December 2, 2019

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

Re: Call for Special Session – December 18, 2019

Dear Mr. President:

Pursuant to Section 7 of the Revised Organic Act of 1954, as amended, I hereby call the Thirty-Third Legislature of the United States Virgin Islands into Special Session to be held on Wednesday December 18, 2019 for the purpose of considering the attached proposed measure to amend Title 19, Virgin Islands Code, Chapter 34.

In enacting Bill No. 32-0135, the Thirty-Second Legislature established a basis for moving forward with the legalization of medical cannabis in the United States Virgin Islands. However, since the enactment of Bill 32-0135, the support throughout the United States for the decriminalization of marijuana and use of marijuana beyond the medical practice has grown, precipitating a need for further amendments and refinements to the Virgin Islands’ cannabis program from the Legislature.

Bringing together the elements of improving the existing legislation; providing more comprehensive regulatory controls; enabling the generation of larger tax and fee revenues; and moving with the general trends across the United States and the U.S. Congress, I am today presenting to the Thirty-Third Legislature a substantially amended and expanded Virgin Islands Cannabis Use Act for its consideration and approval.

There is clearly a need to ensure that the Office of Cannabis Regulation, other Government agencies, residents, and guests have a regulatory program that can be effectively enforced. Likewise, implementing a cannabis use program without enabling “Non-prescription Use” would have produced
a very limited revenue stream that would not have supported the program. Therefore, this revision of the Virgin Islands cannabis program not only enables the acquisition of a much larger stream of tax revenues and fees, but also establishes a direct revenue stream to benefit much needed payment into the Government Employees Retirement System deficit by payment of 75% of the tax and fee revenues to the GERS.

We have incorporated a new provision for a review of all Marijuana/Cannabis possession convictions for potential expungement with the implementation of this Bill. This provision is not only consistent with the intent of this Bill but with the existing provisions for simple possession of Cannabis.

As of June 25, 2019, 14 states and territories have approved adult-use cannabis. Since 1996, when California became the first state in the union to allow for medical use of marijuana 32 more states, the District of Columbia, Guam, Puerto Rico, and the U.S. Virgin Islands have enacted similar laws. In 2017, in Colorado where an adult use and medical marijuana programs exist, a total of $1.5 Billion dollars in marijuana sales were made, and the Colorado Government made nearly $250 million in revenue from taxes, licenses, and fees. As featured in the map and chart below, the general trend has been to move towards expanding cannabis programs in all states and territories and this has grown the marijuana industry exponentially in the last few years.
Furthermore, the American Association of Retired Persons (AARP) has recognized the benefits of cannabis products for ailing seniors. Additionally, pending in the U.S. Senate and House of Representatives are companion Bills that would de-list Cannabis from the Controlled Substances Schedule; thus decriminalizing and legalizing cannabis nation-wide. The recent congressional committee vote to advance the Marijuana Opportunity Reinvestment and Expungement Act of 2019 (MORE), was also a monumental day for cannabis in the U.S. Congress, and passed with the addition of bi-partisan support from some of the Republican party. Thus, even in the current political climate surrounding marijuana there exists a potential end to federal prohibition of cannabis. The Virgin Islands should be at the forefront and a part of this national trend.

Therefore, I am asking the Legislature to give this proposed Bill prompt attention. At the Special Session on December 18, 2019, my Administration to present the provisions of the Bill; to outline the benefits of the expanded program; and to enable questions and public comment on the proposed Bill.

Respectfully Yours,

Albert Bryan, Jr.
Governor
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  WHEREAS, the use of cannabis for medicinal purposes was previously legalized by the
2  Legislature of the Virgin Islands and signed into law by the Governor; and
3
4  WHEREAS, there exists opportunity to generate tax revenues to alleviate the burdens on
5  the Government of the Virgin Islands of the current Government Employee Retirement System
6  deficit and the ongoing deficits in the General Fund; and
7
8  WHEREAS, there exists opportunity to increase business ownership and employment
9  opportunities for Virgin Islands residents; and
10
11  WHEREAS, there exists an opportunity to generate new tax revenues to support drug
12  education and senior citizen programs; and
13
14  WHEREAS, there exists great opportunity to ensure that social injustices experienced by
15  persons incarcerated for long sentences for simple possession of cannabis are alleviated; and
16
17  WHEREAS, the Virgin Islands must ensure the closing of any loopholes which would
18  hinder the ability of bona fide residents of the Virgin Islands to participate in the medical cannabis
19  industry and further to actively protect the rights of Virgin Islanders to participate in a meaningful
20  way in the medical cannabis industry; and
21
22  WHEREAS, its is also appropriate to recognize certain cultural and sacramental uses of
23  cannabis within the US Virgin Islands;
24
25  NOW THEREFORE, BE IT ENACTED by the Legislature of the Virgin Islands:
26
27  SECTION 1. Title 19, Virgin Islands Code chapter 34 is hereby amended and the following is
28  substituted in its entirety to read as follows:
29
30  CHAPTER 34. THE VIRGIN ISLANDS CANNABIS USE ACT
31
32  §774 – Short Title.
33
34  This Act may be cited as “The Virgin Islands Cannabis Use Act”.
35
§775 – Purpose.

The purpose of this chapter is to establish a regulated system for the cultivation, manufacture, distribution and use of Medical, Non-Certified, and Sacramental Cannabis in a manner designed to protect public safety, improve the public health, and create economic opportunities for the U.S. Virgin Islands and its bona fide residents.

It is the intent of this Act that control over the commercial cultivation, manufacture, and distribution of Cannabis as a business remain only with bona fide residents of the U.S. Virgin Islands and within the bounds set by law. Any attempts to circumvent this intent will be deemed null and void as a matter of public policy and any agreement attempting such circumvention is non-enforceable.

Under this act, persons over the age of twenty-one (21) that are legally responsible for their own medical decisions are considered Qualified Patients and authorized to possess, purchase, and consume medical cannabis. As with any over-the-counter medicine, these adults are considered to be responsible for their own medical decisions and do not require a doctor’s certification to qualify as a Non-Certified purchaser or user of cannabis and/or cannabis products.

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

§776 – Definitions.

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

(a) “Advertising” or “Advertisement” means the act of providing consideration for the publication, dissemination, solicitation, or circulation of visual, oral, or written communication to directly induce any person to patronize a particular Cannabis Licensee or Permittee or purchase particular regulated Cannabis Items. “Advertising” does not include packaging and labelling, consumer education materials, or branding. “Advertising” proposes a commercial transaction or otherwise constitutes commercial speech.

(b) “Adult use lounge” means a space, determined by the OCR pursuant to an issued permit, in which individuals over the age of 21 may use cannabis, commercial cannabis products, or commercial cannabis accessories, which the individuals have brought to the space, which may be public or private and may be owned by an individual, corporation, partnership, association, trust, government or entity, or any combination thereof.

(c) “Branding” means promotion of a business’s brand through publicizing a Cannabis Business by name, logo, or distinct design features of the brand and “Consumer education materials” means any informational materials that seek to educate consumers
about regulated cannabis generally, including but not limited to education regarding
the safe consumption of Cannabis, regulated Cannabis Concentrate, or regulated
Cannabis Products, provided it is not distributed or made available to individuals under
twenty-one (21) years of age.

(d) “Applicant” means a Person who has submitted an application for a Medical Cannabis
Patient Card, Medical Cannabis Caregiver Card, Medial Cannabis License, or Medical
Cannabis Permit, renewal, change of ownership, or change of location of a Medical
Cannabis License pursuant to this Act, which application has been accepted for review
but has not been approved or denied by the OCR.

(e) “Auto-Expungement Project” means the review of criminal records of individuals
convicted of cannabis related crimes and expunging qualifying records, as determined
by the Auto-Expungement Report and subsequent amendments issued by the OCR.

(f) “Bona fide practitioner-patient relationship” means:
(1) A practitioner and patient have a treatment or consulting relationship, during the course
of which the practitioner has completed an assessment of the patient’s medical history and
current medical condition, including an appropriate in-person physical examination;
(2) The practitioner has consulted with the patient with respect to the patient’s debilitating
medical condition; and
(3) The practitioner is available to, or offers to provide follow-up care and treatment to the
patient, including, but not limited to, patient examinations.

(g) “Business Entity” means a legal entity incorporated pursuant to title 13 or formed
under title 26 of the Virgin Islands Code, whose shareholders, officers, directors,
members, partners, or owners are each residents of the U.S. Virgin Islands as required
by Section 781(a) of this Act and that is not publicly traded. A Business Entity and
each of the Persons who are its shareholders, officers, directors, members, partners, or
owners are Owners.

(h) “Cannabis” or “Medical Cannabis” means all parts of the plant of the genus
cannabis whether growing or not, the seeds thereof, the resin extracted from any part
of the plant, and every compound, manufacture, salt, derivative, mixture, or
preparation of the plant, its seeds, or its resin, including cannabis concentrate.
“Cannabis” or “Medical cannabis” does not include industrial hemp, nor does it
include fiber produced from the stalks, oil or cake made from the seeds of the plant,
sterilized seed of the plant which is incapable of germination, or the weight of any
other ingredient combined with cannabis to prepare topical or oral administrations,
food, drink or other product.

(i) “Cannabis Business” means a Cannabis Licensee or Micro-Cultivation Permitee. A
Cannabis Business may include a Cannabis Non-Prescription Use Permitee.

(j) “Cannabis Business Representative” means an Owner, employee, or agent of a
Cannabis Business and shall not include a Contractor or a Consultant.
(k) “Cannabis Concentrate” means a specific subset of Cannabis Items that were produced by extracting cannabinoids, through a solvent or non-solvent manufacturing process, from Cannabis or Medical Cannabis or by combining extracted cannabinoids with Cannabis or Medical Cannabis or other ingredients and are intended for use by smoking or vaporizing.

(l) “Cannabis Cultivation License” or “Cannabis Cultivation Licensee” means a Person licensed pursuant to this Code to operate a business as described in section 791 that cultivates Cannabis for sale to Medical Cannabis Licensees or Non-Certified Use Permittees.

(m) “Cannabis Dispensary License” or “Cannabis Dispensary Licensee” means a Person licensed pursuant to this Code to operate a business as described in section 793 or 795 that sells Cannabis Items and Cannabis Paraphernalia to Non-Certified Use Permittees or Qualified Patients or Sacramental Use Permittees.

(n) “Cannabis Infused Product” means any product that is comprised of Cannabis Concentrate or Cannabis Flower and other ingredients and is intended for use or consumption other than by smoking or vaporizing, including edible Cannabis Infused Products, topical cannabis-infused products, transdermal cannabis-infused products, and trans mucosal cannabis-infused products. An extract of Cannabis that does not include any other non-cannabinoid ingredients but includes activated cannabinoids intended for oral administration shall be considered an Edible Cannabis Infused Product.

(o) “Cannabis Item” means raw Cannabis plant material, Cannabis Concentrate, and Cannabis Infused Product.

(p) “Cannabis Manufacturing License” means a person licensed pursuant to this Code to operate a business as described in section 792 that manufactures Cannabis Items for sale to other Cannabis Licensees.

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

(r) “Cannabis Permit”, “Cannabis Permittee”, “Medical Cannabis Permit”, “Medical Cannabis Permittee”, “Permit” or “Permittee” means a Person permitted pursuant to this Code, unless specific provision or context provides otherwise. Cannabis Permittees include Micro-Cultivation Permittees, Cannabis Non-Certified Use Permittee, Cannabis Temporary Non-Certified Use Permittee, or Onsite Consumption Permittee.
(s) “Cannabis Product” means concentrated cannabis products and cannabis products that are comprised of cannabis and other ingredients and are intended for use or consumption, such as, but not limited to, edible products, ointments, and tinctures.

(t) “Cannabis Non-Certified Use Permit” or “Cannabis Non-Certified Use Permitee” means a Person permitted pursuant to this Code to operate a business as described in section 795 that allows for the consumption of Cannabis. Patrons of such business shall be known as “Non-Certified Users”.

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

(v) “Cardholder” means a Qualifying Patient or a Designated Caregiver who has been issued and possesses a valid registry identification card.

“Child-Resistant” means special packaging that is:

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

(2) Opaque so that the packaging does not allow the product to be seen without opening the packaging material; and

(3) Resealable for any product intended for more than a single use or containing multiple servings.

(w) “Consultant” means a Person who visits the Licensed Premises of a Cannabis Licensee or Medical Cannabis Licensee on a temporary basis to perform a service related to advising a Cannabis Licensee or Medical Cannabis Licensee on the cultivation, curing, processing, internal-testing, storing, packaging, labeling, manufacturing, transportation, transfer, purchase, and sale of Cannabis Items or Medical Cannabis Items.

(x) “Container” means the sealed package in which Cannabis Items or Medical Cannabis Items are placed for sale to a Use Permittee or Qualified Patient.

(y) “Contractor” means a Person other than a Cannabis Business Representative or Medical Cannabis Business Representative, who visits the Licensed Premises of the Cannabis Business on a temporary basis to perform a service, maintenance, or repair in a manner that does not qualify the Person as a Consultant.

(z) “Crime of Violence” has the same meaning as defined in title 23 section 451 of the
Virgin Islands Code.

(aa) “Cultivation Facility” means an entity registered with the OCR pursuant to this chapter that acquires, possesses, cultivates, delivers, transfers, transports, supplies, or sells cannabis and related supplies to Cannabis establishments.

(bb) “Deliver” means the commercial transfer of Medical Cannabis Items from a Medical Cannabis Dispensary, up to an amount determined by the OCR, to a Qualified Patient. “Delivery” also includes the use of any technology platform that enables Qualified Patients to arrange for or facilitate the commercial transfer by a Medical Cannabis Dispensary of Medical Cannabis Items. All deliveries shall comply with federal laws and regulations.

(cc) “Designated caregiver” means an individual identified in writing, pursuant to the provisions of Title 19, chapter 11, section 779 of the Virgin Islands Code, who:

1. is at least 21 years of age;
2. has been designated in writing by a Qualified Medical Cannabis Patient or the parent or legal guardian of a Medical Cannabis Patient, and who may possess, purchase, or administer Medical Cannabis to a Medical Cannabis Patient
3. has agreed to assist with a Qualifying Patient’s medicinal use of cannabis;
4. has not been convicted of a disqualifying felony offense; and
5. assists no more than three qualifying patients, including him or herself, with their medicinal use of cannabis, unless the designated caregiver’s qualifying patients each reside in or is admitted to a health care facility or residential care facility where the designated caregiver is employed.

(dd) “Designated Consumption Area” means a designated area where Qualified Patients or Non-Certified Users are expressly permitted to consume Medical Cannabis or Cannabis Items.

(ee) “Disqualifying Felony Offense” means: (1) a crime that was classified as a felony in the jurisdiction where the person was convicted; (2) a violation of a state, territorial, or federal controlled substances law, that was classified as a felony in the jurisdiction where the person was convicted, not including: (A) an offense for which the sentence was completed, including any term of probation, or supervised release; or (B) an offense that consisted of conduct for which this chapter would likely have prevented a conviction, but the conduct either occurred prior to the enactment of this chapter or was prosecuted by an authority other than the Virgin Islands.

(ff) “Edible Cannabis Product” means a Cannabis Infused Product that is intended to be taken by mouth, swallowed, and is primarily absorbed through the gastrointestinal tract. Edible cannabis-infused products may be psychoactive when used as intended. Without limitation, edible cannabis-infused products may be in the form of a food, beverage, capsule, or tablet.
(gg) "Female-operated bona fide Virgin Islands entity" means a bona fide Virgin Islands entity that is owned and controlled by females who are citizens of the United States and permanent residents of the Virgin Islands, in which at least 51% of the ownership interest is held by females and the management and daily business operations of which are controlled by one or more females, or, in the case of a corporation that has issued stock, of which at least 51% of the capital stock is owned by one or more females.

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

(ii) "Financial Interest Holder" means any Person entitled to a Financial Interest pursuant to this Act, including a Reasonable Royalty Holder and a Permitted Interest Holder. A Financial Interest Holders is not an Unaffiliated Third Party.

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

(kk) "Flowering Medical Cannabis Plants" means Cannabis plants in a light cycle intended to stimulate production of flowers, trichomes, and cannabinoids characteristic of Cannabis.

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

(mm) "Immediate family member" means a spouse, parent, or child.

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

(oo) “Interest” means any Financial Interest or Indirect Interest in a Cannabis Business
or Medical Cannabis Business Licensee. A holder of an Interest is not an Unaffiliated
Third Party.

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

(qq) “Licensee”, “License”, “Medical Cannabis Licensee”, or “Medical
Cannabis License” means a Person Licensed pursuant to this Code. Medical Cannabis
Licensees include Medical Cannabis Cultivation Licensees, Medical Cannabis
Manufacturing Licensees, and Medical Cannabis Dispensary Licensees.

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

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

(tt) “Majority Ownership” or “Majority Owner” means a Person or group of Persons
who are Owners of, or control more than fifty-one percent (51%) of the equity interest,
voting rights, and profits interest in a Cannabis Business or Medical Cannabis Business
on a fully diluted basis.

(uu) “Manager” means any Person who is not an Owner or holder of a Financial
Interest and to whom a licensed Cannabis Business has delegated discretionary
authority to organize, direct, carry on, or supervise day to day operations.

(vv) “Medical Cannabis Business” means a Medical Cannabis Licensee or
MicroCultivation Permitee or Cannabis Business Licensee or Non-certified Cannabis
Use Permitee. Operation of a Medical Cannabis Business shall be strictly operated for
medical dispensary purposes under the provisions of section 793.

(ww) “Medical Cannabis Business Representative” means an Owner, employee, or
agent of a Medical Cannabis Business and shall not include a Contractor or a Consultant.

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

(yy) “Medical Cannabis Cultivation License” or “Medical Cannabis Cultivation Licensee” means a Person licensed pursuant to this Code to operate a business as described in section 791 that cultivates Medical Cannabis for sale to other Medical Cannabis Licensees.

(zz) “Medical Cannabis Dispensary License” or “Medical Cannabis Dispensary Licensee” means a Person licensed pursuant to this Code to operate a business as described in section 793 that sells Medical Cannabis Items and Medical Cannabis Paraphernalia to Qualified Patients.

(aaa) “Medical Cannabis Certified” means a Medical Cannabis Registry Form signed by a licensed practitioner, certifying that in the practitioner’s professional opinion, the patient has a Qualifying Medical Condition.

(bbb) “Medical Cannabis Registry Card” means an optional identification card provided by the OCR signifying the individual’s status as a Qualified Patient.

(ccc) “Medical Cannabis Registry Form” means a form created by the OCR for the purposes of a practitioner certifying an individual as a Qualified Patient.

(ddd) “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.

(ccc) “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 783d that allows for the small-
scale cultivation of Cannabis for commercial sale to a Cannabis Licensee.

(ggg) “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.

(hhh) “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.

(iii) “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 anything herein, nothing in
this section is intended to modify the rights of any shareholder under title 13 of the
Virgin Islands Code. In the event of a conflict between this Act and the Virgin Islands
Code, the Virgin Islands Code shall control:

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

(jjj)“Modification of Premises” means the substantial change in the use or structure of a
Cannabis Licensee’s Licensed Premises as described in section 781(e).

(kkk) “Non-certified Medical Use” includes all use of Cannabis Items or
paraphernalia by Qualified Patient or for Sacramental Use in such restricted or
designated areas and facilities provided by law or by the OCR; and shall not include
cultivation or extraction of Cannabis or Cannabis products.

(lll)“Non-certified Use Permit” means a Non-certified Cannabis Use Permit, Medical
Cannabis Temporary Non-certified Use Permit, or an Onsite Consumption Permit.
Individuals issued such permits shall be designated “Non-certified Users”.

mmm)“Nonresident Medical Cannabis Card” means valid documentation that:
(2) Exempts the individual from criminal prosecution for the purchase, possession, and use of Medical Cannabis under the laws of the issuing state or jurisdiction;

(3) The issuance of which is conditioned upon a practitioner advising the individual that the medical use of cannabis may mitigate symptoms or effects of the Person’s medical condition; and

(4) Has an expiration date or requires periodic re-evaluations and that the document either has not yet expired or the period of required re-evaluation has not passed;

(5) 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;

(6) Is not a resident of the Virgin Islands or who has been a resident of the Virgin Islands for less than 45 days;

(7) Was issued a currently valid registry identification card or its equivalent 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; and

(8) Has submitted any documentation required by the OCR and has received confirmation of registration; or

(9) Is otherwise a Qualified Patient as defined in this chapter.

(nnn) "Nonresident in-patient cardholder" means a person who:

(1) 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;

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

(3) 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

(4) has submitted any documentation required by the OCR and has received confirmation of registration as an in-patient.

(ooo) "Office of Cannabis Regulation ("OCR")" means the government agency charged with implementing this chapter and administering its provisions and regulations.

(ppp) "Onsite Consumption Permit" means a permit issued a Medical Cannabis Cultivation Licensee to authorize limited onsite consumption at its Licensed Premises.

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

(rrr) “Permitted Interest” means a right to obtain an ownership interest, right to control, or share of profits or revenues in a Cannabis License or Medical Cannabis License pursuant to a Permitted Interest Agreement where the holder of such Permitted Interest is a natural Person who is a lawful U.S. citizen whose right to ownership in the Cannabis License is contingent on the Permitted Interest Holder’s qualification, approval by the OCR, and licensure as an Owner. A “Permitted Interest” is a Financial Interest.

(sss) “Permitted Interest Agreement” means the agreement between the Permitted Interest Holder and Cannabis Licensee setting forth the terms and conditions upon which the Permitted Interest Holder has a right to obtain ownership interest, right to control, or share of profits or revenues in a Cannabis License. A Permitted Interest Agreement may be in the form of a convertible debt option, option agreement, warrant or any other agreement as defined by rule of the OCR.

(ttt) “Permitted Interest Holder” means the holder of a Permitted Interest. A “Permitted Interest Holder” is a Financial Interest Holder and must be a natural Person who is a lawful U.S. citizen.

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

(vvv) “Pesticide” means (a) a substance or mixture of substances intended for preventing, destroying, repelling, or mitigating any pest, or (b) any substance or mixture of substances intended for use as a plant regulator, defoliant, or desiccant. For the purposes of this chapter, the definition includes herbicides regulated under FIFRA.

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

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

“Qualified Patient” or “Patient” means (a) an individual twenty-one (21) years of age or older with legal responsibility for their own medical decisions or (b) an individual less than twenty-one (21) years of age or who otherwise is not legally responsible for their own medical decisions, with a valid, signed Medical Cannabis Certification Form or Nonresident Medical Cannabis Card and consent of their legal parent or guardian.

“Reasonable Royalty” means a right to a royalty payment for the use of licensed intellectual property in the form of technology, brands, trade secrets, trademarks, copyrights, or other intellectual property approved by the OCR related to the production, sale, or distribution of Cannabis or Cannabis Items based on the value of gross revenue generated from the manufacturing or processing of Cannabis or Cannabis Product. While no specific percentage of such revenue can be deemed reasonable for purposes of this section, whether a rate is reasonable is subject to the discretion of the OCR pursuant to factors set forth by the OCR in accordnace with Georgia-Pacific Corp. v. United States Plywood Corp., 318 F. Supp. 1116, 1119-20 (S.D.N.Y. 1970), or its progeny and in no event shall the OCR approve an agreement for a Reasonable Royalty where such agreements transfers more than thirty percent (30%) of the gross wholesale revenue of the Cannabis Business derived from the use of the licensed intellectual property to the Reasonable Royalty Holder.

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

(cccc) "Registry Identification Card" means a document issued by the OCR that
identifies a person as a registered qualifying patient or registered designated caregiver, or
documentation that is deemed a registry identification card pursuant to section 784.

(ddd) "Resalable" means that the package continues to function within effectiveness
specifications, which shall be established by the OCR similar to the federal "Poison
and closings customary for its size and contents.

(eeee) "Resident" means any natural Person who has resided in the Territory for ten (10)
of the last fifteen (15) years prior to applying for any license or permit, OR who qualifies
under Title 29 VI Code Section 1003(9)(c); and who remains a bona fide resident of the
Territory and who is subject to personal income tax in the Territory for the entire period
such person holds title to a license or permit.

(fffe) "Resident-Owned Business" means a business enterprise owned by an individual
who is, or a majority number of individuals who meet the definition of Resident.

(gggg) "Restricted Access Area" means a designated and secure area within a Licensed
Premises where cannabis and retail cannabis products are sold, possessed for sale, and
isplayed for sale, and where no one under the age of twenty-one (21) is permitted.

(hhhh) "Sacramental Usage" means use 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.

(iiii) "Sale" or "Sell" includes to exchange, barter, or traffic in, to solicit or receive, and
order except 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.

(jjjj) "Sales Tax" means a tax levied on a Cannabis Cultivation Licensee or Medical
Cannabis Cultivation Licensee per gram of Cannabis or Medical Cannabis that is
cultivated on their Licensed Premises and transferred to another Licensee.

(kkkk) "School" means a public or private preschool or a public or private elementary,
middle, junior high, or high school.

(llll) "Service-disabled veteran" means a veteran who is a citizen of the United States
and permanent 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.

(mmnn)  “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.

(oooo)  “Shipping Container” means any container or wrapping used solely for the
transport of Medical Cannabis Items in bulk to other Medical Cannabis Licensees.

(pppp)  “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.

(qqqq)  “Transportation Manifest” means a document created by the Inventory Tracking
System that enables a Cannabis Licensee to transport Cannabis Items and designates the
time, quantity of Cannabis Items, and receiving Cannabis Items.

(rrrr)  “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 Interest
Holder or a person who holds an Indirect Interest is not an Unaffiliated Third Party.

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

§777 – Office of Cannabis Regulation.

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

(1) Promulgate rules and regulations related to Medical Cannabis, Non-prescription Medical Cannabis, and Sacramental Cannabis cultivation, manufacture, sale, dispensary, testing, licensing, and use, and the necessary and efficient administration of its duties as set forth in this chapter within one-hundred-eighty (180) days of enactment of this Chapter; and may amend such regulations from time to time; but, no regulation adopted by the OCR shall make it Unreasonably Impracticable to operate a Medical Cannabis License or Medical Cannabis Permit;

(2) Establish reasonable production limits governing the cultivation of Medical Cannabis, Non-Certified Medical Cannabis and Sacramental Cannabis in the interest of preventing an oversaturation of each such market;

(3) Establish provisions permitting Qualified Patients to be dispensed Medical Cannabis of a higher grade than Non-certified Use Cannabis;

(4) May establish defined geographical zones within which Cannabis cultivation, manufacturing, production, dispensing, consumption, and related business activities may occur as a means of facilitating control and enforcement;

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

(6) Establishing the form and content of registration and renewal applications submitted under this chapter and to establish license fees;

(7) Grant or refuse Permits for the commercial micro-cultivation of Medical Cannabis and Non-Certified Use of Medical Cannabis as provided by law;

(8) Establishing a system to evaluate competing medicinal cannabis establishment applicants that includes an analysis of:

i. in the case of dispensaries, the suitability of the proposed medicinal location and its accessibility for patients;

ii. the character, veracity, background, qualifications, and relevant experience of principal officers and board members of an applicant;

iii. the economic benefits that will inure to the residents of the Virgin Islands by local ownership, jobs and other opportunities; and

iv. the business plan proposed by the applicant, which, in the case of cultivation facilities and dispensaries, must include the ability to
maintain an adequate supply of cannabis, plans to ensure safety and
security of patrons and the community, procedures to be used to
prevent diversion, and any plan for making cannabis available to
low-income registered Qualifying Patients;

v. inclusion of interests for Minority-owned Business Enterprises,
Female-operated bona fide Virgin Islands entities, and Service-
disabled veteran-operated bona fide Virgin Islands entities.

(9) Establish procedures governing Cannabis Businesses with the goals of ensuring
the health and safety of qualifying patients, non-certified users, and sacramental
use organizations and preventing diversion and theft without imposing an undue
burden or compromising the confidentiality of cardholders, including:

i. oversight requirements;

ii. recordkeeping requirements;

iii. security requirements, including lighting, physical security, and
alarm requirements;

iv. health and safety regulations, including restrictions on the use of
pesticides that are injurious to human health;

v. standards for the manufacture of cannabis products and both the
indoor and outdoor cultivation of cannabis by cultivation facilities;

vi. requirements for the transportation and storage of cannabis by
Cannabis Businesses; including requirements that transportation
manifests be kept for all transportation of medicinal cannabis;

vii. requirements for banking and transportation of cash deposits;

viii. employment and training requirements, including requiring that each
medicinal cannabis establishment create an identification badge for
each agent;

ix. standards for the safe manufacture of cannabis products, including
extracts and concentrates;

x. restrictions on the advertising, signage, and display of medicinal
cannabis dispensaries and non-certified centers, but the restrictions
may not prevent appropriate signs on the property of a dispensary or
non-certified center, listings in business directories, including phone
books, listings in cannabis-related or medical publications, or the
sponsorship of health or not-for-profit charity or advocacy events;

xi. requirements and procedures for safe, accurate and appropriately
childproofed packaging and labeling of medicinal cannabis products;

and

xii. certification standards for testing facilities, including requirements
for independence from Cannabis Businesses whose products are
tested by such testing facilities and equipment and qualifications for
personnel;

(10) Establish licensing goals for service-disabled veterans and females, and
service-disabled veteran-operated bona fide Virgin Island entities and female-
operated bona fide Virgin Islands entities.
(11) Establishing labeling requirements for Cannabis and Cannabis Products, including requiring that edible cannabis products be clearly identifiable, when practicable, with a standard symbol indicating that it contains cannabis, and requiring that Cannabis Products’ labels include the following, where applicable:

i. the estimated length of time it typically takes for the product to take effect;

ii. warnings to limit additional consumption while waiting for edible cannabis to enter the blood stream and be fully absorbed;

iii. disclosure of ingredients and possible allergens;

iv. a nutritional or supplement fact panel;

v. date of expiration; and

vi. name and address of manufacturer.

(12) Suspend, fine, restrict, or revoke such Licenses or Permits upon a violation of this article or any rule promulgated pursuant to this article;

(13) Impose any penalty authorized by this article or any rule promulgated pursuant to this article; and

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

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

(1) The Board must be comprised of: one representative of the Department of Health; one representative of the Department of Agriculture; one representative of the Department of Licensing and Consumer Affairs; one farmer recommended by the Commissioner of Agriculture; two healthcare practitioners knowledgeable in cannabis medicine recommended by the Board of Medical Examiners; one disability advocate; one representative from the University of the Virgin Islands Cooperative Extension Service; one economist or person in expertise in finance; one representative appointed from the resident retirement community; and the Director of the OCR who serves as an ex officio voting member.

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

(3) Members of the Board who are employed by the Government are not entitled to a per diem for their service on the Board, but non-governmental members are entitled to a $75 per day per diem or a proportionate amount of $75 for hours worked, if less than an eight-hour day.
The Board shall establish a program of regular collaboration with the Industrial Hemp Commission established under Title 7 Virgin Islands Code Chapter 13, Subchapter III, Section 207 for discussion on areas of related regulation.

Notwithstanding anything provided herein to the contrary, the Board shall further establish:

1. rules authorizing and permitting a Virgin Islands sponsored non-resident medical cannabis tourism program;

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

3. educational and certification requirements for medical cannabis establishment applicants and licensees, their agents and employees; medical practitioners; and medical cannabis related businesses including, vendors, transporters, security companies, etc.;

4. an approved list of medical and non-certified cannabis establishment vendors and qualified sacramental cannabis organizations;

5. such other and further programs that provide a benefit to patients, non-certified users and promote the economic welfare of the Virgin Islands, including drug education and drug rehabilitation programs and centers, without 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 do 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.

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 implementation of the program in accordance with the rules.

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:

(1) the ability of qualifying patients in all areas of the Territory to obtain timely
access to high-quality medicinal medical cannabis;

(2) 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;

(3) the effectiveness of the cannabis testing facilities;

(4) the sufficiency of the regulatory and security safeguards contained in this
chapter and adopted by the OCR, to ensure that access to and use of cannabis
cultivated are provided only to cardholders;

(5) the proposal of additions or revisions to the OCR regulations or this chapter,
relating to security, safe handling, labeling and nomenclature are considered; and

(6) that research studies regarding 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
commencement of the program.

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

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

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

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

(4) Enforcement measures taken against Persons that possess a Permit or
License issued pursuant to this Code, in which fines, suspensions, or
revocations were imposed.

(h) The OCR shall create and issue an Auto-Expunge Report.

(1) The OCR shall create an Auto-Expunge Working Group that includes, but
shall not be limited to, participants from relevant territorial agencies necessary to
expunge cannabis related crimes.

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

   i. Classifications of crimes that should be expunged for persons convicted of
reasons solely related to possession, control, or sale of under one (1) pound
of cannabis, classification of crimes that may be expunged; and the
classification of crimes that cannot be expunged under any circumstances;

   ii. Administrative processes necessary for the Territory to expunge the
identified cannabis related crimes; and

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

(3) All relevant territorial agencies shall follow the directed recommendations of the
Auto-Expunge Report.

(4) Upon issuance of the Annual Expungeement Report to the Governor, Legislature,
and Supreme Court, the Superior Court shall issue an order expunging each
conviction for a cannabis use or possession offence entered by the court prior to the
date of the Auto Expungeement Report for such persons deemed to be eligible for
Auto Expungement.

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

(i) All inspectors and regulatory enforcement officials of the OCR may be considered peace
officers and enforcement officers of the USVI Department of Health pursuant to 5 V.I.C.
§ 3561.

(j) The OCR shall promulgate regulations and adopt policies designed to maintain the
confidentiality of individually identifiable patient information and records, as well as any
confidential or proprietary business’ information and records. These records shall also be
exempt from the Virgin Islands public records law in title 3 chapter 33 of this Code. The
records and information that the OCR obtains, shall remain confidential, but are not limited
to information about a business’ operations, sales, financial records, tax returns, credit
reports, cultivation information, testing regulations, security information and plans, or any
revealing patient information. Any employee of the OCR or the Board, or any entity
contracting with or working for the OCR or the Board, directly or indirectly, who discloses
any records or information that the OCR or the Board obtains shall be subject to criminal
prosecution punishable by a minimum of one (1) year of imprisonment.

(k) The OCR may conduct or have conducted on its behalf, a market demand study in order to
manage production by Permittees and Licensees or prior to the issuance of new Licenses
authorized by this chapter.

(l) OCR is responsible for establishing and overseeing an OCR Enforcement Division, which
will be tasked with enforcement of all civil, criminal and regulatory violations related to
Cannabis. This Enforcement Division will also be responsible for defining and assisting in
the clarification of lawful cultivation, manufacture, sale and use of hemp.

(m) All private entities awarded contracts to serve as a neutral-testing lab shall hire a majority
of its entire workforce, full-time and part-time, as bona fide Virgin Islands residents and
may not have, among its ownership interests or workforce, any conflicting ownership
interest of any form with a Cannabis Business establishment in the Territory that will be
the subject of such testing services.

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

§778 - Licenses and Permits

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

(1) Cannabis Cultivation License;

(2) Cannabis Manufacturing License;

(3) Cannabis Dispensary License;

(4) Micro-Cultivation Permit;

(5) Medical Cannabis Use Permit-Resident;
(6) Medical Cannabis Use Permit - Non-Resident;

(7) Cannabis Non-certified Use Permit;

(8) Cannabis Temporary Non-certified Use Permit; and

(9) Onsite Cannabis Consumption Permit for Medical and Non-certified Cannabis License;

(10) Research and Development License;

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

(c) All Licenses and Permits shall be valid for one (1) year unless a shorter term is requested by the Applicant, except that a Cannabis Temporary Non-certified Use Permit may be valid for no longer than fourteen (14) days.

(d) The OCR shall determine if there is a necessity and the number of Micro-Cultivation Permits, Cannabis Non-certified Use Permits, Cannabis Temporary Non-certified Use Permits, or Onsite Cannabis Consumption Permits that may be issued by the OCR based on statistical analysis and market surveys.

(e) The fees charged to Qualifying Patients, nonresident cardholders, and Designated Caregivers shall be determined by the Board.

(f) Renewal fees are charged annually in an amount equal to the application fees or as otherwise determined by Board’s regulations. All license fees may be adjusted annually in the discretion of the Board.

(g) If the OCR revokes a License, a Licensee elects to surrender a License, or the OCR issues new or additional licenses, the OCR shall conduct a Merit-Based Application Process to select to whom a new Medical Cannabis License of the same type should be issued. If the License is a Medical Cannabis Cultivation License, preference shall be given to Micro-Cultivation Permits.

(h) A license authorized by this chapter and issued by the OCR may not be held by, or issued to, directly or indirectly, any person or any immediate family member of any person who, at any time within the previous twelve (12) months, held office in, or was employed by any agency of the Government of the Virgin Islands, or any of its political subdivisions, or who
was a member of the OCR or the CAB, when the duties of such person concerned or
otherwise related to the enforcement or regulation of this chapter, or any other penal
provisions of law of the Virgin Islands prohibiting or regulating the sale, use, possession,
transportation, distribution, testing, manufacturing, or cultivation of cannabis. No person
shall be precluded from owning stock in a publicly traded corporation on the basis of this
provision alone.

§779 – Medical Cannabis Patients

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

(b) Possession and cultivation limits for Qualified Patients.

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

   i. Four (4) ounces of Medical Cannabis;

   ii. One (1) ounce of Medical Cannabis Concentrate for inhalation; and

   iii. One (1) ounce of THC contained in Medical Cannabis Infused
        Products.

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

   i. Four (4) ounces of Medical Cannabis;

   ii. Ten (10) grams of Medical Cannabis Concentrate for inhalation;
       and

   iii. Twenty (20) grams of THC contained in Medical Cannabis Infused
        Products.

(c) A Qualified Patient who is also a U.S. Virgin Islands resident may possess, use, grow,
process, or transport no more than six (6) Flowering Medical Cannabis Plants for personal
medical-use, provided that the Flowering Medical Cannabis Plants are cultivated on private
property with the express consent of the landowner and the Medical Cannabis produced
from these plants is not sold, nor made available for sale. Notwithstanding the possession
limits set forth in paragraphs (a) and (b) above, a Qualified Patient may possess all of the
Medical Cannabis produced by Medical Cannabis Plants cultivated at that address.

(1) Notwithstanding the above, there may be no more than twelve (12) Flowering Medical
Cannabis Plants for personal medical-use cultivated at any time at a single address
unless a Micro-Cultivation Permit has been issued to that address.

(2) Flowering Medical Cannabis Plants cultivated pursuant to a Micro-Cultivation Permit
shall not be considered “for personal-use”, provided the plants and all Medical
Cannabis produced from those plants is clearly segregated and not comingled with
Flowering Medical Cannabis Plants and Medical Cannabis for personal medical-use.

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

(1) Operating a motor vehicle or vessel on the road or waters of the U.S. Virgin Islands
while impaired by Medical Cannabis. Impairment from the use of Medical Cannabis
by a Qualified Patient shall not be determined solely by the presence of cannabinoids
in the individual’s blood or urine and the courts shall instead consider other relevant
evidence;

(2) Transfer of Medical Cannabis to a Qualified Patient or nonpatient for remuneration
unless transferor possesses a current and valid License or Permit and the transfer is
conducted in accordance with this Chapter;

(3) Knowingly consuming Medical Cannabis Items in a public place that does not possess
a valid Non-certified Use Permit; or

(4) Display or transfer of Medical Cannabis to a Qualified Patient or nonpatient for no
remuneration within one thousand (1,000) feet of a cruise ship dock in Charlotte
Amalie (Havensight) or Crown Bay in St. Thomas and within five hundred (500) feet
of primary cruise ship dock in Frederiksted or within five hundred (500) feet of a cruise
ship tender pier in Cruz Bay.

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

§780 – Medical Cannabis Certification Forms, Medical Cannabis Registry, Medical
Cannabis Patient Cards

(a) The OCR shall create and publish a Medical Cannabis Registry Form for Physicians to
certify that an individual has a Qualifying Medical Condition and would benefit from
access to Medical Cannabis. The USVI Department of Health shall provide advice and
guidance on the creation of the form.

(b) The OCR shall create and publish a specific Medical Cannabis Registry Form for
Qualified Patients under twenty-one (21) years of age or not in control of their own
medical decisions, which shall require the Qualified Patient’s parent or legal guardian’s
name and signature.

(c) The OCR shall notify the USVI Department of Health if it has reason to suspect that a
Physician is providing individuals with a Medical Cannabis Certification Form in a
fraudulent manner or in violation of this Code.

(d) Evidence of a Physician’s attestation and signature on Medical Cannabis Registry Forms, certifying an individual as a Qualified Patient, shall be sufficient to provide the individual with all protections entitled to a Qualified Patient.

(e) A Physician shall only recommend the use of Medical Cannabis and provide an individual with a Medical Cannabis Certification Form after the performance of an in-person examination and determination that the individual has a Qualifying Medical Condition and would benefit from the medicinal use of cannabis.

(f) A Physician that has an interest in or obtains any financial benefit from a Medical Cannabis Licensee may not provide an individual a Medical Cannabis Certification Form, nor may that Physician’s Medical Cannabis Certification be used as the basis for providing an individual with a Medical Cannabis Certification Form.

(g) Prior to completing a Medical Cannabis Certification Form for Qualified Patient’s under twenty-one (21) years of age or not legally responsible for their own medical decisions, a Physician must obtain the signature of the Qualified Patient’s parent or legal guardian.

(h) A Physician shall include an expiration date on all Medical Cannabis Certification Forms that shall not be longer than two (2) years from the date of issuance for residents of the USVI and not longer than six (6) months from the date of issuance for non-residents.

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

(1) The Medical Cannabis Patient Registry and Non-certified User Registry, as well as any information obtained in relation to an application to the registry shall remain confidential and exempt from the Virgin Islands public records law in title 3 chapter 33 of this Code. The OCR may confirm an individual’s status as a Qualified Patient at the request of the individual or the individual’s legal guardian to a third party.

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

   i. The name of the card holder;

   ii. A designation that the card holder is a Qualified Patient;

   iii. A random alpha-numeric number assigned to the Qualified Patient for purposes of identification in the Medical Cannabis Patient Registry;
iv. A phone number and web address where the validity of the Medical Cannabis Patient Card can be verified pursuant to the request of the Qualified Patient; and

v. The expiration date of the Medical Cannabis Patient Card, which must be the same as the date on the Qualified Patient’s Medical Cannabis Registry Form.

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

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

(j) If the Qualifying Patient designates a Designated Caregiver, a designation as to whether the Qualifying Patient or Designated Caregiver will be allowed to possess and cultivate cannabis plants for the Qualifying Patient’s medicinal use, if permitted by the OCR.

(k) If the Qualifying Patient is unable to submit the information required under subsection (a) due to the persons’ age or medical condition, the person responsible for making medical decisions for the Qualifying Patient may do so on behalf of the Qualifying Patient.

(l) Except as provided in subsection (m), the OCR shall:

(1) verify the information contained in an application or renewal submitted pursuant to this chapter and approve or deny an application not later than 15 days or renewal not later than five days after receiving a completed application or renewal application; and

(2) issue registry identification cards to a Qualifying Patient and the Designated Caregivers, if any, not later than five days after approving the application or renewal. A Designated Caregiver must have a registry identification card for each Qualifying Patient for whom such Designated Caregiver is responsible.

(m) The OCR may conduct a background check of the prospective Designated Caregiver in order to carry out this provision.

(n) The OCR may not issue a registry identification card to a Qualifying Patient who is younger than 21 years of age unless:

(1) the Qualifying Patient’s practitioner has explained the potential risks and benefits of the medicinal use of cannabis to the custodial parent or legal guardian with responsibility for health care decisions for the Qualifying Patient; and

(2) the custodial parent or legal guardian with responsibility for health care decisions for the Qualifying Patient consents in writing to:

i. allow the Qualifying Patient’s medicinal use of cannabis;
ii. serve as the Qualifying Patient’s designated caregiver; and
iii. control the acquisition of the Cannabis, the dosage, and the frequency of
the medicinal use of Cannabis by the Qualifying Patient.

(o) The OCR may deny an application or renewal of a Qualifying Patient’s registry
identification card only if the applicant:
(1) did not provide the required information, fee, or materials;
(2) previously had a registry identification card revoked; or
(3) provided false information.

(p) The OCR may deny an application or renewal for a Designated Caregiver chosen by a
Qualifying Patient whose registry identification card was granted only if:
(1) the Designated Caregiver does not meet the requirements of Title 19, chapter 11,
section 207 of the Virgin Islands Code;
(2) the applicant did not provide the information required;
(3) the Designated Caregiver previously had a registry identification card revoked; or
(4) the applicant or the Designated Caregiver provided false information.

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

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

(s) Until a Qualifying Patient who has submitted an application and the required fee to the
OCR receives a registry identification card or a rejection, a copy of the individual’s
application, written certification, and proof that the application was submitted to the OCR
is considered a registry identification card.

(t) Until a Designated Caregiver whose Qualifying Patient has submitted an application and
the required fee receives a registry identification card or a rejection, a copy of the
Qualifying Patient’s application, written certification, and proof that the application was
submitted to the OCR is considered a registry identification card.

(u) Until 25 days after the OCR makes applications available for renewal, a valid, written
certification issued within the previous year is considered a registry identification card
for a Qualifying Patient.

(v) Until 25 days after the OCR makes applications available for renewal, the following is
considered a Designated Caregiver registry identification card:
(1) a copy of a Qualifying Patient’s valid written certification issued within the
previous year; and
(2) a signed affidavit attesting that the person has significant responsibility for
managing the well-being of the patient and that the person has been chosen to assist the
Qualifying Patient.

§ 781. Verification system

(a) The OCR shall maintain a confidential list of the persons to whom the OCR has issued
registry identification cards and their addresses, phone numbers, and registry identification
numbers. This confidential list may not be combined or linked in any manner with any
other list or database, nor may it be used for any purpose not provided for in this chapter.

(b) The OCR shall establish a secure phone or web-based verification system. The
verification system must allow law enforcement personnel and medicinal cannabis
establishments to enter a registry identification number and determine whether the number
corresponds with a current, valid registry identification card. The system 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, not 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 whom 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 not
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 not later than 10 days
after receiving the updated information and a fee in accordance with OCR rule. 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 not 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. However,
the registered Qualifying Patient has 10 days to return any Cannabis Items to a licensed
dispensary for disposal.

(e) A Medicinal Cannabis Business shall notify the OCR not later than one business day
of any theft or significant loss of Cannabis.

§783 - Patient's Bill of Rights

(a) For the purposes of the Virgin Islands law, activities related to Medical Cannabis are
unlawful unless they are conducted in accordance with this Chapter.

(b) In accordance with the rights and limitations set forth in this Chapter, a Qualified Patient,
Designated Caregiver, or the parent or legal guardian of a Qualified Patient under eighteen
(18) years of age, shall not be denied any right or privilege, or be subject to arrest,
prosecution or penalty in any manner, including any civil penalty or disciplinary action by
a court or occupational or professional licensing board for:

(1) The possession, use, display, transport, process, or transfer of Medical Cannabis Items
or Medical Cannabis Paraphernalia;

(2) The purchase of Medical Cannabis Items from a Licensed Medical Cannabis
Dispensary or Medical Cannabis Paraphernalia;

(3) The cultivation of Medical Cannabis in accordance with this title;

(4) The manufacturing of Medical Cannabis into Medical Cannabis Concentrate or
Medical Cannabis Product without the use of solvents and in a manner, that does not
pose harm to others; and

(c) A Qualified Patient shall not have any personal property related to Medical Cannabis,
including any Medical Cannabis Items and Medical Cannabis Paraphernalia, seized or
forfeited solely for conduct that is permitted under this Chapter.
(d) Possession of, or application for, a Medical Cannabis Certification or Medical Cannabis Registry Card pursuant to this Code does not alone constitute probable cause or reasonable suspicion, nor shall it be used to support a search of the Person or property of the holder of a Medical Cannabis Certification or Medical Cannabis Registry Card, or otherwise subject the Person or property of the Person to inspection by any governmental agency.

(e) Possession, use, display, transport, process, or transfer of Medical Cannabis Items or Medical Cannabis Paraphernalia by a Qualified Patient does not alone constitute probable cause or reasonable suspicion, nor shall it be used to support a search of the person or property of the holder of a Medical Cannabis Certification or Medical Cannabis Registry Card, or otherwise subject the person or property of the person to inspection by any governmental agency.

(f) No landlord may refuse to lease to, and may not otherwise penalize, a person solely for the person's status as a Qualified Patient, unless failing to do so would violate federal law or regulations or cause the landlord to lose a monetary or licensing-related benefit under federal law or regulations. A landlord may not be penalized or denied any benefit under territorial law for leasing to a Qualified Patient. No landlord shall be penalized for seeking a smoke-free environment in such leased premises.

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

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

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

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

(1) The school district or charter school loses federal funding as a result of implementing
this paragraph;

(2) The school district or charter school can reasonably demonstrate that it lost federal
funding as a result of implementing this paragraph; and

(3) The school district or charter school posts on its website in a conspicuous place a
statement regarding its decision not to comply with this paragraph.

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

(l) For the purposes of providing medical care, including organ and tissue transplants, a
Qualified Patient’s use of Medical Cannabis Items pursuant to this Chapter are considered
the equivalent of the authorized use of any other medication used at the discretion of a
practitioner; and does not constitute the use of an illicit substance or otherwise disqualify
a Qualified Patient from receiving or being eligible to receive needed medical care.

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

(n) An employer is not required to permit or accommodate conduct otherwise allowed by this
act in the workplace or on the employer's property. An employer may discipline an
employee for violation of a workplace drug policy or for working while under the influence
of cannabis; however such discipline may not be for conduct outside the workplace or
working hours. An employer may discharge, discipline, or otherwise take an adverse
employment action against a person with respect to tenure, terms, conditions, or privileges
of employment because of that person's violation of a workplace drug policy during work
hours or in the workplace.

§ 784. Affirmative defenses and dismissal for medicinal cannabis

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

(1) a Practitioner has stated that, in the Practitioner’s professional opinion, after having
completed a full assessment of the person’s medical history and current medical
condition made in the course of a bona fide practitioner-patient relationship, the patient
has a debilitating Qualified Medical Condition and the potential benefits of using
Cannabis for medicinal purposes would likely outweigh the health risks for the person;
(2) the person was in possession of not more than 4.0 ounces of Cannabis, the amount of Cannabis products is within the limits allowed by OCR regulation, 12 cannabis plants, and the cannabis produced by those plants;

(3) the person was engaged in the acquisition, possession, use, manufacture, cultivation, or transportation of Cannabis, paraphernalia, or both, relating to the administration of Cannabis to treat or alleviate the individual’s debilitating Qualified Medical Condition or symptoms associated with the individual’s debilitating Qualified Medical Condition; and

(4) any cultivation of Cannabis and storage of more than 3.0 ounces of Cannabis occurred in a secure location that only the person asserting the defense could access.

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

(1) The person had a registry identification card revoked for misconduct; or

(2) The purposes for the possession or cultivation of cannabis were not solely for palliative or therapeutic use by the individual with a debilitating Qualified Medical Condition who raised the defense.

(c) Registered cardholders must carry the card at all times, when in possession of Cannabis.

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

(1) disciplinary action by an occupational or professional licensing board or bureau; or

(2) forfeiture of any interest in or right to any property other than cannabis.

§785 — Application Requirements and Ownership Restrictions

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

(1) An Applicant for a Cannabis License must be composed of Owners, principals, or members, each of whom is twenty-one (21) years of age or older and meets the suitability requirements set forth in this chapter.

(2) Only Owners may control or hold a partnership interest, limited or general, a joint venture interest, or ownership of a share or shares in a corporation or limited liability company which is licensed.

(3) An Applicant for a License that is a Business Entity must be organized under title 13 or title 26 of the Virgin Islands Code.

(4) A Cannabis License may not be held by a Person comprised of individuals any of whom has been convicted of a Disqualifying Felony Offense.

(5) An Applicant for a 1 Cannabis License must demonstrate it possesses at least the financial capital as required by the OCR, in its control, of available funds, as evidenced
by bank statements, irrevocable lines of credit, or the equivalent to show that the
Applicant has sufficient resources to operate.

(6) A Cannabis Licensee shall submit to the OCR for approval all Financial Interests and
each holder of a Financial Interest must be approved by the OCR before such Financial
Interest holder may accept any portion of revenue of the Cannabis Licensee or exercise
any of the privileges of the Financial Interest.

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

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

(1) Exercises final decision-making authority over operations of the business;
(2) Directs the day to day operation of the business, except that Managers may direct the
day to day operations subject to oversight by Owners pursuant to a lawful employment
contract;
(3) Is liable for the taxes and fees or other obligations of the Cannabis Licensee;
(4) Acknowledges liability for the Cannabis Licensee’s taxes and fees;
(5) Has authority to disburse funds of the business other than the receipt of regularly
replaced items of stock;
(6) Makes final policy decisions relative to the operations of the business; or
(7) Has voting rights or the right to obtain voting rights in the Cannabis Licensee.

(c) Ongoing Suitability Requirements. An Applicant for a Cannabis License shall have an
affirmative duty to notify the OCR in writing of: (i) any disqualifying criminal offense
under section 776(m) against an Owner within ten (10) days of the Person’s arrest and
within ten (10) days of disposition; or (ii) any change in residency disqualifying any Owner
pursuant to section 781(a)(7), within ten (10) days of such change. Upon determination by
the OCR that an Owner associated with the Licensee is no longer suitable under this Act,
the Cannabis Licensee shall have ninety (90) days to remove the disqualified Person from
association with the Cannabis License until otherwise extended by the OCR for good
cause. Failure to remove such disqualified Person in accordance with this section may be
grounds for denial, suspension, revocation, or administrative action.

(d) Requirements Applicable to Financial Interest Holders.

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

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

i. Prevent the transfer or assignment of the Financial Interest, and shall contain a
provision requiring that any funds exchanged pursuant to the agreement shall not
be provided until the OCR approves the agreement in writing;

ii. Include representations and warranties by the Financial Interest Holder that its
investment is passive and has no entitlement or expectation of being able to have
any control, participation in, or investment in the Cannabis Licensee except as
permitted in the agreement as approved by the OCR;

iii. Include representations and warranties by all parties that the agreement and the
relationship between the parties is contingent upon approval of the OCR and that
the proposed Financial Interest Holder has no entitlement to or expectation of the
OCR approving the Financial Interest;

iv. Contain an acknowledgment that the agreement and relationship between the
parties is contingent upon the approval of the OCR; and

v. Contain an acknowledgment and agreement by both parties that the decision of the
OCR to approve or deny the Financial Interest is final and wholly discretionary and 
anymore administrative or judicial review of such determination by the OCR will only 
 occur through licensing or enforcement proceedings involving the Cannabis 
Licensee.

(3) Investigation and Disclosures.

i. The OCR will conduct a financial investigation as well as a criminal background 
investigation of all Financial Interest Holders in order to determine whether such 
Financial Interest Holder is qualified. After licensure, a Financial Interest Holder 
must continue to disclose the source of funds for all money relating to the Financial 
Interest in the Cannabis License. The OCR must approve these funds prior to the 
funds being used in any manner by the Cannabis Licensee.

ii. As a part of its application, a Cannabis Licensee seeking to obtain approval of a 
Financial Interest shall provide evidence to establish that the Person seeking to 
become a Financial Interest Holder, including all members of any Business Entity 
seeking to become a Financial Interest Holder are lawful residents of the United 
States and shall provide documentation satisfactory to the OCR verifying and 
confirming the funds used for the Financial Interest were lawfully earned or 
obtained.

iii. The OCR may deny an application for a Financial Interest Holder, or any Person 
who may participate in such interest, if its investigation of the Applicant results in 
a determination that such holder is not suitable to hold a Financial Interest, is not 
of good moral character, or has not fully disclosed its sources of funds or interest 
in the Cannabis License

(4) Ongoing Suitability Requirement.

i. The Financial Interest Holder and the l Cannabis Licensee shall be subject to an 
ongoing duty to disclose in writing to the OCR any and all events which may 
reasonably disqualify the Financial Interest Holder from having an Interest in a 
Cannabis License, no later than ten (10) days after receiving notice of the event.

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

(5) Requirements-Permitted Interest Holders.

i. An application for a Permitted Interest must be initiated by the Cannabis Licensee 
and must include a sworn affirmation from the Cannabis Licensee Applicant and
proposed Permitted Interest Holder on forms prescribed by the OCR that the
Permitted Interest Holder will not exercise control, or have any right to control, the
Cannabis License, until such time as the Permitted Interest Holder is licensed as an
Owner.

Conversion from a Permitted Interest to an Owner shall occur pursuant to rules
promulgated by the OCR and the terms of the Permitted Interest Agreement
between the Cannabis Licensee and Permitted Interest Holder but in no event can
the conversion occur until such time as the Permitted Interest Holder meets all
qualifications for licensure and ownership pursuant to this chapter and any rules
promulgated pursuant to this Code.

The Cannabis Licensee or Permitted Interest Holder may initiate a conversion of a
Financial Interest to Owner pursuant to the terms of the Permitted Interest
Agreement by application to the OCR.

The approval of the Permitted Interest Holder by the OCR is wholly discretionary
and the OCR may, at any time, deny approval of the Permitted Interest or find that
the Permitted Interest is no longer qualified. The Permitted Interest shall be
terminable immediately upon such determination.

(6) Requirements—Reasonable Royalty Holders.

An application for a Reasonable Royalty must be initiated by the Cannabis Licensee
pursuant to rules promulgated by the OCR and must include a sworn affirmation
from the Medical Cannabis License Applicant and proposed Reasonable Royalty
Holder on forms prescribed by the OCR that the Reasonable Royalty Holder will
not exercise control, or have any right to control, the Cannabis Licensee except as
otherwise permitted by this Code or the rules promulgated thereto. Any violation
of this Section may be the basis for criminal or administrative action against the
Applicant for a Cannabis License or Financial Interest.

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

§786—License Application Process

(a) The OCR shall create and furnish forms for the application for a Cannabis License and
promulgate regulations governing the application, review, issuance, denial, and renewal of
a License.

(b) In accordance with the provisions set forth in section 778, the OCR may issue the
following Cannabis Licenses and Medical Cannabis Licenses on the island of St. Thomas:
(1) Up to seven (7) Medical Cannabis Dispensary Licenses and Onsite Consumption Use Permit sites;

(2) Up to twelve (12) Cannabis Cultivation Licenses; and

(3) Up to seven (7) Cannabis Manufacturing Licenses.

(c) In accordance with the provisions set forth in section 778, the OCR may issue the following Cannabis Licenses and Medical Cannabis Licenses on the Island of St. John:

(1) Up to three (3) Medical Cannabis Dispensary Licenses and Onsite Consumption Use Permit sites;

(2) Up to five (5) Cannabis Cultivation Licenses; and

(3) Up to seven (7) Cannabis Manufacturing Licenses.

(d) In accordance with the provisions set forth in section 778, the OCR may issue the following Medical Cannabis Licenses on the Island of St. Croix:

(1) Up to seven (7) Medical Cannabis Dispensary Licenses and Onsite Consumption Use Permit sites;

(2) Up to twelve (12) Cannabis Cultivation Licenses; and

(3) Up to seven (7) Cannabis Manufacturing Licenses.

(e) A Medical Cannabis Licensee that receives a Medical Cannabis Dispensary License shall also receive a Medical Cannabis Cultivation License. The remaining Medical Cannabis Cultivation Licenses authorized for issuance above shall be issued to Persons that do not possess a Medical Cannabis Dispensary License. Notwithstanding this paragraph, a Medical Cannabis License shall be transferable in accordance with this chapter and there shall be no requirement that a Cannabis Dispensary Licensee possess a Cannabis Cultivation License.

(f) The OCR may issue additional Cannabis Licenses after January 1, 2023 provided it has conducted a study demonstrating that demand for Medical Cannabis Items and Cannabis Items, generally, in the U.S. Virgin Islands exceeds, or is projected to exceed within twenty-four (24) months, the current supply of Medical Cannabis Items and Cannabis Items being produced by all Cannabis Manufacturing Licensees, Cannabis Cultivation Licensees, and Micro-Cultivation Permittees. Additional Medical Cannabis Cultivation Licenses and/or Cannabis Cultivation Licensees shall be issued pursuant to a Merit-Based Application Process with preference given to Micro-Cultivation Permittees. For Cannabis Cultivation Licenses issued after February 1, 2022 a preference shall be given to Micro-Cultivation Permittees.
(g) **Merit-Based Application Process.** The OCR shall only issue Cannabis Licenses pursuant to a formal Merit-Based Application Process, whereby Cannabis Licenses are awarded to Persons with the highest application score for the specific License type and on the specific island being sought based on certain criteria set forth by the OCR.

(1) The regulations governing a Merit-Based Application Process, including the process for scoring and points allocated, shall be adopted no later sixty (60) days prior to the application deadline. The criteria shall include consideration of the following:

i. Past USVI taxes paid and evidence of compliant return filing and payment of taxes;

ii. Experience of the Applicant in operating a regulated business;

iii. Whether an Applicant has had a License suspended or revoked for operating a cannabis business;

iv. Odor filtration systems;

v. Criminal background;

vi. Security measures;

vii. Operating plans;

viii. Staff training plans;

ix. Inventory Tracking and illicit diversion prevention plans;

x. Community engagement and cooperation plans including evidence of support from community members;

xi. Evidence of adequate capital and liquidity;

xii. Evidence of charitable contributions, scholarships;

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

(2) establish a system to evaluate competing adult use lounge permit applications, including:

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

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

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

promoting and ensuring the safety and health of consumers.

(3) The OCR shall close the application acceptance period for the Cannabis Licenses made available pursuant to this chapter no later than one (1) year following the date the legislation is signed into law by the Governor.

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

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

i. Applicant’s fingerprints;

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

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

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

   (b) If the Applicant is a limited liability company, the name and percentage interest each member holding any membership interest, the limited liability company agreement, the name of each officer, and certification of residency for each member, on both a current and on a fully diluted basis;

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

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

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

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

vi. Supporting documentation to establish the following:

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

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

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

vii. All civil litigation in the past ten (10) years and all criminal convictions in the Person’s history for any Owner, Financial Interest Holder, Medical Cannabis Business Representative, executive officer, director, and principal employee, of the Applicant;

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

ix. A description of all outstanding securities, including a clear diagram with descriptions of corporate structure, capitalization, and ownership including voting rights, of the Applicant and its holding company’s subsidiary and intermediary companies and a list of all Holders there to on both a current and on a fully diluted basis;

x. For each Medical Cannabis License Applicant and Financial Interest Holder, documentation verifying and confirming the lawful source of funds used for the operation of the proposed business;

xi. The address and detailed diagram of the proposed Licensed Premises showing all areas of ingress, egress, placement of cameras, and boundaries of the premises;

xii. Proof of possession of the proposed Licensed Premises by Applicant;

xiii. Proof of filing an emergency response plan with the Virgin Islands Fire Services and the Virgin Islands Police Department;
xiv. An affidavit by each Owner and Financial Interest Holder declaring, under penalty of perjury, that the information contained in its application is accurate, true and complete in all material aspects.

xv. Federal employer identification number of the Applicant;

xvi. Proof of application for a USVI Business License;

xvii. Remittance of the required fees.

§787 - Permit Application Process

(a) The OCR shall create and furnish forms for the application for a Cannabis Permit and promulgate regulations governing the application, review, issuance, denial, and renewal of a permit.

(b) The OCR shall only issue a Cannabis Permit to an Applicant that meets the minimum criteria contained in this title and any regulations adopted thereto.

(1) A Micro-Cultivation Permit shall only be issued to a single individual at a specific location.

(2) Micro-Cultivation Permittees shall be current residents of the U.S. Virgin Islands for at least one (1) year, and shall have no less than one thousand eight hundred twenty-five (1,825) days of cumulative residency during the individual’s lifetime, by the date of application. A Micro-Cultivation Permit shall immediately become void if the Permittee ceases to be a U.S. Virgin Islands resident.

(3) A Non-certified Use Permit may be issued to Persons at a specific location.

(4) A Temporary Non-certified Use Permit may be issued to Persons at a specific location.

(5) An Onsite Consumption Permit may be issued to Persons that possess a valid Cannabis Cultivation license and at the location of a Cannabis Cultivation License.

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

(d) The OCR shall review the location for which the Cannabis Permit is sought and, Cannabis Temporary Non-certified Use Permit Site, or any portion or all of a Onsite Consumption Permit Site.
§788 - Renewals

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

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

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

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

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

§789 - Other Applications to the OCR

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

(b) Change in Ownership.

(1) A Licensee or Non-certified Use Permittee shall not undergo any change in ownership, whether adding or removing owners or adjusting equity amongst owners, without prior approval from the OCR. A License granted under the provisions of this Code is not 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 Code shall be prohibited unless all proposed owners of the License or Permit meet criminal background and suitability requirements as required by this Code.

(5) A change in majority ownership of any License issued pursuant to this Code 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 regulation.

(6) No application for transfer of ownership or change in 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 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 the Code and any rules promulgated hereto.

(4) A License issued pursuant to this title 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 Code. In permitting a change of location, the OCR shall consider all reasonable restrictions that are or may be placed upon the new location.

(d) Modification of Premises

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

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

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

§790 – Requirements For All License Types
(a) The OCR shall establish an Inventory Tracking System to remotely monitor and track all Cannabis from the acquisition of seeds or clones through sale or delivery of a finished product to a Qualified Patient or Non-certified User or Sacramental User.

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

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

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

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

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

(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.

(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 ten (10) 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 twenty-one (21) upon the date of hire and 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 regarding age, monitoring, and visitor identification badges. 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; informational developments in the field of medical use of cannabis; the proper use of security measures and controls that have been adopted; and specific procedural instructions for responding to an emergency, including robbery or violent accident.

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

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

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

(2) Outdoor advertising; and

(3) Event sponsorship, except with the express approval of the OCR.
(g) The consumption of Medical Cannabis Items shall not be permitted upon the Licensed Premises of a Cannabis Licensee unless duly authorized by appropriate Permit.

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

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

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

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

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

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

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

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

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

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

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

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

§791 – Cannabis Cultivation License

(a) A Medical Cannabis Cultivation Licensee shall be authorized by the OCR to purchase Medical Cannabis from Micro-Cultivation Permittees; cultivate, cure, process, internally-test, store, package, and label Medical Cannabis; store, sell, purchase, receive, transfer, and transport Medical Cannabis Items to and from other Medical Cannabis Licensees on the same island in accordance with the limitations in this chapter and regulations promulgated by the OCR.

(b) A Cannabis Cultivation Licensee shall not locate a Licensed Premises within one thousand (1,000) feet of a school or house of worship.

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

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

(3) A Cannabis Cultivation License shall not be within one thousand (1,000) feet of a cruise ship dock in Charlotte Amalie (Havensight) or Crown Bay in St. Thomas and within five hundred (500) feet of primary cruise ship dock in Frederiksted and within five hundred (500) feet of a primary cruise ship tender pier in Cruz Bay.

(c) A Cannabis Cultivation Licensee shall only cultivate Cannabis in accordance with its authorized production limits established by the OCR in regulation.

(d) Cannabis may be cultivated outdoors provided it meets the same or similar security requirements set forth by the OCR.

(e) Cannabis may only be cultivated using Pesticides on an approved list maintained by the OCR developed in coordination with the USVI Department of Agriculture.

(f) A Cannabis Cultivation Licensee may obtain seeds or immature plants from individuals not in possession of a Cannabis License or Permit for the first thirty (30) days after its facility is operational, as determined by the OCR. Thereafter, a Cannabis Cultivation Licensee may only obtain seeds or immature plants from other Cannabis Cultivation
Licensees or Micro-Cultivation Permittee or Research and Development Licensee, unless
the OCR, upon its discretion and good cause, provides prior written approval due to
commercially reasonable needs of the Licensee.

§792 – Cannabis Manufacturing License

(a) A Cannabis Manufacturing Licensee shall be authorized by the OCR to purchase Cannabis
from Cannabis Licensees or Micro-Cultivation Permittees within the Territory;
manufacture, process, internally test, package, and label Medical Cannabis Concentrates
and Medical Cannabis Products and non-medical Cannabis Concentrates and Cannabis
Products; store, sell, purchase, receive, transfer, and transport Cannabis Items to and from
other Cannabis Licensees on the same island in accordance with the limitations in this
chapter and regulations promulgated by the OCR.

(b) A Cannabis Manufacturing Licensee shall not locate a Licensed Premises within one
thousand (1,000) feet of a school or house of worship.

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

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

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

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

(d) A Cannabis Production Licensee shall not intentionally or knowingly manufacture, or
design a Cannabis Product that has an appearance, label, or package that would cause a
reasonable consumer confusion as to whether the Cannabis Product is a trademarked food
product.
(e) Edible non-medical and Medical Cannabis Products shall contain no more than one hundred (100) milligrams of THC per unit of sale.

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

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

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

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

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

(i) Notwithstanding anything to the contrary in this chapter or the regulations, Cannabis Dispensaries and Cannabis Production licensees shall be required to source at least seventy percent (70%) of the Cannabis used for retail sales or production from Unaffiliated Third Parties. Any actual or attempted structuring or configuration of a transaction, including through use of intermediaries or agents, for the purpose of circumventing or attempting to circumvent the requirements of this provision by obtaining or attempting to obtain Cannabis from sources other than Unaffiliated Third Parties in excess of the amount or percentage permitted shall constitute a violation of this provision and shall be grounds for suspension or revocation of a License and/or the imposition of a fine on the Licensee, in the discretion of the OCR.

(j) The OCR may suspend or amend the Cannabis Licensee and/or Micro-Cultivation sourcing requirement if it finds that there will be insufficient or inferior production by Cannabis Licensee and Micro-Cultivation Permittees for Cannabis Production Licensees to meet the established percentage requirement.

§793 – Medical Cannabis Dispensaries

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

(b) A Medical Cannabis Dispensary Licensee may sell Medical Cannabis Items to Qualified
Patients, Caregivers, or the parent or legal guardian of a Qualified Patient.

(1) The OCR shall adopt regulations concerning what types of identification shall be
considered permission for a Medical Cannabis Dispensary to confirm an individual’s
age.

(2) A Medical Cannabis Dispensary must engage in reasonable measures to confirm that
all individuals it sells Medical Cannabis Items to are either a Qualified Patient,
Caregiver, or the parent or legal guardian of a Qualified Patient.

(3) A Qualified Patient over twenty-one (21) years of age shall only be required to provide
a Medical Cannabis Dispensary a valid form of identification that is acceptable
pursuant to regulations adopted by the OCR.

(4) A Medical Cannabis Dispensary must also confirm an individual’s residency prior to
completing the sale of Medical Cannabis Items to ensure compliance with the purchase
limits set forth in this Chapter.

(c) A Medical Cannabis Dispensary must ensure that all Medical Cannabis purchased or
acquired from a Cannabis Cultivation Licensee or Micro-Cultivation Permittee has been
tested in accordance with the quality assurance program.

(d) Nothing in this Chapter prohibits a Medical Cannabis Dispensary from refusing to sell
Medical Cannabis Items to an individual or Qualified Patient.

(e) A Medical Cannabis Dispensary shall only display or sell Medical Cannabis Items within
its designated Restricted Access Area, unless the sale is conducted in accordance with
regulations governing the delivery of Medical Cannabis Items to Qualified Patients
promulgated by the OCR. Only Owners, Medical Cannabis Business Representatives,
Consultants, and Qualified Patients shall be permitted into a Restricted Access Area.

(f) The hours of operation of and access to a Medical Cannabis Dispensary shall be established
by regulations of the OCR.
(g) A Medical Cannabis Dispensary shall not permit any individual under twenty-one (21) years of age, including Qualified Patients under twenty-one (21) years of age, to enter its Restricted Access Area; except that a parent or legal guardian of a Qualified Patient under twenty-one (21) years of age may be permitted.

(h) A Medical Cannabis Dispensary shall not sell Medical Cannabis Items to anyone under twenty-one (21) years of age, including Qualified Patients under twenty-one (21) years of age. All sales of Medical Cannabis Items intended for Qualified Patients under twenty-one (21) years of age shall be made to the Qualified Patient’s parent, legal guardian, or Designated Caregiver.

(i) A Medical Cannabis Dispensary Licensee shall not locate a Licensed Premises within one thousand (1000) feet of a school and within five hundred (500) feet of a house of worship.

(1) A Medical Cannabis Dispensary Licensee shall not be required to relocate if its premises was not located within one thousand (1000) feet of a school and five hundred (500) feet of a school or house of worship on the date the Medical Cannabis Dispensary Licensee filed its application for licensure or change of location to its current address.

(2) The OCR shall adopt regulations for Medical Cannabis Dispensary Licenses located in the Charlotte Amalie, Christiansted, and Frederiksted Historic Districts, and the town of Cruz Bay that impose requirements, such as security, odor control, and community engagement. Medical Cannabis Dispensary Licenses located in the Charlotte Amalie, Christiansted, and Frederiksted Historic Districts and the town of Cruz Bay shall be exempt from distance requirements in this section.

(j) A Medical Cannabis Dispensary License shall not be within one thousand (1,000) feet of any cruise ship dock in Charlotte Amalie (Havensight or Crown Bay) in St. Thomas and within five hundred (500) feet of the primary cruise ship dock in Frederiksted and within five hundred (500) feet of a primary cruise ship tender pier in Cruz Bay.

(k) A Medical Cannabis Dispensary may not sell more than:

(1) Seven (7) Grams of Medical Cannabis, three (3) Grams of Medical Cannabis Concentrate, and five hundred (500) milligrams of Medical Cannabis Products to a Qualified Patient that is not a resident of the USVI.

(2) Two (2) ounces of Medical Cannabis, ten (10) Grams of Medical Cannabis Concentrate, and two thousand (2,000) milligrams of Medical Cannabis Products to a Qualified Patient that is a resident of the USVI.

(l) A Medical Cannabis Dispensary shall not intentionally or knowingly sell Medical Cannabis to a Qualified Patient that will be resold or transported off-island.
(m) Prior to completing the sale of an Edible Medical Cannabis Product to a Qualified Patient, the individual that completes the sale must inform the purchaser: “A standard serving of edible Medical Cannabis is ten (10) milligrams of THC, though many consumers prefer five (5) milligrams or less. Please review the products labeling to ensure you consume only your desired amount. The effects of edible Medical Cannabis can take two (2) or more hours to take effect.”

(n) A Medical Cannabis Dispensary may deliver Medical Cannabis Items to Qualified Patients, in accordance with regulations adopted by the OCR.

(o) OCR shall implement a Responsible Vendor Training Program, which shall be required of all employees that work at a Medical Cannabis Dispensary Licensees business prior to any employees first day of work.

§794 – Micro-Cultivation Permit

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

(b) A Micro-Cultivation Permit shall only be issued to a single individual.

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

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

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

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

(g) A Micro-Cultivation Permittee may cultivate no more than twelve (12) Cannabis plants at a single time. The Cannabis Plants cultivated pursuant to a Micro-Cultivation Permit shall be physically separated from any Medical Cannabis Plants cultivated for personal use by a Qualified Patient.

(h) Cannabis Plants cultivated pursuant to a Micro-Cultivation Permit shall be for commercial-use only and shall be physically separated from any Flowering Cannabis Plants cultivated for personal use by a Qualified Patient.

(1) The commercial Cannabis produced from any Cannabis Plants cultivated pursuant to a Micro-Cultivation Permit shall be kept physically separate from any Medical Cannabis
for personal use.

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

(3) Notwithstanding the above, a Micro-Cultivation Permittee can use seeds or clones produced by Medical Cannabis Plants cultivated for personal use to propagate Cannabis Plants for commercial use.

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

(1) Has discharged the sentence for a conviction for a Crime of Violence in the ten (10) years immediately preceding the individual application date or is convicted of a Crime of Violence or Drug Felony while in possession of a Micro-Cultivation Permit; or

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

(j) A Micro-Cultivation Permittee may not have another individual assist with the cultivation, curing, processing, storing, selling, transferring, or transporting of Cannabis for remuneration.

(k) As part of its books and records, a Micro-Cultivation Permittee shall track all Cannabis cultivated for commercial use pursuant to its Micro-Cultivation Permit from seed or immature plant through sale to a Cannabis Licensee. The records shall include total number of vegetative plants, flowering plants, the harvest date of Flowering Cannabis Plants, and any other record keeping requirements as determined by the OCR, necessarily to prevent diversion and protect public safety, that would not make operations unreasonably impracticable for a Micro-Cultivation Permittee.

(l) A Micro-Cultivation Permittee shall only cultivate Cannabis in an enclosed and locked space, which may be outdoors and does not need a roof. The OCR may impose additional security requirements upon Micro-Cultivation Permittees that are necessary to prevent diversion and protect public safety but would not make it unreasonably impracticable to operate a Micro-Cultivation Permit.

(m) A Micro-Cultivation Permittee may not cultivate Cannabis within fifteen (15) feet of a property line.

(n) A Micro-Cultivation Permittee may transport Cannabis in accordance with rules established by the OCR. Such rules shall include, but are not limited to, requirements for storage, documentation, and contacting the OCR or other governmental authority prior to commencing transportation.

(o) The OCR shall consider the feasibility, demand, and public safety concerns for Micro-Cultivation Permits to be authorized to produce edible and topical medical cannabis
(1) The OCR shall publish a report on whether or not such Micro-Cultivation Permits such be issued no later than three (3) years after the effective date of this Code.

(2) Notwithstanding any other law, rule, or regulation, a Micro-Cultivation permittee shall not manufacture Medical Cannabis Concentrates through the use of solvents or in a manner that poses harm to others.

(p) The OCR may consider the feasibility and demand for Micro-Cultivation Permits authorized to cultivate up to fifty (50) Flowering Cannabis Plants in non-residential areas. The OCR shall publish a report on whether or not such Micro-Cultivation Permits should be issued no later than five (5) years after the effective date of this Code.

§795 – Non-Certified Use

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

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

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

1. the adult use lounge has received a permit from the OCR;

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

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

(d) Notwithstanding any other provision of this section, an adult use lounge may be operated within or adjacent to a commercial cannabis dispensary licensed pursuant to this chapter, in which case the sale of cannabis, commercial cannabis products, and commercial cannabis accessories shall be permitted only by the commercial cannabis dispensary or employees or agents thereof.

(e) A Non-certified Use Permittee shall not sell, transfer, or distribute Cannabis Items within the premises to which its valid Non-certified Use Permit is issued. Similarly, a Non-certified Use Permittee shall take reasonable measures to prevent the unauthorized sale or
transfer of Cannabis for remuneration by others in and around the premises for which it is made pursuant to a valid Medical Cannabis Dispensary License.

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

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

(h) The consumption of Cannabis Items by smoking must occur in accordance with The Virgin Islands Smoke-free Act. Vaporizing Cannabis Items shall not be considered smoking for the purposes of this Chapter or The Virgin Islands Smoke-free Act.

(i) An individual shall not be permitted within the Designated Consumption Area unless the Cannabis Use Permitee confirms that the individual is a Qualified Patient, Non-certified Use Permitee, and at least twenty-one (21) years of age.

(j) Designated consumption areas must be clearly marked with conspicuous signage measuring not less than forty (40) square inches in size that includes the statement “CANNABIS CONSUMPTION AREA - ACCESS RESTRICTED” in all uppercase letters not less than one (1) inch high.

(k) The Permit holder shall ensure that the consumption of inhaled Medical Cannabis Items occurring at the street level is not visible from a public right-of-way or a place where children congregate. The Permit holder shall make reasonable accommodations to ensure that Persons immediately outside of a designated consumption area are not subject to cannabis odor caused by cannabis consumption occurring within a designated consumption area.

(l) Non-certified Use Permittees shall be subject to the same advertising restrictions as Cannabis Business Licensees.

(m) A Non-certified Use Permitee shall not locate a Licensed Premises within five hundred (500) feet of a school or house of worship.

(1) A Non-certified Use Permitee shall not be required to relocate if its premises was not located within five hundred (500) feet of a school or house of worship on the date the Non-certified Use Permitee filed its application for licensure or change of location to its current address.
(2) The OCR may adopt regulations for Non-certified Use Permits located in the Charlotte Amalie, Christiansted, and Frederiksted Historic Districts and the town of Cruz Bay that impose additional requirements on licensees, such as security, odor control, and community engagement. If such regulations are adopted, the OCR can waive or reduce the distance requirements in this section for Non-prescription Use Permits located in the Charlotte Amalie, Christiansted, and Frederiksted Historic Districts and the town of Cruz Bay.

(3) A Non-certified Use Permittee shall not be within one thousand (1,000) feet of any cruise ship dock in Charlotte Amalie (Havensight or Crown Bay) in St. Thomas and within five hundred (500) feet of primary cruise ship dock in Frederiksted and withing five hundred (500) feet of cruiseline tender pier in Cruz Bay on the date the Non-Certified Use Permittee filed its application for licensure or change of location to its current address.

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

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

§796. Sacramental Usage

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

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

(b) Such use shall occur within a restricted area as determined by the OCR;

(c) Such use shall not endanger public health and safety;

(d) Such use can only be by persons who qualify as Qualified Persons under the provisions of this Act;

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

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

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

§797. Tax Incentive Benefits Qualification for Cannabis Research and Development and Technology and Enterprise Zone Business Program

Unless otherwise prohibited by law, it is the intent of the Legislature of the Virgin Islands that any Cannabis Business or other business enterprise related to Cannabis or to a Cannabis Business shall be eligible for the tax and other benefits provided under the University of the Virgin Islands Research and Technology Park Corporation Act, 17 V.I.C. § 480 et. sec. and under the Enterprise
Zone Program Act, 29 V.I.C. Chapter 19, provided that such business or enterprise would otherwise qualify for such benefits under the provisions of the University of the Virgin Islands Research and Technology Park Corporation Act, 17 V.I.C. § 480 et. sec or Enterprise Zone Program Act, 29 V.I.C. Chapter 19, as applicable, and any regulations promulgated thereunder for research and development and technology development and other knowledge-based purposes and uses or uses or activities within an Enterprise Zone.

**797A. Promotion of Cannabis Research and Development.**

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

(b) The University of the Virgin Islands and other selected universities in their Cannabis research programs shall undertake research of Cannabis production, Cannabis Items and other related products and technology in the Virgin Islands, including but not limited to Cannabis cultivation, manufacture, distribution and use. The Board shall assist the Cannabis research program in obtaining the necessary federal permits from the United States Drug Enforcement Agency or appropriate federal agency. In undertaking the Cannabis research program, the universities may:

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

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

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

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

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

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

(7) Study the feasibility of attracting private funding for the Virgin Islands Cannabis research program.
(c) The authorization granted in this section does not subject the Cannabis research program or the selected universities wherever they are located to any criminal liability under the controlled substances laws of the Virgin Islands. This exemption from criminal liability is a limited exemption to be strictly construed and does not apply to any of the activities of the Cannabis research program or the selected universities which are not expressly permitted in the authorization.

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

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

§798 – Special Cannabis Funds

(a) There is hereby created within the Treasury of the Virgin Islands a special fund to be known as the ‘Cannabis Fund’ (hereinafter, referred to the ‘Cannabis Fund’). All funds collected by the OCR shall be deposited into the Cannabis Fund. The USVI Legislature, subject to the provisions of Section 798, may appropriate funds from the Cannabis Fund for the following purposes:

(1) To ensure the continuing and effective operation of the OCR;

(2) To provide funds to implement the OCR’s Auto-Expungement Project;

(3) To create a grant program to provide business incubation services to Micro-Cultivation Permittees; and

(4) To provide grants to law enforcement to oversee Micro-Cultivation Permittees.

(b) If all of the funding requirements for the purposes set forth in paragraph 1 on this section are met, then the OCR shall use the remaining funds, less any reasonable reserves, to issue grants for:

(1) Programs designed to educate and prevent substance abuse and support individuals afflicted with substance abuse issues; and

(2) Research the potential medical efficacy of cannabis and the potential consequences associated with cannabis use.

§799 – Taxes

(a) A Cannabis Dispensary shall levy a special sales tax of no less than twenty-five percent (25%) on all sales of Cannabis Items containing THC to any Non-certified User without identification demonstrating their residency. Qualified Patients with medical Certifications who are residents of the Territory and Sacramental Use sales shall be exempt from such
sales tax.

(1) Seventy-five percent (75%) of the revenues collected pursuant to this tax shall be deposited to the Government Employees Retirement Service.

(2) Twenty percent (20%) of the revenues collected pursuant to this tax shall be deposited with and allocated to the OCR to fund the operations required by this chapter.

(3) Five percent (5%) of the revenues collected pursuant to this tax shall be disbursed from the Cannabis Fund to the Department of Human Services to administer such funds for senior citizen projects.

(4) The OCR may recommend adjustments to the tax rate to the Legislature from time to time.

(b) A Cannabis Cultivation Licensee shall pay a Fifty Cent ($0.50) sales tax per gram of Cannabis cultivated on their Licensed Premises that is transferred to another Licensee.

(1) Seventy-five percent (75%) of the revenues collected pursuant to this tax shall be deposited with the Government Employees Retirement Service.

(2) Twenty percent (20%) of the revenues collected pursuant to this tax shall be deposited with and allocated to the OCR to fund the operations required by this chapter.

(3) Five percent (5%) of the revenues collected pursuant to this tax shall be disbursed from the Cannabis Fund to the Department of Human Services to administer such funds for senior citizen projects.

(4) The OCR may recommend adjustments to the tax rate to the Legislature from time to time.

(c) Unless otherwise prohibited by law, in computing net income for Cannabis Businesses pursuant to Virgin Islands law, there shall be allowed as a deduction from all the ordinary and necessary expenses paid or incurred during the taxable year in carrying on a trade or business as a Cannabis establishment, including reasonable allowance for salaries or other compensation for personal services actually rendered, against such Cannabis Business’ income tax return payable to the territorial government.

§800 - Fees

(a) The OCR shall promulgate regulations establishing reasonable fees for applications, Licenses, permits, and Qualified Patient cards. All fees must be based upon the actual costs incurred by the OCR for reviewing an application or overseeing a License on an annual basis. The revenue from all Fees shall be deposited in the Cannabis Fund.
(b) The OCR shall establish reasonable, nonrefundable fees that must accompany an initial application for a permit, license, or Qualified Patient Medical Cannabis Registry Card.

(c) The OCR establish reasonable fees that must be paid by the holder of a permit, license, or Qualified Patient Medical Cannabis Registry Card on an annual basis.

(d) The OCR 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) 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 of the regulations.

§801 – Inspection Procedures

(a) Each Licensee and Permittee shall keep a complete set of all records necessary to show fully 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.

§802 – 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
shall not be for a longer period than six (6) months. If a License is suspended or revoked,
o part of the fees paid therefore shall not be returned to the Licensee.

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

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

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

§803 - Unlawful Acts and Violations

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

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

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

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

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

(f) A person who intentionally makes a false statement to a law enforcement official about
any fact or circumstance relating to the medical or non-medical use of Cannabis to avoid
arrest or prosecution is guilty of a misdemeanor punishable by imprisonment for not more
than 90 days or by payment of a fine of not more than $1,000, or both. This penalty is in
addition to any other penalties that may apply for making a false statement or for the
possession, cultivation, or sale of Cannabis not protected by this chapter.

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

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

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

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

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

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

§804 - Limitations

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

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

(2) Possessing cannabis or otherwise engaging in the medical use of cannabis in any correctional facility;

(3) Consuming cannabis on any form of public transportation or in any public place or any place that is open to public use, unless the location possesses a valid Non-Certified Use Permit and the consumption occurs in accordance with applicable laws and regulations;
or

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

§ 805. Addition of debilitating medical conditions

Any resident of the Virgin Islands may petition the OCR to add serious medical conditions or their treatments to the list of debilitating Qualified Medical Conditions listed herein or established by regulations. Such petition must be accompanied by a certification of the nature of such medical condition and the benefit that would be derived from use of Cannabis. The OCR shall consider petitions in the manner required by OCR regulation, including public notice and hearing. The OCR shall approve or deny a petition not later than 60 days after its submission. If the petition is denied, the petitioner may file an administrative appeal, as more fully described in regulations, and provided a notice of appeal has been filed with the OCR not later than 30 days after the denial. The approval or denial of any timely filed appeal is a final decision of the OCR, subject to judicial review. Jurisdiction and venue are vested in the Superior Court of the Virgin Islands.

§806 – Severability

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

SECTION 2. Title 5, Virgin Islands Code section 3561 is hereby amended by inserting the words “inspectors and regulatory enforcement officials of the Office of Cannabis Regulations,” immediately following “Roy L. Schneider Hospitals,”.

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

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

(i) Notwithstanding any other provision of this chapter, possession of cannabis or a commercial cannabis product, or operation of a commercial cannabis establishment, or any other act pursuant to and compliant with the terms of chapter 35 of title 19 shall not constitute a violation of this chapter.
BILL SUMMARY

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

As amended the Act will strengthen the support intended to local farmers, small business owners, GERS/retirees, medicinal and sacramental users, and the tourism industry by recognizing cultural and sacramental uses, creating business ownership and financial opportunities for local Virgin Islanders, increasing revenue to the GVI by enabling sales to tourists, and support the Government Employee Retirement System (GERS) through new source of tax revenue