licensees other than seeds and
7 Immature Cannabis Plants. Any other plant material, including Cannabis flower, in
8 excess of what is needed for research and testing, shall be destroyed by a method
9 approved by the OCR. Medical grade Cannabis oils and other Cannabis items may be
10 donated and delivered to the Department of Health, upon favorable response to a
11 donation request.

12 (i) A Cannabis Research and Development Licensee that includes a Cannabis testing
13 facility shall not hold any other Cannabis business license or permit. Nothing shall in
14 this Chapter shall preclude a Cannabis Research and Development Licensee that does
15 not operate a Cannabis testing facility from holding a different Cannabis license or
16 permit.
17

18 **§798. Tax Incentive Benefits Qualification for Cannabis Research and Development and**
19 **Technology and Enterprise Zone Business Program**
20

21 Unless otherwise prohibited by law, it is the intent of the Legislature of the Virgin Islands that any
22 Cannabis Research and Development Licensee shall be eligible for the tax and other benefits
23 provided under the University of the Virgin Islands Research and Technology Park Corporation
24 Act, 17 V.I.C. § 480 *et. seq.*, provided that such business or enterprise would otherwise qualify for
25 such benefits under the provisions of the University of the Virgin Islands Research and Technology
26 Park Corporation Act, 17 V.I.C. § 480 *et. Seq.*
27

28 Unless otherwise prohibited by law, it is the intent of the Legislature of the Virgin Islands that any
29 Cannabis Business or other business enterprise related to Cannabis or to a Cannabis Business shall
30 be eligible for the tax and other benefits provided under the Enterprise Zone Program Act, 29
31 V.I.C. Chapter 19, provided that such business or enterprise would otherwise qualify for such
32 benefits under the provisions of the Enterprise Zone Program Act, 29 V.I.C. Chapter 19, and any
33 regulations promulgated thereunder for research and development and technology development
34 and other knowledge-based purposes and uses or uses or activities within an Enterprise Zone.
35

36 **798A. Promotion of Cannabis Research and Development.**

37 (a) The Board in conjunction with the University of the Virgin Islands shall promote the
38 research and development within the Virgin Islands of Cannabis and related products and
39 technology. The Board shall work cooperatively with research programs established by the
40 University of the Virgin Islands and other universities that conduct similar research
41 programs.

42 (b) The University of the Virgin Islands and other selected universities in their Cannabis
43 research programs shall undertake research of Cannabis production, Cannabis Items and

1 other related products and technology in the Virgin Islands, including but not limited to
2 Cannabis cultivation, manufacture, distribution, and use. The Board shall assist the
3 Cannabis research program in obtaining the necessary federal permits from the United
4 States Drug Enforcement Agency or appropriate federal agency. In undertaking the
5 Cannabis research program, the universities may:

6 (1) Grow Cannabis to conduct agronomy research and analysis of required soils,
7 growing conditions, and harvest methods relating to the production of Cannabis for
8 commercial products, including but not limited to Cannabis seed or strains of Cannabis,
9 Cannabis Items, edibles, and oils;

10 (2) Conduct seed research on various types of Cannabis which are best suited for
11 growing in the Virgin Islands, including but not limited to, seed availability, creation of
12 Virgin Islands hybrid types, in-the-ground variety trials, and seed production. The THC
13 levels of such research product may exceed 0.3 percent;

14 (3) Study the economic feasibility of developing a Cannabis market in various types
15 of Cannabis which can be grown in the Virgin Islands;

16 (4) Report on the estimated value-added benefits, including environmental benefits
17 that the Virgin Islands and state-side businesses would reap by having a Cannabis market
18 of Virgin Islands-grown Cannabis varieties in the Territory;

19 (5) Study the agronomy research being conducted worldwide relating to industrial
20 Cannabis varieties, production, and utilization;

21 (6) Research and promote Virgin Islands Cannabis and Cannabis seed on the world
22 market, which can be grown on farms in the Territory; and

23 (7) Study the feasibility of attracting private funding for the Virgin Islands
24 Cannabis research program.

25 (c) The authorization granted in this section does not subject the Cannabis research
26 program or the selected universities wherever they are located to any criminal liability
27 under the controlled substances laws of the Virgin Islands. This exemption from criminal
28 liability is a limited exemption to be strictly construed and does not apply to any of the
29 activities of the Cannabis research program or the selected universities which are not
30 expressly permitted in the authorization.

31 (d) The authorization granted in this section does not alter, amend, or repeal by implication
32 any provision of the laws of the Virgin Islands relating to controlled substances.

33 (e) The University of the Virgin Islands and the Board shall notify the Virgin Islands Police
34 Department and all other local law enforcement agencies of the duration, size, and location
35 of all Cannabis plots.

36 **§799. Special Cannabis Fund**
37

1 (a) There is hereby created within the Treasury of the Virgin Islands a special fund to be known
2 as the "Cannabis Fund" (hereinafter, referred to as the "Cannabis Fund"). All funds
3 collected by the OCR shall be deposited into the Cannabis Fund. The USVI Legislature,
4 subject to the provisions of Section 799, shall appropriate funds from the Cannabis Fund
5 for the following purposes:

- 6
- 7 (1) To ensure the continuing and effective operation of the OCR;
- 8
- 9 (2) In collaboration with the University of the Virgin Islands and/or the Department of
10 Agriculture, establish a testing facility for Cannabis and Industrial Hemp on each of
11 the three island districts, to replace the interim third-party testing facility contracted by
12 the OCR and/or the Industrial Hemp Commission.
- 13
- 14 (3) To create a grant program to provide business incubation and micro-lending services
15 to Micro-Cultivation Permittees; and
- 16
- 17 (4) To establish a job training program for residents of the Territory interested in pursuing
18 work or careers in the Cannabis industry.
- 19
- 20 (5) To establish programs designed to educate and prevent substance abuse and support
21 individuals afflicted with substance abuse issues; and
- 22
- 23 (6) To establish sponsored research on the potential medical efficacy of Cannabis and the
24 potential negative consequences associated with Cannabis use.

25 **§800. Taxes**

26

27 (a) A Cannabis Dispensary shall levy a special sales tax of no less than twenty-five percent
28 (25%) on all sales of Cannabis Items to any Qualified Patient and Non-Certified User who
29 is not a resident of the Territory; and a special sales tax of no less than seven and one half
30 percent (7.5%) on all sales of Cannabis Items to Qualified Patients and Non-Certified Users
31 who are residents of the Territory. Qualified Patients who are residents of the Territory and
32 who validly possess a Medical Cannabis Registry Card issued by the OCR shall be exempt
33 from the special sales tax.

- 34
- 35 (1) Seventy-five percent (75%) of the revenues collected pursuant to this tax shall be
36 deposited to the Government Employees Retirement Service.
- 37
- 38 (2) Twenty percent (20%) of the revenues collected pursuant to this tax shall be deposited
39 with and allocated to the OCR to fund the operations required by this chapter.
- 40
- 41 (3) Five percent (5%) of the revenues collected pursuant to this tax shall be disbursed from
42 the Cannabis Fund to the OCR for the specific purposes of Cannabis industry
43 education, job training and micro-lending programs for VI residents and Micro-
44 Cultivator Permittees as described in § 799(a)(3)(4).
- 45

- 1 (4) The OCR may recommend adjustments to the tax rate to the Legislature from time to
2 time.
3
- 4 (b) A Cannabis Cultivation Licensee shall pay a Fifty Cent (\$0.50) sales tax per gram of
5 Cannabis cultivated on their Licensed Premises that is transferred to another Licensee.
6
- 7 (1) Seventy-five percent (75%) of the revenues collected pursuant to this tax shall be
8 deposited with the Government Employees Retirement Service.
9
- 10 (2) Twenty percent (20%) of the revenues collected pursuant to this tax shall be deposited
11 with and allocated to the OCR to fund the operations required by this chapter.
12
- 13 (3) Five percent (5%) of the revenues collected pursuant to this tax shall be disbursed
14 from the Cannabis Fund to the Department of Human Services to administer such funds
15 for youth-related and/or senior citizen projects.
16
- 17 (4) The OCR may recommend adjustments to the tax rate to the Legislature from time to
18 time.
19
- 20 (c) Unless otherwise prohibited by law, in computing net income for Cannabis Businesses
21 pursuant to Virgin Islands law, there shall be allowed as a deduction from all the ordinary
22 and necessary expenses paid or incurred during the taxable year in carrying on a trade or
23 business as a Cannabis establishment, including reasonable allowance for salaries or other
24 compensation for personal services actually rendered, against such Cannabis Business'
25 income tax return payable to the government.
26

27 **§801. Fees** 28

- 29 (a) The OCR shall promulgate regulations establishing reasonable fees for applications,
30 licenses, permits, and Medical Patient Registry Cards. All fees must be based upon the
31 actual costs incurred by the OCR for reviewing an application or overseeing a License on
32 an annual basis. The revenue from all Fees shall be deposited in the Cannabis Fund.
33
- 34 (b) The OCR shall establish reasonable, nonrefundable fees that must accompany an initial
35 application for a permit, license, or Medical Patient Registry Card. Application fees shall
36 reflect the full costs associated with the OCR's review of applications. In regulations, the
37 OCR may render a partial amount of application fees refundable for declined applications.
38
- 39 (c) The OCR shall establish reasonable fees that must be paid by the holder of a permit, license,
40 or Medical Patient Registry Card on an annual basis. Fees shall be established on a sliding
41 scale so as to account for varying levels of production, as established by the OCR. Such
42 fees shall not exceed:
43
- 44 (1) One Thousand Dollars (\$1,000.00) for a Micro-Cultivation Permit
45 (2) One Thousand Dollars (\$1,000.00) for a Non-Certified Use Permit
46 (3) Twenty-thousand Dollars (\$20,000.00) for a Cannabis Cultivation License

- (4) Fifty-thousand Dollars (\$50,000.00) for a Cannabis Dispensary License
- (5) Ten-thousand Dollars (\$10,000.00) for a Cannabis Manufacturing License
- (6) Fifty Dollars (\$50) for a Medical Patient Registry Card
- (7) Twenty-five Dollars (\$25) for an Adult Use Permit

(d) The OCR shall establish reasonable fees that must be paid by the holder of a Permit or License when submitting a change of ownership, change of location, or modification of licensed premises.

(e) All such fees shall be included in regulations to be promulgated by the OCR and may be adjusted by the OCR from time to time by amendment to these regulations.

§802. 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 representatives. The OCR may require any Licensee or Permittee to furnish such information as it considers necessary for the proper administration of the Chapter.

(b) The Licensed Premises shall be subject to inspection by the OCR 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, access shall be required during business hours. Where any part of the licensed premises consists of a locked area, upon demand to the Licensee, such area shall be made available for inspection without delay.

(c) Each Licensee shall retain all books and records necessary to show fully the business transactions of the Licensee for a period of the current tax year and the immediately prior seven (7) tax years.

§803. Suspension, 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 a public hearing at which the Licensee shall be afforded an opportunity to be heard, to suspend or revoke a License issued by the OCR for a violation by the Licensee or by any of the agents or employees of the Licensee of the provisions of this chapter, or any of the rules promulgated pursuant to this chapter, or of any of the terms, conditions, or provisions of the License 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 at the address contained in the license. A suspension

1 shall not be for a longer period than six (6) months. If a License is suspended or revoked,
2 no part of the fees paid therefore shall be returned to the Licensee.
3

4 (c) Any License or Permit may be summarily suspended by the OCR without notice pending
5 any prosecution, investigation, or public hearing for public safety purposes and the
6 Licensee shall be entitled to due process subsequent to the suspension.
7

8 (d) The OCR may enter into a stipulated settlement with a Licensee in lieu of going to a public
9 hearing. The stipulated settlement may contain any of the following: admission(s) by the
10 Licensee of violation(s) of rules or statutory provisions, the suspension of a license, that a
11 suspension be held in abeyance pending no further violation(s) as specified and agreed to
12 by the parties, a fine imposed against the Licensee, and/or any other terms agreed to by the
13 OCR and Licensee.
14

15 (e) Cash payments of fines described herein shall not be accepted by the OCR. The fine shall
16 be paid into the Cannabis Fund.
17

18 **§804. Unlawful Acts and Violations** 19

20 (a) It shall be unlawful for any Person to engage in any form of business or commerce
21 involving the cultivation, processing, manufacturing, storage, sale, distribution, or
22 consumption of Cannabis other than those forms of businesses and commerce that are
23 expressly contemplated by this Act.
24

25 (b) It is unlawful for a Licensee to buy, sell, transfer, give away, or acquire Medical or non-
26 medical Cannabis except as allowed pursuant to this chapter.
27

28 (c) A cardholder or medicinal Cannabis establishment that willfully fails to provide a notice
29 required by section 782 of this chapter is civilly liable for the infraction, subject to a fine
30 of not more than \$150.
31

32 (d) In addition to any other penalty applicable in law, a Cannabis Business or an agent of a
33 Cannabis Business who intentionally sells or otherwise transfers cannabis in exchange for
34 anything of value to a person other than a cardholder, a nonresident cardholder, other
35 legally authorized business or user or agent is guilty of a felony punishable by
36 imprisonment for not more than two years or by payment of a fine of not more than \$3,000,
37 or both. A person convicted under this subsection may not continue to be affiliated with
38 the Cannabis Business and is disqualified from further participation under this chapter.
39

40 (e) In addition to any other penalty applicable in law, a cardholder or nonresident cardholder
41 who intentionally sells or otherwise transfers Cannabis in exchange for anything of value
42 to a person other than a cardholder, a nonresident cardholder, or to a legally licensed
43 Cannabis Business or its agent is guilty of a misdemeanor punishable by imprisonment
44 for not more than one year or by payment of a fine of not more than \$1,000, or both.
45

46 (f) A person who intentionally makes a false statement to a law enforcement official about

1 any fact or circumstance relating to the medical or non-medical use of Cannabis to avoid
2 arrest or prosecution is guilty of a misdemeanor punishable by imprisonment for not more
3 than 90 days or by payment of a fine of not more than \$1,000, or both. This penalty is in
4 addition to any other penalties that may apply for making a false statement or for the
5 possession, cultivation, or sale of Cannabis not protected by this chapter.
6

7 (g) A person who knowingly submits false records or documentation required by the OCR to
8 certify a Cannabis Business under this chapter is guilty of a felony and may be sentenced
9 to imprisonment for not more than two years or by payment of a fine of not more than
10 \$3,000, or both.
11

12 (h) A practitioner who knowingly refers patients to a Medical Cannabis establishment or to a
13 Designated Caregiver, who advertises in a Medical Cannabis Business, or who issues
14 written certifications while holding a financial interest in a Medical Cannabis Business
15 shall be fined up to \$1,000.
16

17 (i) It shall be unlawful for a practitioner who recommends the use of Medical Cannabis,
18 provides Qualified Patients with Medical Cannabis Certification Forms, or refers patients
19 to Medical Cannabis Dispensaries to receive anything of value from a Medical Cannabis
20 Licensee or its agents, servants, officers, or owners or anyone financially interested in the
21 Licensee, and it shall be unlawful for a Licensee licensed pursuant to this chapter to offer
22 anything of value to a practitioner for the same.
23

24 (j) It is a misdemeanor punishable by up to 180 days in jail and a \$1,000 fine for any person,
25 including any employee or official of the OCR or another territorial agency, to breach the
26 confidentiality of information obtained pursuant to this chapter.
27

28 (k) A Cannabis Business shall be fined up to \$1,000 for any violation of this chapter, or the
29 regulations issued pursuant to this chapter where no penalty has been specified. This
30 penalty is in addition to any other penalties applicable in law. Further, the OCR will have
31 the authority to require a Person convicted for unlawful acts pursuant to this section to
32 become unaffiliated with the relevant Cannabis Business and disqualify him or her from
33 further participation under this chapter.
34

35 (l) It shall be an independent violation of this chapter and grounds for an independent
36 enforcement action or imposition of other disciplinary measures, in the discretion of the
37 OCR, for any Person or Licensee to attempt to avoid or circumvent any of the
38 requirements or limitations contained in this chapter.
39

40 **§805. Limitations**

41

42 (a) This chapter does not authorize any Person to engage in, and does not prevent the
43 imposition of any civil, criminal, or other penalties for engaging in, the following conduct:
44

45 (1) Undertaking any task under the influence of cannabis, when doing so would constitute
46 negligence or professional malpractice;

- 1
2 (2) Possessing cannabis or otherwise engaging in the medical use of cannabis in any
3 correctional facility;
4
5 (3) Consuming Cannabis while operating any form of public transportation or in any public
6 place or any place that is open to public use, unless the location possesses a valid Non-
7 Certified Use Permit and the consumption occurs in accordance with applicable laws
8 and regulations; or
9
10 (4) Operating, navigating, or being in actual physical control of any motor vehicle, aircraft,
11 train, or motorboat while under the influence of Cannabis, except that a registered
12 Qualified Patient or nonresident cardholder shall not be considered to be under the
13 influence of Cannabis solely because of the presence of metabolites or components of
14 cannabis that appear in insufficient concentration to cause impairment.

15 **§ 806. Addition of debilitating medical conditions**

16 Any resident of the Virgin Islands may petition the OCR to add serious medical conditions or their
17 treatments to the list of debilitating Qualified Medical Conditions listed herein or established by
18 regulations. Such a petition must be accompanied by a certification of the nature of such medical
19 conditions and the benefit that would be derived from the use of Cannabis. The OCR shall consider
20 petitions in the manner required by OCR regulation, including public notice and hearing. The OCR
21 shall approve or deny a petition not later than 60 days after its submission. If the petition is denied,
22 the petitioner may file an administrative appeal, as more fully described in regulations, and provide
23 notice that an appeal has been filed with the OCR no later than 30 days after the denial. The
24 approval or denial of any timely filed appeal is a final decision of the OCR, subject to judicial
25 review. Jurisdiction and venue are vested in the Superior Court of the Virgin Islands.

26 **§807. Severability**

27
28 Any section of this chapter held invalid as to any Person or circumstance shall not affect the
29 application of any other section of this chapter that can be given full effect without the invalid
30 section or application.
31

32 **SECTION 2.** Title 5, Virgin Islands Code section 3561 is hereby amended by inserting the words
33 "(health inspectors of the Virgin Islands Department of Health include inspectors and regulatory
34 enforcement officials of the OCR)" after "health inspectors of the Virgin Islands Department of
35 Health".
36

37 **SECTION 3.** There is hereby appropriated the sum of One Million Dollars (\$1,000,000.00) for
38 the operations of the Office of Cannabis Regulation for its first two (2) years of operation, which
39 sum shall be used until expended.
40

41 **SECTION 4.** Title 19 of the Virgin Islands Code, Part III, Chapter 29, § 607a is hereby amended
42 by adding the following after subsection (h):

1 “(i) Notwithstanding any other provision of this chapter, possession of cannabis or a
2 commercial cannabis product, or operation of a commercial cannabis establishment, or any other
3 act pursuant to and compliant with the terms of Chapter 34 of Title 19 shall not constitute a
4 violation of this chapter.”
5

6 **SECTION 5.** Title 5 VI Code Section 3731 is hereby amended to insert the definition of “Auto-
7 Expungement Report” as follows: “Auto-Expungement Report” means a report resulting from the
8 review of criminal records of individuals convicted of Cannabis related crimes and identifying
9 persons who are qualified for expungement of records and offenses, as determined by the Auto-
10 Expungement Report and subsequent amendments issued by the Office of Cannabis Regulation
11 and for which no response from the Department of Justice is required.
12

13 **SECTION 6.** Title 5 VI Code Section 3732 is hereby amended to add the following provision:
14 “(5) A person has been identified and recommended for expungement of eligible offenses in an
15 Auto-Expungement Report of the Office of Cannabis Regulation pursuant to Title __ VI Code
16 Section 777; and the Office of Cannabis Regulation has submitted its Report as a petition for
17 expungement.
18

19 **SECTION 7.** Title 5 VI Code Section 3735(c) is hereby amended to insert at the beginning,
20 “Except for a petition filed pursuant to the an Auto-Expungement Report.”
21
22
23

BILL SUMMARY

24 This Bill seeks to amend the Virgin Islands Medicinal Cannabis Patient Care Act by
25 expanding on the definitions, protections, and rights granted by the Act. The Bill develops the Act
26 to further empower the Board in their tasks to provide a comprehensive cannabis program while
27 protecting the people of the Virgin Islands and their rights. The bill also provides for additional
28 sources of taxes and fees to the Government of the VI to strengthen the program and the VI
29 economy.

30 As amended the Act will strengthen the support intended to local farmers, small business
31 owners, GERS/retirees, medicinal and sacramental users, and the tourism industry by recognizing
32 cultural and sacramental uses, creating business ownership and financial opportunities for local
33 Virgin Islanders, increasing revenue to the GVI by enabling sales to tourists, and funding the
34 Government Employee Retirement System (GERS).
35