



**THE UNITED STATES VIRGIN ISLANDS**

OFFICE OF THE GOVERNOR  
GOVERNMENT HOUSE

Charlotte Amalie, V.I. 00802  
340-774-0001

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.

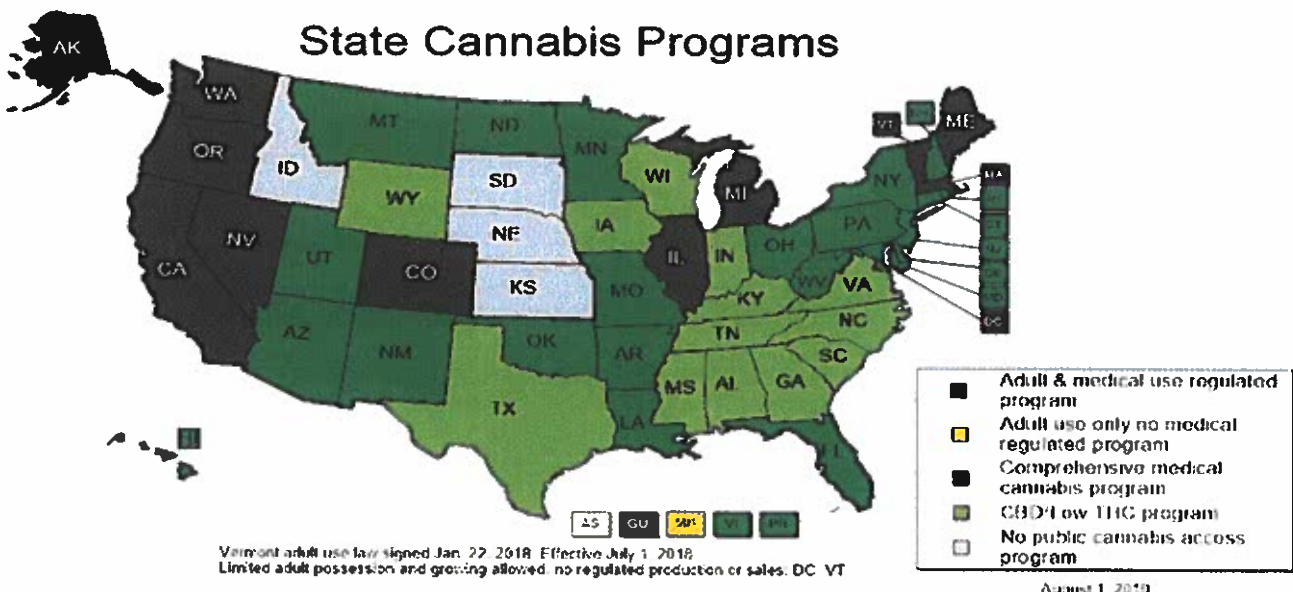
Bringing together the elements of improving the existing legislation; providing more comprehensive regulatory controls; enabling the generation of larger tax and fee revenues; and moving with the general trends across the United States and the U.S. Congress, I am today presenting to the Thirty-Third 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,

A handwritten signature in black ink, appearing to read 'Albert Bryan, Jr.', with a long horizontal stroke extending to the right.

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.**

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**PROPOSED BY THE GOVERNOR**

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

5       **WHEREAS**, there exists opportunity to generate tax revenues to alleviate the burdens on  
6 the Government of the Virgin Islands of the current Government Employee Retirement System  
7 deficit and the ongoing deficits in the General Fund; and  
8

9       **WHEREAS**, there exists opportunity to increase business ownership and employment  
10 opportunities for Virgin Islands residents; and  
11

12       **WHEREAS**, there exists an opportunity to generate new tax revenues to support drug  
13 education and senior citizen programs; and  
14

15       **WHEREAS**, there exists great opportunity to ensure that social injustices experienced by  
16 persons incarcerated for long sentences for simple possession of cannabis are alleviated; and  
17

18       **WHEREAS**, the Virgin Islands must ensure the closing of any loopholes which would  
19 hinder the ability of bona fide residents of the Virgin Islands to participate in the medical cannabis  
20 industry and further to actively protect the rights of Virgin Islanders to participate in a meaningful  
21 way in the medical cannabis industry; and  
22

23       **WHEREAS**, its is also appropriate to recognize certain cultural and sacramental uses of  
24 cannabis within the US Virgin Islands;  
25

26       **NOW THEREFORE, BE IT ENACTED** by the Legislature of the Virgin Islands:  
27

28       **SECTION 1.** Title 19, Virgin Islands Code chapter 34 is hereby amended and the following is  
29 substituted in its entirety to read as follows:  
30

31                   **CHAPTER 34. THE VIRGIN ISLANDS CANNABIS USE ACT**  
32

33       **§774 – Short Title.**  
34

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

1    **§775 – Purpose.**

2  
3    The purpose of this chapter is to establish a regulated system for the cultivation, manufacture,  
4    distribution and use of Medical, Non-Certified, and Sacramental Cannabis in a manner designed  
5    to protect public safety, improve the public health, and create economic opportunities for the U.S.  
6    Virgin Islands and its bona fide residents.

7  
8    It is the intent of this Act that control over the commercial cultivation, manufacture, and  
9    distribution of Cannabis as a business remain only with bona fide residents of the U.S. Virgin  
10   Islands and within the bounds set by law. Any attempts to circumvent this intent will be deemed  
11   null and void as a matter of public policy and any agreement attempting such circumvention is  
12   non-enforceable.

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

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

24  
25   **§776 – Definitions.**

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

- 28  
29       (a) **“Advertising”** or **“Advertisement”** means the act of providing consideration for the  
30       publication, dissemination, solicitation, or circulation of visual, oral, or written  
31       communication to directly induce any person to patronize a particular Cannabis  
32       Licensee or Permittee or purchase particular regulated Cannabis Items. “Advertising”  
33       does not include packaging and labeling, consumer education materials, or branding.  
34       “Advertising” proposes a commercial transaction or otherwise constitutes commercial  
35       speech.  
36  
37       (b) **“Adult use lounge”** means a space, determined by the OCR pursuant to an issued  
38       permit, in which individuals over the age of 21 may use cannabis, commercial cannabis  
39       products, or commercial cannabis accessories, which the individuals have brought to  
40       the space, which may be public or private and may be owned by an individual,  
41       corporation, partnership, association, trust, government or entity, or any combination  
42       thereof.  
43  
44       (c) **“Branding”** means promotion of a business's brand through publicizing a Cannabis  
45       Business by name, logo, or distinct design features of the brand and “Consumer  
46       education materials” means any informational materials that seek to educate consumers

1 about regulated cannabis generally, including but not limited to education regarding  
2 the safe consumption of Cannabis, regulated Cannabis Concentrate, or regulated  
3 Cannabis Products, provided it is not distributed or made available to individuals under  
4 twenty-one (21) years of age.  
5

6 (d) **“Applicant”** means a Person who has submitted an application for a Medical Cannabis  
7 Patient Card, Medical Cannabis Caregiver Card, Medical Cannabis License, or Medical  
8 Cannabis Permit, renewal, change of ownership, or change of location of a Medical  
9 Cannabis License pursuant to this Act, which application has been accepted for review  
10 but has not been approved or denied by the OCR.  
11

12 (e) **“Auto-Expungement Project”** means the review of criminal records of individuals  
13 convicted of cannabis related crimes and expunging qualifying records, as determined  
14 by the Auto-Expungement Report and subsequent amendments issued by the OCR.  
15

16 (f) **“Bona fide practitioner-patient relationship”** means:

17 (1) A practitioner and patient have a treatment or consulting relationship, during the course  
18 of which the practitioner has completed an assessment of the patient’s medical history and  
19 current medical condition, including an appropriate in-person physical examination;

20 (2) The practitioner has consulted with the patient with respect to the patient’s debilitating  
21 medical condition; and

22 (3) The practitioner is available to, or offers to provide follow-up care and treatment to the  
23 patient, including, but not limited to, patient examinations.  
24

25 (g) **“Business Entity”** means a legal entity incorporated pursuant to title 13 or formed  
26 under title 26 of the Virgin Islands Code, whose shareholders, officers, directors,  
27 members, partners, or owners are each residents of the U.S. Virgin Islands as required  
28 by Section 781(a) of this Act and that is not publicly traded. A Business Entity and  
29 each of the Persons who are its shareholders, officers, directors, members, partners, or  
30 owners are Owners.  
31

32 (h) **“Cannabis” or “Medical Cannabis”** means all parts of the plant of the genus  
33 cannabis whether growing or not, the seeds thereof, the resin extracted from any part  
34 of the plant, and every compound, manufacture, salt, derivative, mixture, or  
35 preparation of the plant, its seeds, or its resin, including cannabis concentrate.

36 “Cannabis” or “Medical cannabis” does not include industrial hemp, nor does it  
37 include fiber produced from the stalks, oil or cake made from the seeds of the plant,  
38 sterilized seed of the plant which is incapable of germination, or the weight of any  
39 other ingredient combined with cannabis to prepare topical or oral administrations,  
40 food, drink or other product.  
41

42 (i) **“Cannabis Business”** means a Cannabis Licensee or Micro-Cultivation Permittee. A  
43 Cannabis Business may include a Cannabis Non-Prescription Use Permittee.  
44

45 (j) **“Cannabis Business Representative”** means an Owner, employee, or agent of a  
46 Cannabis Business and shall not include a Contractor or a Consultant.

- 1 (k) “**Cannabis Concentrate**” means a specific subset of Cannabis Items that were  
2 produced by extracting cannabinoids, through a solvent or non-solvent manufacturing  
3 process, from Cannabis or Medical Cannabis or by combining extracted cannabinoids  
4 with Cannabis or Medical Cannabis or other ingredients and are intended for use by  
5 smoking or vaporizing.  
6
- 7 (l) “**Cannabis Cultivation License**” or “**Cannabis Cultivation Licensee**” means a  
8 Person licensed pursuant to this Code to operate a business as described in section  
9 791 that cultivates Cannabis for sale to Medical Cannabis Licensees or Non-  
10 Certified Use Permittees.  
11
- 12 (m) “**Cannabis Dispensary License**” or “**Cannabis Dispensary Licensee**” means a  
13 Person licensed pursuant to this Code to operate a business as described in section  
14 793 or 795 that sells Cannabis Items and Cannabis Paraphernalia to Non-Certified  
15 Use Permittees or Qualified Patients or Sacramental Use Permittees.  
16
- 17 (n) “**Cannabis Infused Product**” means any product that is comprised of Cannabis  
18 Concentrate or Cannabis Flower and other ingredients and is intended for use or  
19 consumption other than by smoking or vaporizing, including edible Cannabis Infused  
20 Products, topical cannabis-infused products, transdermal cannabis-infused products,  
21 and trans mucosal cannabis-infused products. An extract of Cannabis that does not  
22 include any other non-cannabis ingredients but includes activated cannabinoids  
23 intended for oral administration shall be considered an Edible Cannabis Infused  
24 Product.  
25
- 26 (o) “**Cannabis Item**” means raw Cannabis plant material, Cannabis Concentrate, and  
27 Cannabis Infused Product.  
28
- 29 (p) “**Cannabis Manufacturing License**” means a person licensed pursuant to this Code  
30 to operate a business as described in section 792 that manufactures Cannabis Items  
31 for sale to other Cannabis Licensees.  
32
- 33 (q) “**Cannabis Paraphernalia**” means any equipment, products, or materials of any kind  
34 which are used, intended for use, or designed for use in planting, propagating,  
35 cultivating, growing, harvesting, composting, manufacturing, compounding,  
36 converting, producing, processing, preparing, testing, analyzing, packaging,  
37 repackaging, storing, vaporizing, or containing Cannabis, or for ingesting, inhaling,  
38 or otherwise introducing Cannabis into the human body.  
39
- 40 (r) “**Cannabis Permit**”, “**Cannabis Permittee**”, “**Medical Cannabis Permit**”,  
41 “**Medical Cannabis Permittee**”, “**Permit**” or “**Permittee**” means a Person permitted  
42 pursuant to this Code, unless specific provision or context provides otherwise.  
43 Cannabis Permittees include Micro-Cultivation Permittees, Cannabis Non-Certified  
44 Use Permittee, Cannabis Temporary Non-Certified Use Permittee, or Onsite  
45 Consumption Permittee.  
46

- 1 (s) **“Cannabis Product”** means concentrated cannabis products and cannabis products  
2 that are comprised of cannabis and other ingredients and are intended for use or  
3 consumption, such as, but not limited to, edible products, ointments, and tinctures.  
4  
5  
6 (t) **“Cannabis Non-Certified Use Permit”** or **“Cannabis Non-Certified Use Permittee”**  
7 means a Person permitted pursuant to this Code to operate a business as described in  
8 section 795 that allows for the consumption of Cannabis. Patrons of such business shall  
9 be known as “Non-Certified Users”.  
10  
11 (u) **“Cannabis Temporary Non-Certified Use Permit”** or **“Cannabis Temporary Non-**  
12 **Certified Use Permittee”** means a Person permitted pursuant to this Code to operate a  
13 business as described in section 795 that allows for the temporary consumption of  
14 Cannabis. Patrons of such business shall be known as “Non-Certified Users”.  
15  
16 (v) **“Cardholder”** means a Qualifying Patient or a Designated Caregiver who has been  
17 issued and possesses a valid registry identification card.  
18  
19 **“Child-Resistant”** means special packaging that is:  
20  
21 (1) Designed or constructed to be significantly difficult for children under five (5) years of  
22 age to open and not difficult for normal adults to use properly as defined by 16 C.F.R.  
23 1700.20 (1995);  
24  
25 (2) Opaque so that the packaging does not allow the product to be seen without opening  
26 the packaging material; and  
27  
28 (3) Resealable for any product intended for more than a single use or containing multiple  
29 servings.  
30  
31 (w) **“Consultant”** means a Person who visits the Licensed Premises of a Cannabis Licensee  
32 or Medical Cannabis Licensee on a temporary basis to perform a service related to  
33 advising a Cannabis Licensee or Medical Cannabis Licensee on the cultivation, curing,  
34 processing, internal-testing, storing, packaging, labeling, manufacturing,  
35 transportation, transfer, purchase, and sale of Cannabis Items or Medical Cannabis  
36 Items.  
37  
38 (x) **“Container”** means the sealed package in which Cannabis Items or Medical Cannabis  
39 Items are placed for sale to a Use Permittee or Qualified Patient.  
40  
41 (y) **“Contractor”** means a Person other than a Cannabis Business Representative or  
42 Medical Cannabis Business Representative, who visits the Licensed Premises of the  
43 Cannabis Business on a temporary basis to perform a service, maintenance, or repair in  
44 a manner that does not qualify the Person as a Consultant.  
45  
46 (z) **“Crime of Violence”** has the same meaning as defined in title 23 section 451 of the



1 Virgin Islands Code.

2 (aa) **“Cultivation Facility”** means an entity registered with the OCR pursuant to this  
3 chapter that acquires, possesses, cultivates, delivers, transfers, transports, supplies, or  
4 sells cannabis and related supplies to Cannabis establishments.  
5

6 (bb) **“Deliver”** means the commercial transfer of Medical Cannabis Items from a  
7 Medical Cannabis Dispensary, up to an amount determined by the OCR, to a Qualified  
8 Patient. “Delivery” also includes the use of any technology platform that enables  
9 Qualified Patients to arrange for or facilitate the commercial transfer by a Medical  
10 Cannabis Dispensary of Medical Cannabis Items. All deliveries shall comply with  
11 federal laws and regulations.  
12

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

15 (1) is at least 21 years of age;

16 (2) has been designated in writing by a Qualified Medical Cannabis Patient or  
17 the parent or legal guardian of a Medical Cannabis Patient, and who may  
18 possess, purchase, or administer Medical Cannabis to a Medical Cannabis  
19 Patient

20 (2) has agreed to assist with a Qualifying Patient’s medicinal use of cannabis;

21 (3) has not been convicted of a disqualifying felony offense; and

22 (4) assists no more than three qualifying patients, including him or herself, with their  
23 medicinal use of cannabis, unless the designated caregiver’s qualifying patients each  
24 reside in or is admitted to a health care facility or residential care facility where the  
25 designated caregiver is employed.  
26

27 (dd) **“Designated Consumption Area”** means a designated area where Qualified  
28 Patients or Non-Certified Users are expressly permitted to consume Medical Cannabis  
29 or Cannabis Items.  
30

31 (ee) **“Disqualifying Felony Offense”** means: (1) a crime that was classified as  
32 a felony in the jurisdiction where the person was convicted; (2) a violation of a state,  
33 territorial, or federal controlled substances law, that was classified as a felony in the  
34 jurisdiction where the person was convicted, not including : (A) an offense for which  
35 the sentence was completed, including any term of probation, or supervised release; or  
36 (B) an offense that consisted of conduct for which this chapter would likely have  
37 prevented a conviction, but the conduct either occurred prior to the enactment of this  
38 chapter or was prosecuted by an authority other than the Virgin Islands.  
39

40 (ff) **“Edible Cannabis Product”** means a Cannabis Infused Product that is intended to be  
41 taken by mouth, swallowed, and is primarily absorbed through the gastrointestinal tract.  
42 Edible cannabis-infused products may be psychoactive when used as intended. Without  
43 limitation, edible cannabis-infused products may be in the form of a food, beverage,  
44 capsule, or tablet.  
45

- (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 Permittee or Cannabis Business Licensee or Non-certified Cannabis Use Permittee. 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.

(eee) **“Merit-Based Application Process”** means the process, as described in section 781a, by which the OCR selects Medical Cannabis Licensees.

(fff) **“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 License’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

1 the Cannabis Business or Medical Cannabis Business that is not a Financial Interest  
2 approved by the OCR. "Owner" shall include any and all types of legal entities,  
3 individually or as a group, that may be formed as comingled or derivative ownership  
4 structures for the purpose of being an Owner or participating, in any manner, in the  
5 rights and/or privileges typically reserved for Owners. "Owner" for purposes of this  
6 statute does not include an owner who holds the License or shares or other interest in  
7 any entity, for which he or she is not the actual beneficial owner.  
8

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

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

24 (ttt) **"Permitted Interest Holder"** means the holder of a Permitted Interest. A "Permitted  
25 Interest Holder" is a Financial Interest Holder and must be a natural Person who is a  
26 lawful U.S. citizen.  
27

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

33 (vvv) **"Pesticide"** means (a) a substance or mixture of substances intended for  
34 preventing, destroying, repelling, or mitigating any pest, or (b) any substance or  
35 mixture of substances intended for use as a plant regulator, defoliant, or desiccant. For  
36 the purposes of this chapter, the definition includes herbicides regulated under FIFRA.  
37

38 (www) **"Practitioner"** means a person who is licensed and in good standing in the Virgin  
39 Islands as a medical doctor, osteopath, naturopath, homeopath, chiropractor,  
40 practitioner's assistant who maintains, in good standing, a license to practice medicine  
41 issued by the U.S. Virgin Islands or with respect to any non-resident medical cannabis  
42 card, any practitioner or other person qualified under the laws of the jurisdiction of  
43 residence of any non-resident to prescribe medical cannabis.  
44

(xxx) **“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.

(yyy) **“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.

(aaaa) **“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 accordance 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.

(bbbb) **“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



1 imposes reasonable requirements to protect its intellectual property, standard and  
2 customary in such agreements, shall not be considered evidence of control over a Medical  
3 Cannabis Business. Such provisions include but are not limited to quality controls and  
4 regulations governing marketing and advertising. A Reasonable Royalty Holder is a  
5 Financial Interest Holder.  
6

7 (cccc) **“Registry Identification Card”** means a document issued by the OCR that  
8 identifies a person as a registered qualifying patient or registered designated caregiver, or  
9 documentation that is deemed a registry identification card pursuant to section 784.  
10

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

16 (eeee) **“Resident”** means any natural Person who has resided in the Territory for ten (10)  
17 of the last fifteen (15) years prior to applying for any license or permit, OR who qualifies  
18 under Title 29 VI Code Section 1003(9)(c); and who remains a bona fide resident of the  
19 Territory and who is subject to personal income tax in the Territory for the entire period  
20 such person holds title to a license or permit.  
21

22 (ffff) **“Resident-Owned Business”** means a business enterprise owned by an individual  
23 who is, or a majority number of individuals who meet the definition of Resident.  
24

25 (gggg) **“Restricted Access Area”** means a designated and secure area within a Licensed  
26 Premises where cannabis and retail cannabis products are sold, possessed for sale, and  
27 isplayed for sale, and where no one under the age of twenty-one (21) is permitted.  
28

29 (hhhh) **“Sacramental Usage”** means use lawful use and means of production, transport, and  
30 location of use by persons over the age of twenty-one (21) of an organized religion of faith  
31 in the sincere exercise of their religion as may be prescribed by the OCR.  
32

33 (iiii) **“Sale” or “Sell”** includes to exchange, barter, or traffic in, to solicit or receive, and  
34 order except through a Licensee licensed under this article, to deliver for value in any way  
35 other than gratuitously, to peddle or possess with intent to sell, or to traffic in for any  
36 consideration.  
37

38 (jjjj) **“Sales Tax”** means a tax levied on a Cannabis Cultivation Licensee or Medical  
39 Cannabis Cultivation Licensee per gram of Cannabis or Medical Cannabis that is  
40 cultivated on their Licensed Premises and transferred to another Licensee.  
41

42 (kkkk) **“School”** means a public or private preschool or a public or private elementary,  
43 middle, junior high, or high school.  
44

45 (llll) **“Service-disabled veteran”** means a veteran who is a citizen of the United States  
46 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.

(mmmm) **“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.

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

(oooo) **“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.

(pppp) **“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.

(qqqq) **“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.

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

(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

1 Department of Licensing and Consumer Affairs, with the executive authority to  
2 implement this chapter and administer the provisions including, but not limited to,  
3 rulemaking authority. The OCR shall exercise its powers and perform its respective  
4 duties and functions as specified in this Code and shall have full and exclusive  
5 authority to:  
6

- 7 (1) Promulgate rules and regulations related to Medical Cannabis, Non-prescription  
8 Medical Cannabis, and Sacramental Cannabis cultivation, manufacture, sale,  
9 dispensary, testing, licensing, and use, and the necessary and efficient  
10 administration of its duties as set forth in this chapter within one-hundred-  
11 eighty (180) days of enactment of this Chapter; and may amend such  
12 regulations from time to time; but, no regulation adopted by the OCR shall  
13 make it Unreasonably Impracticable to operate a Medical Cannabis License or  
14 Medical Cannabis Permit;  
15
- 16 (2) Establish reasonable production limits governing the cultivation of Medical  
17 Cannabis, Non-Certified Medical Cannabis and Sacramental Cannabis in the  
18 interest of preventing an oversaturation of each such market;  
19
- 20 (3) Establish provisions permitting Qualified Patients to be dispensed Medical  
21 Cannabis of a higher grade than Non-certified Use Cannabis;  
22
- 23 (4) May establish defined geographical zones within which Cannabis cultivation,  
24 manufacturing, production, dispensing, consumption, and related business  
25 activities may occur as a means of facilitating control and enforcement;  
26
- 27 (5) Grant or refuse Licenses for the commercial cultivation, manufacture,  
28 distribution, and sale of Medical Cannabis, Non-Certified Cannabis, and  
29 Sacramental Cannabis Items as provided by law;  
30
- 31 (6) Establishing the form and content of registration and renewal applications  
32 submitted under this chapter and to establish license fees;  
33
- 34 (7) Grant or refuse Permits for the commercial micro-cultivation of Medical  
35 Cannabis and Non-Certified Use of Medical Cannabis as provided by law;  
36
- 37 (8) Establishing a system to evaluate competing medicinal cannabis establishment  
38 applicants that includes an analysis of:
  - 39 i. in the case of dispensaries, the suitability of the proposed medicinal  
40 location and its accessibility for patients;
  - 41 ii. the character, veracity, background, qualifications, and relevant  
42 experience of principal officers and board members of an applicant;
  - 43 iii. the economic benefits that will inure to the residents of the Virgin  
44 Islands by local ownership, jobs and other opportunities; and
  - 45 iv. the business plan proposed by the applicant, which, in the case of  
46 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.

1  
2 (11) Establishing labeling requirements for Cannabis and Cannabis Products,  
3 including requiring that edible cannabis products be clearly identifiable, when  
4 practicable, with a standard symbol indicating that it contains cannabis, and  
5 requiring that Cannabis Products' labels include the following, where  
6 applicable:

- 7 i. the estimated length of time it typically takes for the product to take  
8 effect;  
9 ii. warnings to limit additional consumption while waiting for edible  
10 cannabis to enter the blood stream and be fully absorbed;  
11 iii. disclosure of ingredients and possible allergens;  
12 iv. a nutritional or supplement fact panel;  
13 v. date of expiration; and  
14 vi. name and address of manufacturer.

15  
16 (12) Suspend, fine, restrict, or revoke such Licenses or Permits upon a violation  
17 of this article or any rule promulgated pursuant to this article;  
18

19 (13) Impose any penalty authorized by this article or any rule promulgated  
20 pursuant to this article; and  
21

22 (14) Establish an Advisory Board representative of the community, licensees,  
23 law enforcement, and retirees.  
24

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

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

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

39 (3) Members of the Board who are employed by the Government are not entitled to  
40 a per diem for their service on the Board, but non-governmental members are  
41 entitled to a \$75 per day per diem or a proportionate amount of \$75 for hours  
42 worked, if less than an eight-hour day.

(4) 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.

(c) 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.

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

(e) The Director of the Office of Cannabis Regulation shall be appointed by the Board

for a three-year term, which may be extended. The Director of the OCR has the responsibility to ensure:

(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

1 limited to sales taxes, application and License fees, and any other fees paid  
2 to the OCR, as well as expenses incurred by the OCR; and  
3

- 4 (4) Enforcement measures taken against Persons that possess a Permit or  
5 License issued pursuant to this Code, in which fines, suspensions, or  
6 revocations were imposed.  
7

8 (h) The OCR shall create and issue an Auto-Expungement Report.  
9

- 10 (1) The OCR shall create an Auto-Expungement Working Group that includes, but  
11 shall not be limited to, participants from relevant territorial agencies necessary to  
12 expunge cannabis related crimes.  
13

- 14 (2) Based upon recommendations from the Auto-Expungement Working Group, the  
15 OCR shall issue an Auto-Expungement Report no later than ten (10) months from  
16 the date of enactment of this Chapter that details:  
17

18 i. Classifications of crimes that should be expunged for persons convicted of  
19 reasons solely related to possession, control, or sale of under one (1) pound  
20 of cannabis, classification of crimes that may be expunged; and the  
21 classification of crimes that cannot be expunged under any circumstances;  
22

23 ii. Administrative processes necessary for the the Territory to expunge the  
24 identified cannabis related crimes; and  
25

26 iii. Funding necessary to implement the recommendations of this report.  
27

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

- 30 (4) Upon issuance of the Annual Expungement Report to the Governor, Legislature,  
31 and Supreme Court, the Superior Court shall issue an order expunging each  
32 conviction for a cannabis use or possession offence entered by the court prior to the  
33 date of the Auto Expungement Report for such persons deemed to be elligble for  
34 Auto Expungment.  
35

- 36 (5) Each year following the issuance of the Auto-Expungement Report, the OCR shall  
37 issue a report detailing any amendments necessary to its initial recommendations  
38 and the progress towards expunging cannabis related crimes until all of the  
39 recommendations in the Auto-Expungement Report have been fully addressed.  
40

- 41 (i) All inspectors and regulatory enforcement officials of the OCR may be considered peace  
42 officers and enforcement officers of the USVI Department of Health pursuant to 5 V.I.C.  
43 § 3561.  
44

- 45 (j) The OCR shall promulgate regulations and adopt policies designed to maintain the  
46 confidentiality of individually identifiable patient information and records, as well as any



1 confidential or proprietary business' information and records. These records shall also be  
2 exempt from the Virgin Islands public records law in title 3 chapter 33 of this Code. The  
3 records and information that the OCR obtains, shall remain confidential, but are not limited  
4 to information about a business' operations, sales, financial records, tax returns, credit  
5 reports, cultivation information, testing regulations, security information and plans, or any  
6 revealing patient information. Any employee of the OCR or the Board, or any entity  
7 contracting with or working for the OCR or the Board, directly or indirectly, who discloses  
8 any records or information that the OCR or the Board obtains shall be subject to criminal  
9 prosecution punishable by a minimum of one (1) year of imprisonment.

10  
11 (k) The OCR may conduct or have conducted on its behalf, a market demand study in order to  
12 manage production by Permittees and Licensees or prior to the issuance of new Licenses  
13 authorized by this chapter.

14  
15 (l) OCR is responsible for establishing and overseeing an OCR Enforcement Division, which  
16 will be tasked with enforcement of all civil, criminal and regulatory violations related to  
17 Cannabis. This Enforcement Division will also be responsible for defining and assisting in  
18 the clarification of lawful cultivation, manufacture, sale and use of hemp.

19  
20 (m) All private entities awarded contracts to serve as a neutral-testing lab shall hire a majority  
21 of its entire workforce, full-time and part-time, as bona fide Virgin Islands residents and  
22 may not have, among its ownership interests or workforce, any conflicting ownership  
23 interest of any form with a Cannabis Business establishment in the Territory that will be  
24 the subject of such testing services.

25  
26 (n) Nothing in this chapter shall prevent a dispensary from providing appropriate space within  
27 the dispensary facility where patients may consume medical or non-certified cannabis or  
28 medicinal cannabis products, provided that it complies with the rules adopted by the Board  
29 in reference to that consumption.

## 30 31 **§778 - Licenses and Permits**

32  
33 (a) The OCR is hereby authorized to issue the following Permit and License types, which shall  
34 entitle the holder of such Permit or License to all the privileges and impose all the  
35 restrictions on the holder of such Permit or License as set forth in this Chapter and any  
36 regulations adopted thereto:

37  
38 (1) Cannabis Cultivation License;

39  
40 (2) Cannabis Manufacturing License;

41  
42 (3) Cannabis Dispensary License;

43  
44 (4) Micro-Cultivation Permit;

45  
46 (5) Medical Cannabis Use Permit-Resident;

1  
2 (6) Medical Cannabis Use Permit- Non-Resident;

3  
4 (7) Cannabis Non-certified Use Permit;

5  
6 (8) Cannabis Temporary Non-certified Use Permit; and

7  
8 (9) Onsite Cannabis Consumption Permit for Medical and Non-certified Cannabis  
9 License;

10  
11 (10) Research and Development License;

12  
13 (b) All Licenses and Permits shall be issued to a specific Person at a defined location, except  
14 that this provision shall not prevent a Person from applying for more than one License or  
15 Permit type identified in (a)(1) – (4) of this section intended to be operated at the same  
16 defined location provided that co-location of the License or Permit facilities would not  
17 result in a violation of this Act. The Person and location associated with a Permit or License  
18 may only be changed under the limited circumstances authorized by this Chapter and shall  
19 require approval from the OCR.

20  
21 (c) All Licenses and Permits shall be valid for one (1) year unless a shorter term is requested  
22 by the Applicant, except that a Cannabis Temporary Non-certified Use Permit may be valid  
23 for no longer than fourteen (14) days.

24  
25 (d) The OCR shall determine if there is a necessity and the number of Micro-Cultivation  
26 Permits, Cannabis Non-certified Use Permits, Cannabis Temporary Non-certified Use  
27 Permits, or Onsite Cannabis Consumption Permits that may be issued by the OCR based  
28 statistical analysis and market surveys.

29  
30 (e) The fees charged to Qualifying Patients, nonresident cardholders, and Designated  
31 Caregivers shall be determined by the Board.

32  
33 (f) Renewal fees are charged annually in an amount equal to the application fees or as  
34 otherwise determined by Board's regulations. All license fees may be adjusted annually in  
35 the discretion of the Board.

36  
37 (g) If the OCR revokes a License, a Licensee elects to surrender a License, or the OCR issues  
38 new or additional licenses, the OCR shall conduct a Merit-Based Application Process to  
39 select to whom a new Medical Cannabis License of the same type should be issued. If the  
40 License is a Medical Cannabis Cultivation License, preference shall be given to Micro-  
41 Cultivation Permittees.

42  
43 (h) A license authorized by this chapter and issued by the OCR may not be held by, or issued  
44 to, directly or indirectly, any person or any immediate family member of any person who,  
45 at any time within the previous twelve (12) months, held office in, or was employed by any  
46 agency of the Government of the Virgin Islands, or any of its political subdivisions, or who

1 was a member of the OCR or the CAB, when the duties of such person concerned or  
2 otherwise related to the enforcement or regulation of this chapter, or any other penal  
3 provisions of law of the Virgin Islands prohibiting or regulating the sale, use, possession,  
4 transportation, distribution, testing, manufacturing, or cultivation of cannabis. No person  
5 shall be precluded from owning stock in a publicly traded corporation on the basis of this  
6 provision alone.  
7

## 8 **§779 – Medical Cannabis Patients**

9

10 (a) A Qualified Patient shall be entitled to all the protections and rights set forth in this title.  
11

12 (b) Possession and cultivation limits for Qualified Patients.  
13

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

- 16 i. Four (4) ounces of Medical Cannabis;
- 17 ii. One (1) ounce of Medical Cannabis Concentrate for inhalation; and
- 18 iii. One (1) ounce of THC contained in Medical Cannabis Infused  
19 Products.  
20

21 (2) While outside a private residence, a Qualified Patient may possess, display, purchase  
22 from a licensed Medical Cannabis Dispensary, consume, process, and transport up to:  
23

- 24 i. Four (4) ounces of Medical Cannabis;
- 25 ii. Ten (10) grams of Medical Cannabis Concentrate for inhalation;  
26 and
- 27 iii. Twenty (20) grams of THC contained in Medical Cannabis Infused  
28 Products.  
29

30 (c) A Qualified Patient who is also a U.S. Virgin Islands resident may possess, use, grow,  
31 process, or transport no more than six (6) Flowering Medical Cannabis Plants for personal  
32 medical-use, provided that the Flowering Medical Cannabis Plants are cultivated on private  
33 property with the express consent of the landowner and the Medical Cannabis produced  
34 from these plants is not sold, nor made available for sale. Notwithstanding the possession  
35 limits set forth in paragraphs (a) and (b) above, a Qualified Patient may possess all of the  
36 Medical Cannabis produced by Medical Cannabis Plants cultivated at that address.  
37

38 (1) Notwithstanding the above, there may be no more than twelve (12) Flowering Medical  
39 Cannabis Plants for personal medical-use cultivated at any time at a single address  
40 unless a Micro-Cultivation Permit has been issued to that address.  
41

42 (2) Flowering Medical Cannabis Plants cultivated pursuant to a Micro-Cultivation Permit  
43  
44  
45  
46  
47

1 shall not be considered “for personal-use”, provided the plants and all Medical  
2 Cannabis produced from those plants is clearly segregated and not comingled with  
3 Flowering Medical Cannabis Plants and Medical Cannabis for personal medical-use.  
4

5 (d) Nothing in the Code shall protect, nor be interpreted to protect, a Qualified Patient from  
6 prosecution for:  
7

8 (1) Operating a motor vehicle or vessel on the road or waters of the U.S. Virgin Islands  
9 while impaired by Medical Cannabis. Impairment from the use of Medical Cannabis  
10 by a Qualified Patient shall not be determined solely by the presence of cannabinoids  
11 in the individual’s blood or urine and the courts shall instead consider other relevant  
12 evidence;  
13

14 (2) Transfer of Medical Cannabis to a Qualified Patient or nonpatient for remuneration  
15 unless transferor possesses a current and valid License or Permit and the transfer is  
16 conducted in accordance with this Chapter;  
17

18 (3) Knowingly consuming Medical Cannabis Items in a public place that does not possess  
19 a valid Non-certified Use Permit; or  
20

21 (4) Display or transfer of Medical Cannabis to a Qualified Patient or nonpatient for no  
22 remuneration within one thousand (1,000) feet of a cruise ship dock in Charlotte  
23 Amalie (Havensight) or Crown Bay in St. Thomas and within five hundred (500) feet  
24 of primary cruise ship dock in Frederiksted or within five hundred (500) feet of a cruise  
25 ship tender pier in Cruz Bay.  
26

27 (e) A Qualified Patient may designate a Designated Caregiver, who may acquire, possess, or  
28 administer Medical Cannabis upon the Qualified Patient’s behalf. A Designated Caregiver  
29 for a Qualified Patient under twenty-one (21) years of age or not legally responsible for his  
30 or her own medical decisions must be designated by that patient’s parent or legal guardian.  
31

32 **§780 – Medical Cannabis Certification Forms, Medical Cannabis Registry, Medical**  
33 **Cannabis Patient Cards**  
34

35 (a) The OCR shall create and publish a Medical Cannabis Registry Form for Physicians to  
36 certify that an individual has a Qualifying Medical Condition and would benefit from  
37 access to Medical Cannabis. The USVI Department of Health shall provide advice and  
38 guidance on the creation of the form.  
39

40 (b) The OCR shall create and publish a specific Medical Cannabis Registry Form for  
41 Qualified Patients under twenty-one (21) years of age or not in control of their own  
42 medical decisions, which shall require the Qualified Patient’s parent or legal guardian’s  
43 name and signature.  
44

45 (c) The OCR shall notify the USVI Department of Health if it has reason to suspect that a  
46 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;

- 1                   iv.    A phone number and web address where the validity of the Medical  
2                   Cannabis Patient Card can be verified pursuant to the request of the  
3                   Qualified Patient; and  
4  
5                   v.    The expiration date of the Medical Cannabis Patient Card, which must be  
6                   the same as the date on the Qualified Patient's Medical Cannabis Registry  
7                   Form.  
8  
9           (3) A valid Medical Cannabis Card will be considered the legal equivalent of a valid and  
10          signed Medical Cannabis Patient Registry Form.  
11  
12          (4) A Designated Caregiver shall be required to possess a Medical Cannabis Caregiver  
13          Card to possess or administer Medical Cannabis on behalf of a Medical Cannabis  
14          Patient.  
15  
16   (j) If the Qualifying Patient designates a Designated Caregiver, a designation as to whether  
17   the Qualifying Patient or Designated Caregiver will be allowed to possess and cultivate  
18   cannabis plants for the Qualifying Patient's medicinal use, if permitted by the OCR.  
19  
20   (k) If the Qualifying Patient is unable to submit the information required under subsection  
21   (a) due to the persons' age or medical condition, the person responsible for making  
22   medical decisions for the Qualifying Patient may do so on behalf of the Qualifying  
23   Patient.  
24  
25   (l) Except as provided in subsection (m), the OCR shall:  
26  
27          (1) verify the information contained in an application or renewal submitted pursuant  
28          to this chapter and approve or deny an application not later than 15 days or renewal not  
29          later than five days after receiving a completed application or renewal application; and  
30          (2) issue registry identification cards to a Qualifying Patient and the Designated  
31          Caregivers, if any, not later than five days after approving the application or renewal.  
32          A Designated Caregiver must have a registry identification card for each Qualifying  
33          Patient for whom such Designated Caregiver is responsible.  
34  
35   (m) The OCR may conduct a background check of the prospective Designated Caregiver in  
36   order to carry out this provision.  
37  
38   (n) The OCR may not issue a registry identification card to a Qualifying Patient who is  
39   younger than 21 years of age unless:  
40          (1) the Qualifying Patient's practitioner has explained the potential risks and benefits of  
41          the medicinal use of cannabis to the custodial parent or legal guardian with  
42          responsibility for health care decisions for the Qualifying Patient; and  
43          (2) the custodial parent or legal guardian with responsibility for health care decisions for  
44          the Qualifying Patient consents in writing to:  
45                  i.       allow the Qualifying Patient's medicinal use of cannabis;

- 1                   ii.     serve as the Qualifying Patient's designated caregiver; and  
2                   iii.     control the acquisition of the Cannabis, the dosage, and the frequency of  
3                             the medicinal use of Cannabis by the Qualifying Patient.  
4
- 5       (o)   The OCR may deny an application or renewal of a Qualifying Patient's registry  
6       identification card only if the applicant:
- 7               (1) did not provide the required information, fee, or materials;  
8               (2) previously had a registry identification card revoked; or  
9               (3) provided false information.  
10
- 11       (p)   The OCR may deny an application or renewal for a Designated Caregiver chosen by a  
12       Qualifying Patient whose registry identification card was granted only if:
- 13               (1) the Designated Caregiver does not meet the requirements of Title 19, chapter 11,  
14               section 207 of the Virgin Islands Code;  
15               (2) the applicant did not provide the information required;  
16               (3) the Designated Caregiver previously had a registry identification card revoked; or  
17               (4) the applicant or the Designated Caregiver provided false information.  
18
- 19       (q)   The OCR shall give written notice to the Qualifying Patient of the reason for denying the  
20       issuance of a registry identification card to the Qualifying Patient or to the Qualifying  
21       Patient's Designated Caregiver.  
22
- 23       (r)   Denial of an application or renewal is considered a final OCR action, subject to  
24       administrative appeal, as more fully described herein. Denial of the administrative appeal  
25       is subject to judicial review. Jurisdiction and venue for judicial review are vested in the  
26       Superior Court of the Virgin Islands.  
27
- 28       (s)   Until a Qualifying Patient who has submitted an application and the required fee to the  
29       OCR receives a registry identification card or a rejection, a copy of the individual's  
30       application, written certification, and proof that the application was submitted to the OCR  
31       is considered a registry identification card.  
32
- 33       (t)   Until a Designated Caregiver whose Qualifying Patient has submitted an application and  
34       the required fee receives a registry identification card or a rejection, a copy of the  
35       Qualifying Patient's application, written certification, and proof that the application was  
36       submitted to the OCR is considered a registry identification card.  
37
- 38       (u)   Until 25 days after the OCR makes applications available for renewal, a valid, written  
39       certification issued within the previous year is considered a registry identification card  
40       for a Qualifying Patient.  
41
- 42       (v)   Until 25 days after the OCR makes applications available for renewal, the following is  
43       considered a Designated Caregiver registry identification card:
- 44               (1) a copy of a Qualifying Patient's valid written certification issued within the  
45               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.

- 1  
2 (d) Possession of, or application for, a Medical Cannabis Certification or Medical Cannabis  
3 Registry Card pursuant to this Code does not alone constitute probable cause or reasonable  
4 suspicion, nor shall it be used to support a search of the Person or property of the holder of  
5 a Medical Cannabis Certification or Medical Cannabis Registry Card, or otherwise subject  
6 the Person or property of the Person to inspection by any governmental agency.  
7
- 8 (e) Possession, use, display, transport, process, or transfer of Medical Cannabis Items or  
9 Medical Cannabis Paraphernalia by a Qualified Patient does not alone constitute probable  
10 cause or reasonable suspicion, nor shall it be used to support a search of the person or  
11 property of the holder of a Medical Cannabis Certification or Medical Cannabis Registry  
12 Card, or otherwise subject the person or property of the person to inspection by any  
13 governmental agency.  
14
- 15 (f) No landlord may refuse to lease to, and may not otherwise penalize, a person solely for the  
16 person's status as a Qualified Patient, unless failing to do so would violate federal law or  
17 regulations or cause the landlord to lose a monetary or licensing-related benefit under  
18 federal law or regulations. A landlord may not be penalized or denied any benefit under  
19 territorial law for leasing to a Qualified Patient. No landlord shall be penalized for seeking  
20 a smoke-free environment in such leased premises.  
21
- 22 (g) No school may refuse to enroll, or otherwise penalize, a person solely for his or her status  
23 as a Qualified Patient unless failing to do so would cause it to lose a monetary or licensing-  
24 related benefit under federal law or regulations. No school may be penalized or denied any  
25 benefit under territorial law for enrolling a Qualified Patient.  
26
- 27 (h) A Qualified Patient who is a student shall not possess or self-administer Medical Cannabis  
28 Items on school grounds, upon a school bus, or at any school-sponsored event, except that  
29 a parent, guardian, or Designated Caregiver, or a practitioner, or nurse practitioner  
30 approved by the student's parent or guardian, may possess and administer Medical  
31 Cannabis Items in a nonsmokeable form to a Qualified Patient upon the grounds of the  
32 preschool or primary or secondary school in which the student is enrolled, or upon a school  
33 bus or at a school-sponsored event. The parent, guardian, school nurse, practitioner, or  
34 nurse practitioner shall not administer the nonsmokeable medical cannabis in a manner  
35 visible to other students, that creates a disruption to the educational environment, or that  
36 causes exposure to other students.  
37
- 38 (i) A school district or charter school may not deny eligibility to attend school to a student  
39 who holds a valid Medical Cannabis Certification because the student requires Medical  
40 Cannabis Items in a nonsmokeable form as a reasonable accommodation necessary for the  
41 child to attend school.  
42
- 43 (j) This Section does not apply to a school district or charter school if:  
44
- 45 (1) The school district or charter school loses federal funding as a result of implementing

1           this paragraph;

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

4       (3) The school district or charter school posts on its website in a conspicuous place a  
5       statement regarding its decision not to comply with this paragraph.  
6

7       (k) No employer is required to allow the consumption of cannabis in any workplace or to allow  
8       any employee to work while under the influence of Medical Cannabis. Similarly, a  
9       Qualified Patient shall not be protected from sanctions for engaging in activities under the  
10      influence of Medical Cannabis in a manner that is a violation of a privileged license.  
11      However, a registered Qualified Patient shall not be considered to be under the influence  
12      of Medical Cannabis solely because of the presence of metabolites or components of  
13      cannabis that appear in sufficient concentration to cause impairment.  
14

15      (l) For the purposes of providing medical care, including organ and tissue transplants, a  
16      Qualified Patient's use of Medical Cannabis Items pursuant to this Chapter are considered  
17      the equivalent of the authorized use of any other medication used at the discretion of a  
18      practitioner and does not constitute the use of an illicit substance or otherwise disqualify  
19      a Qualified Patient from receiving or being eligible to receive needed medical care.  
20

21      (m) A person may not be denied custody of, or visitation rights, or parenting time with a minor  
22      for the Person's status as a Qualified Patient, and there may be no presumption of neglect  
23      or child endangerment for conduct allowed under this title, unless the person's behavior is  
24      such that it creates an unreasonable danger to the safety of the minor as established by clear  
25      and convincing evidence.  
26

27      (n) An employer is not required to permit or accommodate conduct otherwise allowed by this  
28      act in the workplace or on the employer's property. An employer may discipline an  
29      employee for violation of a workplace drug policy or for working while under the influence  
30      of cannabis; however such discipline may not be for conduct outside the workplace or  
31      working hours. An employer may discharge, discipline, or otherwise take an adverse  
32      employment action against a person with respect to tenure, terms, conditions, or privileges  
33      of employment because of that person's violation of a workplace drug policy during work  
34      hours or in the workplace.  
35

36   **§ 784. Affirmative defenses and dismissal for medicinal cannabis**

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

40          (1) a Practitioner has stated that, in the Practitioner's professional opinion, after having  
41          completed a full assessment of the person's medical history and current medical  
42          condition made in the course of a bona fide practitioner-patient relationship, the patient  
43          has a debilitating Qualified Medical Condition and the potential benefits of using  
44          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 entity 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 Cannabis License must demonstrate it possesses at least the financial capital as required by the OCR, in its control, of available funds, as evidenced

1 by bank statements, irrevocable lines of credit, or the equivalent to show that the  
2 Applicant has sufficient resources to operate.  
3

4 (6) A Cannabis Licensee shall submit to the OCR for approval all Financial Interests and  
5 each holder of a Financial Interest must be approved by the OCR before such Financial  
6 Interest holder may accept any portion of revenue of the Cannabis Licensee or exercise  
7 any of the privileges of the Financial Interest.  
8

9 (7) Residency Requirement. All partnerships, employee cooperatives, associations,  
10 nonprofit corporations, corporations, and limited liability companies applying for  
11 ownership of a Cannabis License must be formed under the laws of the U.S. Virgin  
12 Islands with its principal place of business in the U.S. Virgin Islands. Majority Owners  
13 must be bona fide Residents of the U.S. Virgin Islands. If a Cannabis Licensee does  
14 not have a Majority Owner, then at least fifty point one percent (50.1%) of the entity  
15 holding the License, on a fully diluted basis, must be owned by bona fide Residents of  
16 the U.S. Virgin Islands as defined in this chapter. Any Resident-Owned Business must  
17 comply with the provisions of Section 776(ggg).  
18

19 (b) Control. No Person other than an Owner shall have the authority to exercise control over a  
20 Cannabis Licensee. It shall be unlawful and a violation of public safety for any Person who  
21 is not an Owner to have control over the management or day-to-day operations of the  
22 Cannabis Licensee. Authority given to a Manager approved under this OCR to manage  
23 day-to-day operations of the Cannabis Licensee under the direction of the Owners shall not  
24 be considered control for the purposes of this Act. Whether a Person exercises control shall  
25 be determined by whether the Person who takes, or is authorized to take, the following  
26 actions:  
27

28 (1) Exercises final decision-making authority over operations of the business;  
29

30 (2) Directs the day to day operation of the business, except that Managers may direct the  
31 day to day operations subject to oversight by Owners pursuant to a lawful employment  
32 contract;  
33

34 (3) Is liable for the taxes and fees or other obligations of the Cannabis Licensee;  
35

36 (4) Acknowledges liability for the Cannabis Licensee's taxes and fees;  
37

38 (5) Has authority to disburse funds of the business other than the receipt of regularly  
39 replaced items of stock;  
40

41 (6) Makes final policy decisions relative to the operations of the business; or  
42

43 (7) Has voting rights or the right to obtain voting rights in the Cannabis Licensee.  
44

45 (c) Ongoing Suitability Requirements. An Applicant for a Cannabis License shall have an  
46 affirmative duty to notify the OCR in writing of: (i) any disqualifying criminal offense

1 under section 776(m) against an Owner within ten (10) days of the Person's arrest and  
2 within ten (10) days of disposition; or (ii) any change in residency disqualifying any Owner  
3 pursuant to section 781(a)(7), within ten (10) days of such change. Upon determination by  
4 the OCR that an Owner associated with the Licensee is no longer suitable under this Act,  
5 the Cannabis Licensee shall have ninety (90) days to remove the disqualified Person from  
6 association with the Cannabis License unless otherwise extended by the OCR for good  
7 cause. Failure to remove such disqualified Person in accordance with this section may be  
8 grounds for denial, suspension, revocation, or administrative action.  
9

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

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

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

- 29 i. Prevent the transfer or assignment of the Financial Interest, and shall contain a  
30 provision requiring that any funds exchanged pursuant to the agreement shall not  
31 be provided until the OCR approves the agreement in writing;  
32
- 33 ii. Include representations and warranties by the Financial Interest Holder that its  
34 investment is passive and has no entitlement or expectation of being able to have  
35 any control, participation in, or investment in the Cannabis Licensee except as  
36 permitted in the agreement as approved by the OCR;  
37
- 38 iii. Include representations and warranties by all parties that the agreement and the  
39 relationship between the parties is contingent upon approval of the OCR and that  
40 the proposed Financial Interest Holder has no entitlement to or expectation of the  
41 OCR approving the Financial Interest;  
42
- 43 iv. Contain an acknowledgment that the agreement and relationship between the  
44 parties is contingent upon the approval of the OCR; and  
45
- 46 v. Contain an acknowledgment and agreement by both parties that the decision of the

1 OCR to approve or deny the Financial Interest is final and wholly discretionary and  
2 any administrative or judicial review of such determination by the OCR will only  
3 occur through licensing or enforcement proceedings involving the Cannabis  
4 Licensee.  
5

6 (3) Investigation and Disclosures.  
7

- 8 i. The OCR will conduct a financial investigation as well as a criminal background  
9 investigation of all Financial Interest Holders in order to determine whether such  
10 Financial Interest Holder is qualified. After licensure, a Financial Interest Holder  
11 must continue to disclose the source of funds for all money relating to the Financial  
12 Interest in the Cannabis License. The OCR must approve these funds prior to the  
13 funds being used in any manner by the Cannabis Licensee.  
14
- 15 ii. As a part of its application, a Cannabis Licensee seeking to obtain approval of a  
16 Financial Interest shall provide evidence to establish that the Person seeking to  
17 become a Financial Interest Holder, including all members of any Business Entity  
18 seeking to become a Financial Interest Holder are lawful residents of the United  
19 States and shall provide documentation satisfactory to the OCR verifying and  
20 confirming the funds used for the Financial Interest were lawfully earned or  
21 obtained.  
22
- 23 iii. The OCR may deny an application for a Financial Interest Holder, or any Person  
24 who may participate in such interest, if its investigation of the Applicant results in  
25 a determination that such holder is not suitable to hold a Financial Interest, is not  
26 of good moral character, or has not fully disclosed its sources of funds or interest  
27 in the Cannabis License  
28

29 (4) Ongoing Suitability Requirement.  
30

- 31 i. The Financial Interest Holder and the Cannabis License shall be subject to an  
32 ongoing duty to disclose in writing to the OCR any and all events which may  
33 reasonably disqualify the Financial Interest Holder from having an Interest in a  
34 Cannabis License, no later than ten (10) days after receiving notice of the event.  
35
- 36 ii. If at any time the OCR finds any Financial Interest Holder is not qualified, the OCR  
37 may require the Cannabis Licensee to terminate its relationship, including but not  
38 limited to all financial relations, with the Financial Interest Holder within a  
39 specified time period by providing written notice to the Cannabis Business. Failure  
40 to terminate such relationship and financial ties within the specified time period  
41 may be a basis for administrative action against the Cannabis Business.  
42

43 (5) Requirements-Permitted Interest Holders.  
44

- 45 i. An application for a Permitted Interest must be initiated by the Cannabis Licensee  
46 and must include a sworn affirmation from the Cannabis License Applicant and

1 proposed Permitted Interest Holder on forms prescribed by the OCR that the  
2 Permitted Interest Holder will not exercise control, or have any right to control, the  
3 Cannabis License, until such time as the Permitted Interest Holder is licensed as an  
4 Owner.

5  
6 ii. Conversion from a Permitted Interest to an Owner shall occur pursuant to rules  
7 promulgated by the OCR and the terms of the Permitted Interest Agreement  
8 between the Cannabis Licensee and Permitted Interest Holder but in no event can  
9 the conversion occur until such time as the Permitted Interest Holder meets all  
10 qualifications for licensure and ownership pursuant to this chapter and any rules  
11 promulgated pursuant to this Code.

12  
13 iii. The Cannabis Licensee or Permitted Interest Holder may initiate a conversion of a  
14 Financial Interest to Owner pursuant to the terms of the Permitted Interest  
15 Agreement by application to the OCR.

16  
17 iv. The approval of the Permitted Interest Holder by the OCR is wholly discretionary  
18 and the OCR may, at any time, deny approval of the Permitted Interest or find that  
19 the Permitted Interest is no longer qualified. The Permitted Interest shall be  
20 terminable immediately upon such determination.

21  
22 (6) Requirements-Reasonable Royalty Holders.

23  
24 i. An application for a Reasonable Royalty must be initiated by the Cannabis Licensee  
25 pursuant to rules promulgated by the OCR and must include a sworn affirmation  
26 from the Medical Cannabis License Applicant and proposed Reasonable Royalty  
27 Holder on forms prescribed by the OCR that the Reasonable Royalty Holder will  
28 not exercise control, or have any right to control, the Cannabis Licensee except as  
29 otherwise permitted by this Code or the rules promulgated thereto. Any violation  
30 of this Section may be the basis for criminal or administrative action against the  
31 Applicant for a Cannabis License or Financial Interest.

32  
33 ii. The approval of the Reasonable Royalty Holder by the OCR is wholly discretionary  
34 and the OCR may, at any time, deny approval of the Reasonable Royalty or find  
35 that the Reasonable Royalty Holder is no longer qualified. The Reasonable Royalty  
36 shall be terminable immediately upon such determination.

37  
38 **§786 – License Application Process**

39  
40 (a) The OCR shall create and furnish forms for the application for a Cannabis License and  
41 promulgate regulations governing the application, review, issuance, denial, and renewal of  
42 a License.

43  
44 (b) In accordance with the provisions set forth in section 778, the OCR may issue the  
45 following Cannabis Licenses and Medical Cannabis Licenses on the island of St. Thomas:  
46



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

3  
4  
5 (2) Up to twelve (12) Cannabis Cultivation Licenses; and

6  
7 (3) Up to seven (7) Cannabis Manufacturing Licenses.

8  
9 (c) In accordance with the provisions set forth in section 778, the OCR may issue the following  
10 Cannabis Licenses and Medical Cannabis Licenses on the Island of St. John:

11  
12 (1) Up to three (3) Medical Cannabis Dispensary Licenses and Onsite Consumption Use  
13 Permit sites;

14  
15 (2) Up to five (5) Cannabis Cultivation Licenses; and

16  
17 (3) Up to seven (7) Cannabis Manufacturing Licenses.

18  
19 (d) In accordance with the provisions set forth in section 778, the OCR may issue the following  
20 Medical Cannabis Licenses on the Island of St. Croix:

21  
22 (1) Up to seven (7) Medical Cannabis Dispensary Licenses and Onsite Consumption Use  
23 Permit sites;

24  
25 (2) Up to twelve (12) Cannabis Cultivation Licenses; and

26  
27 (3) Up to seven (7) Cannabis Manufacturing Licenses.

28  
29 (e) A Medical Cannabis Licensee that receives a Medical Cannabis Dispensary License shall  
30 also receive a Medical Cannabis Cultivation License. The remaining Medical Cannabis  
31 Cultivation Licenses authorized for issuance above shall be issued to Persons that do not  
32 possess a Medical Cannabis Dispensary License. Notwithstanding this paragraph, a  
33 Medical Cannabis License shall be transferable in accordance with this chapter and there  
34 shall be no requirement that a Cannabis Dispensary Licensee possess a Cannabis  
35 Cultivation License.

36  
37 (f) The OCR may issue additional Cannabis Licenses after January 1, 2023 provided it has  
38 conducted a study demonstrating that demand for Medical Cannabis Items and Cannabis  
39 Items, generally, in the U.S. Virgin Islands exceeds, or is projected to exceed within  
40 twenty-four (24) months, the current supply of Medical Cannabis Items and Cannabis Items  
41 being produced by all Cannabis Manufacturing Licensees, Cannabis Cultivation Licensees,  
42 and Micro-Cultivation Permittees. Additional Medical Cannabis Cultivation Licenses  
43 and/or Cannabis Cultivation Licensees shall be issued pursuant to a Merit-Based  
44 Application Process with preference given to Micro-Cultivation Permittees. For Cannabis  
45 Cultivation Licenses issued after February 1, 2022 a preference shall be given to Micro-  
46 Cultivation Permittees.

1  
2 (g) Merit-Based Application Process. The OCR shall only issue Cannabis Licenses pursuant  
3 to a formal Merit-Based Application Process, whereby Cannabis Licenses are awarded to  
4 Persons with the highest application score for the specific License type and on the specific  
5 island being sought based on certain criteria set forth by the OCR.  
6

7 (1) The regulations governing a Merit-Based Application Process, including the process  
8 for scoring and points allocated, shall be adopted no later sixty (60) days prior to the  
9 application deadline. The criteria shall include consideration of the following:  
10

- 11 i. Past USVI taxes paid and evidence of compliant return filing and payment of taxes;
- 12 ii. Experience of the Applicant in operating a regulated business;
- 13 iii. Whether an Applicant has had a License suspended or revoked for operating a  
14 cannabis business;
- 15 iv. Odor filtration systems;
- 16 v. Criminal background;
- 17 vi. Security measures;
- 18 vii. Operating plans;
- 19 viii. Staff training plans;
- 20 ix. Inventory Tracking and illicit diversion prevention plans;
- 21 x. Community engagement and cooperation plans including evidence of support from  
22 community members;
- 23 xi. Evidence of adequate capital and liquidity;
- 24 xii. Evidence of charitable contributions, scholarships;
- 25 xiii. Whether the applicant is a Minority-owned Business Enterprise, Female-operated  
26 bona fide Virgin Islands entity, or a Service-disabled veteran-operated bona fide  
27 Virgin Islands entity.

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40  
41 (2) establish a system to evaluate competing adult use lounge permit applications, including:  
42 (A) an analysis of the geographical area in which the proposed adult use lounge would  
43 operate, including with respect to information on criminal activity in the area;  
44 (B) the proximity of the proposed adult use lounge to any existing or prospective  
45 commercial cannabis dispensaries; and  
46 (C) the proximity of the proposed adult use lounge to any child care center, day care center,

1 elementary school, secondary school, or religious institution, and

2  
3 (D) promotion and ensuring the safety and health of consumers.

4  
5 (3) The OCR shall close the application acceptance period for the Cannabis Licenses made  
6 available pursuant to this chapter no later than one (1) year following the date the  
7 legislation is signed into law by the Governor.

8  
9 (4) The OCR shall review all applications submitted to a Merit-Based Application Process  
10 and publish a list of successful Applicants, as well as the score for each Applicant, no  
11 later than ninety (90) days after the application deadline.

12  
13 (5) The OCR shall promulgate rules governing the requirements for a Cannabis License  
14 application, which shall include, at a minimum:

15  
16 i. Applicant's fingerprints;

17  
18 ii. Personal history information concerning the Applicant's qualifications for a  
19 License based on forms prepared by the OCR, including at a minimum the name,  
20 all mailing addresses for the past fifteen (15) years, e-mail address, telephone  
21 number, and social security number of each proposed Owner and Financial Interest  
22 Holder;

23  
24 iii. If the Applicant for a Cannabis License or Financial Interest is a Business Entity,  
25 the following:

26  
27 (a) If the Applicant is a partnership, including a limited partnership, the name and  
28 percentage interest of each partner holding any interest in the partnership on  
29 both a current and on a fully diluted basis, the partnership agreement, and  
30 certification of residency for each partner;

31  
32 (b) If the Applicant is a limited liability company, the name and percentage interest  
33 each member holding any membership interest, the limited liability company  
34 agreement, the name of each officer, and certification of residency for each  
35 member, on both a current and on a fully diluted basis;

36  
37 (c) If the Applicant is a corporation, each owner of any of the corporation's stock,  
38 the certificate of corporation, a copy of its articles of incorporation or  
39 organization, the name of each corporate officer, a list of all shareholders with  
40 a percentage of ownership, and certification of residency for each shareholder,  
41 on both a current and on a fully diluted basis;

42  
43 (d) A list of all officers with day-to-day operational control over the business.

44  
45 iv. For each Applicant Business Entity, Owner, and Financial Interest Holder, all  
46 requested information concerning financial and controlling associations and

- 1 interests of other Persons associated with the business, and classes of stock or  
2 membership interests, on both a current and on a fully diluted basis;  
3
- 4 v. Evidence that the Applicant is qualified to do business in the Virgin Islands;  
5
- 6 vi. Supporting documentation to establish the following:  
7
- 8 (a) That the Applicant, including each Owner, meets the residency requirement in  
9 Section 776 including the dates when continuous legal residence in the Virgin  
10 Islands began for each legal resident that has any ownership interest in the  
11 Applicant;  
12
- 13 (b) That all Owners and Cannabis Business Representatives of the Applicant are  
14 not less than twenty-one (21) years of age; and  
15
- 16 (c) That the Applicant and its Medical Cannabis Business Representatives do not  
17 have any disqualifying criminal convictions as set forth in Section 776.  
18
- 19 vii. All civil litigation in the past ten (10) years and all criminal convictions in the  
20 Person's history for any Owner, Financial Interest Holder, Medical Cannabis  
21 Business Representative, executive officer, director, and principal employee, of the  
22 Applicant;  
23
- 24 viii. A description of the corporate structure of the Applicant, including any parent,  
25 intermediary, or subsidiary of the Applicant, and whether any parent or subsidiary  
26 is publicly traded on a securities exchange and whether such Person bears any  
27 relationship to the Cannabis License on both a current and on a fully diluted basis;  
28
- 29 ix. A description of all outstanding securities, including a clear diagram with  
30 descriptions of corporate structure, capitalization, and ownership including voting  
31 rights, of the Applicant and its holding company's subsidiary and intermediary  
32 companies and a list of all Holders thereto on both a current and on a fully diluted  
33 basis;  
34
- 35 x. For each Medical Cannabis License Applicant and Financial Interest Holder,  
36 documentation verifying and confirming the lawful source of funds used for the  
37 operation of the proposed business;  
38
- 39 xi. The address and detailed diagram of the proposed Licensed Premises showing all  
40 areas of ingress, egress, placement of cameras, and boundaries of the premises;  
41
- 42 xii. Proof of possession of the proposed Licensed Premises by Applicant;  
43
- 44 xiii. Proof of filing an emergency response plan with the Virgin Islands Fire Services  
45 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.

1   **§788 – Renewals**  
2

- 3       (a) The OCR shall create and furnish forms for the renewal of an existing License or Permit  
4           and create rules governing procedures for the renewal of an existing License or Permit.  
5  
6       (b) Ninety (90) days prior to the expiration date of an existing Medical Cannabis License or  
7           Medical Cannabis Permit, the OCR shall notify the Licensee or Permittee of the expiration  
8           date by first-class mail at the Licensee's address of record with the OCR.  
9  
10      (c) A Licensee or Permittee shall apply for the renewal of an existing License or Permit to the  
11           OCR not less than thirty (30) days prior to the date of expiration without being subject to  
12           penalty.  
13  
14      (d) The OCR shall adopt policies governing the administrative continuance of a License that  
15           has expired pending review of a renewal application.  
16  
17      (e) A Licensee or Permittee shall not exercise the privileges of its License or Permit past its  
18           expiration date unless the OCR has administratively continued the License or permit.  
19

20   **§789 – Other Applications to the OCR**  
21

- 22      (a) A Licensee or Permittee shall not make any changes to its location, ownership, Licensed  
23           Premises, Micro-Cultivation Site, and Designated Consumption Area without approval  
24           from the OCR.  
25  
26      (b) Change in Ownership.  
27  
28          (1) A Licensee or Non-certified Use Permittee shall not undergo any change in ownership,  
29              whether adding or removing owners or adjusting equity amongst owners, without prior  
30              approval from the OCR. A License granted under the provisions of this Code is not  
31              transferable except as provided for in this section.  
32  
33          (2) A Micro Cultivation Permit shall be issued to a single individual and may not have its  
34              ownership transferred.  
35  
36          (3) A Licensee or Permittee shall apply for a Change of Ownership on forms prepared and  
37              furnished by the OCR, in accordance with all regulations adopted hereto. In  
38              determining whether to approve or deny a transfer of ownership, the OCR shall  
39              consider the requirements of the Code and any rules promulgated hereto.  
40  
41          (4) A change in ownership or business structure of any License or Permit issued pursuant  
42              to this Code shall be prohibited unless all proposed owners of the License or Permit  
43              meet criminal background and suitability requirements as required by this Code.  
44  
45          (5) A change in majority ownership of any License issued pursuant to this Code shall be  
46              prohibited for one (1) year after the date the License is issued, unless the Licensee can

1 demonstrate that a transfer of ownership is made necessary by death or disability of the  
2 Licensee, substantial financial hardship, or other reasons as determined by the OCR in  
3 accordance with criteria established in regulation.  
4

- 5 (6) No application for transfer of ownership or change in business structure of any License  
6 or Permit shall be approved by the OCR until all taxes, sales taxes, any fines, penalties,  
7 and interest assessed against or imposed upon such Licensee or Permittee in relation to  
8 the licensed business are paid in full.  
9

10 (c) Change of Location.  
11

- 12 (1) A Licensee shall not undergo any change in location without prior approval from the  
13 OCR.  
14  
15 (2) A Permittee may not undergo a change of location and, instead, must apply for a new  
16 permit.  
17  
18 (3) A Licensee shall apply for approval to change its location on forms prepared and  
19 furnished by OCR. In determining whether to approve or deny a transfer of ownership,  
20 the OCR shall consider the requirements of the Code and any rules promulgated hereto.  
21  
22 (4) A License issued pursuant to this title shall be prohibited from changing location to a  
23 different island within the U.S. Virgin Islands or any location outside of the U.S. Virgin  
24 Islands.  
25  
26 (5) A Licensee may move the permanent location of its Licensed Premises to any other  
27 place within the island where the License was issued once permission to do so is  
28 granted by the OCR provided for in this Code. In permitting a change of location, the  
29 OCR shall consider all reasonable restrictions that are or may be placed upon the new  
30 location.  
31

32 (d) Modification of Premises  
33

- 34 (1) A Licensee or Permittee shall not materially modify its Licensed Premises, Micro-  
35 Cultivation Site, or Designated Consumption area without prior approval from the  
36 OCR.  
37  
38 (2) A Licensee or Permittee shall apply for a modification of premises on forms prepared  
39 and furnished by the OCR. In determining whether to approve or deny a modification  
40 of premises, the OCR shall consider the requirements of the Code and any rules  
41 promulgated hereto.  
42  
43 (3) The OCR shall adopt regulations governing when a Licensee or Permittee shall be  
44 required to submit a modification of premises.  
45

46 **§790 – Requirements For All License Types**

- 1  
2 (a) The OCR shall establish an Inventory Tracking System to remotely monitor and track all  
3 Cannabis from the acquisition of seeds or clones through sale or delivery of a finished  
4 product to a Qualified Patient or Non-certified User or Sacramental User.  
5  
6 (1) The system must provide for real-time access by the OCR, Licensees, and law  
7 enforcement personnel, to the extent that they are authorized to receive or submit the  
8 information to comply with, enforce, or administer this Code.  
9  
10 (2) The Inventory Tracking System utilized by the OCR shall support interoperability with  
11 third-party Medical Cannabis License software applications, including seed-to-sale  
12 tracking systems, and allow all Licensee-facing system activities to be performed  
13 through a secure application programming interface ("API") or comparable technology  
14 which is well documented, bi-directional, and accessible to any third-party application  
15 that has been validated and has appropriate credentials. The API or comparable  
16 technology shall have version control and provide adequate notice of updates to third-  
17 party applications. The system should provide a test environment for third-party  
18 applications to access that mirrors the production environment.  
19  
20 (b) Medical Cannabis Licensees shall be permitted to transport Medical Cannabis between  
21 Licensed Premises, provided the transportation is conducted in accordance with regulations  
22 adopted by the OCR.  
23  
24 (c) An individual who performs work on behalf of a Cannabis Licensee must qualify as an  
25 Owner, Cannabis Business Representative, Consultant, or Contractor.  
26  
27 (1) A Cannabis Licensee or Medical Cannabis Licensee shall not hire an employee, nor  
28 hire any Consultant or Contractor under the age of twenty-one (21).  
29  
30 (2) A Cannabis Business Representative or Medical Cannabis Business Representative  
31 must be a resident of the U.S. Virgin Islands on the date of hire and for the duration of  
32 the performance of work on behalf of the Cannabis Licensee.  
33  
34 (3) A Consultant may not spend more than ninety (90) days per annum within the Licensed  
35 Premises of the Cannabis Businesses unless the Consultant has received a waiver from  
36 the OCR, which shall be approved if the Cannabis Business can demonstrate  
37 commercial necessity.  
38  
39 (4) A Cannabis Licensee shall conduct a criminal background check on all Cannabis  
40 Business Representatives and Consultants prior to the date of hire.  
41  
42 (5) A Cannabis Licensee shall not permit individuals whose criminal history includes a  
43 conviction for a Crime of Violence for which the sentence has not been discharged  
44 within the preceding ten (10) years to act as a Cannabis Business Representative or  
45 Consultant.  
46



- 1 (6) A Cannabis Licensee shall maintain a current list of all Cannabis Business  
2 Representatives and Consultants at its Licensed Premises.
- 3
- 4 (7) A Cannabis Licensee shall maintain documentation evidencing that all Cannabis  
5 Business Representatives were a qualified USVI Resident and over the age of twenty-  
6 one (21) upon the date of hire and have had an annual criminal background check for  
7 every year since the date of hire.
- 8
- 9 (8) A Cannabis Licensee shall maintain documentation evidencing that all Consultants are  
10 over the age twenty-one (21) upon the date of hire and have had an annual criminal  
11 background check for every year since the date of hire.
- 12
- 13 (9) A Cannabis Licensee shall maintain documentation evidencing a written policy that  
14 requires all Cannabis Business Representatives and Consultants to sign an attestation  
15 to disclose all criminal convictions.
- 16
- 17 (10) All individuals that enter a Licensed Premises that is not an Owner, Cannabis  
18 Business Representative, Consultant, or Contractor of a Cannabis Licensee shall only  
19 be admitted as a visitor and subject to the regulations adopted by the OCR that shall  
20 include but need not be limited to regarding age, monitoring, and visitor identification  
21 badges. All visitors must be at least twenty-one (21) years of age. Visitors may include  
22 contractors engaged for the purposes of service, repair, or maintenance.
- 23
- 24 (d) All Cannabis Licensees shall develop and implement an on-site training curriculum, or  
25 enter into contractual relationships with outside resources capable of meeting Cannabis  
26 Business Representative training needs. Training shall include but not be limited to  
27 professional conduct, ethics, and territory and federal laws regarding patient  
28 confidentiality; informational developments in the field of medical use of cannabis; the  
29 proper use of security measures and controls that have been adopted; and specific  
30 procedural instructions for responding to an emergency, including robbery or violent  
31 accident.
- 32
- 33 (e) Cannabis Licensees shall secure its Licensed Premises in accordance with the regulations  
34 promulgated by the OCR, which must include but need not be limited to standards for  
35 lighting, physical security, video surveillance, alarm systems, and waste disposal.
- 36
- 37 (f) Cannabis Licensees may not Advertise in a manner that has a high-likelihood of reaching  
38 Persons under twenty-one (21) years of age in violation of regulations promulgated by the  
39 OCR that must include but shall not be limited to restrictions on:
- 40
- 41 (1) Mass media advertising on television, radio, and the internet;
- 42
- 43 (2) Outdoor advertising; and
- 44
- 45 (3) Event sponsorship, except with the express approval of the OCR.
- 46

- 1 (g) The consumption of Medical Cannabis Items shall not be permitted upon the Licensed  
2 Premises of a Cannabis Licensee unless duly authorized by appropriate Permit.  
3
- 4 (1) The Owner of a Medical Cannabis Licensee may Permit the use of Medical Cannabis  
5 Items by Qualified Patients in an alternate location subject to a valid Medical Cannabis  
6 Social Use Permit or Medical Cannabis Temporary Social Use Permit.  
7
- 8 (2) Cannabis Cultivation Licensee that has been issued an Onsite Consumption Permit may  
9 permit the consumption of Cannabis Items within its Licensed Premises in a Designated  
10 Consumption area and in accordance with all requirements of its permit.  
11
- 12 (h) A Cannabis Licensee shall not sell any Cannabis Items, nor transfer from one Licensed  
13 Premises to another, without having had completed all mandatory Quality Assurance Tests.  
14 All mandatory Quality Assurance Tests shall be conducted by the Department of  
15 Agriculture, unless the OCR approves other entities to conduct Quality Assurance Tests.  
16
- 17 (i) A Cannabis Licensee shall not sell any Medical Cannabis Items, nor transfer from one  
18 Licensed Premises to another, without having paid all required Sales Taxes.  
19
- 20 (j) A Cannabis Licensee shall only cultivate, cure, process, store, manufacture, display and  
21 sell Cannabis Items within its Licensed Premises, unless a sale is conducted in accordance  
22 with regulations governing the delivery of Cannabis Items.  
23
- 24 (k) A Cannabis Licensee shall ensure its facility is kept, and operations conducted, in a sanitary  
25 manner and in accordance with regulations promulgated by the OCR designed to reduce  
26 the potential for contamination during cultivation, manufacturing, transporting, and  
27 dispensing.  
28
- 29 (l) The OCR shall establish a Cannabis quality assurance program as advised by the USVI  
30 Department of Agriculture, USVI Department of Health and other state agencies, as  
31 requested. The quality assurance program must, at a minimum, establish standards for the  
32 safety and potency of Medical Cannabis Items prior to sale at a Cannabis Dispensary.  
33
- 34 (1) The Quality Assurance Program shall require Cannabis Items to be submitted for  
35 contaminant and potency testing by the USVI Department of Agriculture or another  
36 qualified entity approved by the OCR.  
37
- 38 (2) The Quality Assurance Program shall establish permissible levels of contaminants for  
39 Cannabis Items and require the destruction of products deemed unsafe for human  
40 consumption due to impermissible levels of contaminants.  
41
- 42 (3) The Quality Assurance Program shall establish standards and procedures for the  
43 potency testing of Cannabis Items to ensure the labeling of potency information is  
44 accurate and within a defined acceptable variance.  
45
- 46 (m) An individual who holds an Interest in a Medical Cannabis Licensee shall be prohibited

1 from holding a Micro-Cultivation Permit.

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

3  
4 **§791 –Cannabis Cultivation License**

5  
6 (a) A Medical Cannabis Cultivation Licensee shall be authorized by the OCR to purchase  
7 Medical Cannabis from Micro-Cultivation Permittees; cultivate, cure, process, internally-  
8 test, store, package, and label Medical Cannabis; store, sell, purchase, receive, transfer, and  
9 transport Medical Cannabis Items to and from other Medical Cannabis Licensees on the  
10 same island in accordance with the limitations in this chapter and regulations promulgated  
11 by the OCR.

12  
13 (b) A Cannabis Cultivation Licensee shall not locate a Licensed Premises within one thousand  
14 (1,000) feet of a school or house of worship.

15  
16 (1) A Cannabis Cultivation Licensee shall not be required to relocate if its premises was  
17 not located within one thousand (1,000) feet of a school or house of worship on the  
18 date the Cannabis Cultivation Licensee filed its application for licensure or change of  
19 location to its current address.

20  
21 (2) The OCR may adopt regulations for Cannabis Cultivation Licensees located in the  
22 Charlotte Amalie, Christiansted, and Frederiksted Historic Districts and the town of  
23 Cruz Bay that impose additional requirements on licensees, such as security, odor  
24 control, and community engagement including, but not limited to signage and fencing.  
25 If such regulations are adopted, the OCR can waive or reduce the distance requirements  
26 in this section for Cannabis Cultivation Licenses located in the Charlotte Amalie,  
27 Christiansted, and Frederiksted Historic Districts and the town of Cruz Bay.

28  
29 (3) A Cannabis Cultivation License shall not be within one thousand (1,000) feet of a cruise  
30 ship dock in Charlotte Amalie (Havensight) or Crown Bay in St. Thomas and within  
31 five hundred (500) feet of primary cruise ship dock in Frederiksted and within five  
32 hundred (500) feet of a primary cruise ship tender pier in Cruz Bay.

33  
34 (c) A Cannabis Cultivation Licensee shall only cultivate Cannabis in accordance with its  
35 authorized production limits established by the OCR in regulation.

36  
37 (d) Cannabis may be cultivated outdoors provided it meets the same or similar security  
38 requirements set forth by the OCR.

39  
40 (e) Cannabis may only be cultivated using Pesticides on an approved list maintained by the  
41 OCR developed in coordination with the USVI Department of Agriculture.

42  
43 (f) A Cannabis Cultivation Licensee may obtain seeds or immature plants from individuals  
44 not in possession of a Cannabis License or Permit for the first thirty (30) days after its  
45 facility is operational, as determined by the OCR. Thereafter, a Cannabis Cultivation  
46 Licensee may only obtain seeds or immature plants from other Cannabis Cultivation

1 Licensees or Micro-Cultivation Permittee or Research and Development Licensee, unless  
2 the OCR, upon its discretion and good cause, provides prior written approval due to  
3 commercially reasonable needs of the Licensee.  
4

#### 5 **§792 –Cannabis Manufacturing License** 6

- 7 (a) A Cannabis Manufacturing Licensee shall be authorized by the OCR to purchase Cannabis  
8 from Cannabis Licensees or Micro-Cultivation Permittees within the Territory;  
9 manufacture, process, internally test, package, and label Medical Cannabis Concentrates  
10 and Medical Cannabis Products and non-medical Cannabis Concentrates and Cannabis  
11 Products; store, sell, purchase, receive, transfer, and transport Cannabis Items to and from  
12 other Cannabis Licensees on the same island in accordance with the limitations in this  
13 chapter and regulations promulgated by the OCR.  
14
- 15 (b) A Cannabis Manufacturing Licensee shall not locate a Licensed Premises within one  
16 thousand (1,000) feet of a school or house of worship.  
17
- 18 (1) A Cannabis Manufacturing Licensee shall not be required to relocate if its premises  
19 was not located within one thousand (1,000) feet of a school or house of worship on  
20 the date the Cannabis Manufacturing Licensee filed its application for licensure or  
21 change of location to its current address.  
22
- 23 (2) The OCR may adopt regulations for Cannabis Manufacturing Licenses located in the  
24 Charlotte Amalie, Christiansted, and Frederiksted Historic Districts and the town of  
25 Cruz Bay that impose additional requirements on licensees, such as security, odor  
26 control, and community engagement. If such regulations are adopted, the OCR can  
27 waive or reduce the distance requirements in this section for Cannabis Manufacturing  
28 Licenses located in the Charlotte Amalie, Christiansted, and Frederiksted Historic  
29 Districts and the town of Cruz Bay.  
30
- 31 (3) A Cannabis Manufacturing Licensee shall not be located within one thousand (1,000)  
32 feet of any cruise ship dock in Charlotte Amalie (Havensight or Crown Bay) in St.  
33 Thomas and within five hundred (500) feet of the primary cruise ship dock in  
34 Frederikstedon and within five hundred (500) feet of a primary cruise ship tender pier  
35 in Cruz Bay on the date the Medical Cannabis Manufacturing Licensee filed its  
36 application for licensure or change of location to its current address.  
37
- 38 (c) The manufacturing of Cannabis Concentrates and Cannabis Products shall only be  
39 conducted in strict accordance with all safety regulations promulgated by the OCR, which  
40 shall include but need not be limited to facility requirements, solvent purity, and food-  
41 handling.  
42
- 43 (d) A Cannabis Production Licensee shall not intentionally or knowingly manufacture, or  
44 design a Cannabis Product that has an appearance, label, or package that would cause a  
45 reasonable consumer confusion as to whether the Cannabis Product is a trademarked food  
46 product.

- 1  
2 (e) Edible non-medical and Medical Cannabis Products shall contain no more than one  
3 hundred (100) milligrams of THC per unit of sale.  
4  
5 (f) Edible Cannabis Products shall be separated or easily separable into single servings, with  
6 no more than ten (10) milligrams of THC in a single serving.  
7  
8 (g) A Cannabis Production Licensee shall package and label all Cannabis Concentrates and  
9 Cannabis Products, including accurate potency information, in accordance with this Code  
10 and all regulations promulgated hereto.  
11  
12 (h) A Cannabis Production Licensee must purchase or acquire a portion of its Cannabis Flower  
13 from Micro-Cultivation Permittees.  
14  
15 (1) The OCR shall, at its discretion, set this percentage between ten percent (10%) and  
16 fifty percent (50%) of all Cannabis purchased or acquired by a Cannabis Production  
17 Licensee.  
18  
19 (2) The OCR shall determine the sourcing requirement based on factors that include, but  
20 need not be limited to, the projected demand for Medical and non-medical Cannabis  
21 Items in the USVI and projected amount of Cannabis produced by Cannabis Licensee  
22 and Micro-Cultivation Permittees.  
23  
24 (i) Notwithstanding anything to the contrary in this chapter or the regulations, Cannabis  
25 Dispensaries and Cannabis Production licensees shall be required to source at least seventy  
26 percent (70%) of the Cannabis used for retail sales or production from Unaffiliated Third  
27 Parties. Any actual or attempted structuring or configuration of a transaction, including  
28 through use of intermediaries or agents, for the purpose of circumventing or attempting to  
29 circumvent the requirements of this provision by obtaining or attempting to obtain  
30 Cannabis from sources other than Unaffiliated Third Parties in excess of the amount or  
31 percentage permitted shall constitute a violation of this provision and shall be grounds for  
32 suspension or revocation of a License and/or the imposition of a fine on the Licensee, in  
33 the discretion of the OCR.  
34  
35 (j) The OCR may suspend or amend the Cannabis Licensee and/or Micro-Cultivation sourcing  
36 requirement if it finds that there will be insufficient or inferior production by Cannabis  
37 Licensee and Micro-Cultivation Permittees for Cannabis Production Licensees to meet the  
38 established percentage requirement.  
39

#### 40 **§793 – Medical Cannabis Dispensaries** 41

- 42 (a) A Medical Cannabis Dispensary Licensee shall be authorized by the OCR to purchase  
43 Medical Cannabis from Cannabis Licensees or Micro-Cultivation Permittees; internally  
44 test, package and label Medical Cannabis Items; store, sell, purchase, transfer, and transport  
45 Medical Cannabis Items to and from other Medical Cannabis Licensees on the same island;  
46 and sell, transfer, and deliver Medical Cannabis Items to Qualified Patients on the same

1 island in accordance with the limitations in this chapter and regulations promulgated by  
2 the OCR. Notwithstanding anything to the contrary in this chapter, or the regulations,  
3 Medical Cannabis Dispensaries shall be required to source at least seventy percent (70%)  
4 of the Cannabis used for retail sales from Unaffiliated Third Parties subject to OCR  
5 approved exclusions provided for herein. Any actual or attempted structuring or  
6 configuration of a transaction, including through use of intermediaries or agents, for the  
7 purpose of circumventing or attempting to circumvent the requirements of this provision  
8 by obtaining or attempting to obtain Cannabis from sources other than Unaffiliated Third  
9 Parties in excess of the amount or percentage permitted shall constitute a violation of this  
10 provision and shall be grounds for suspension or revocation of a License and/or the  
11 imposition of a fine on the Licensee, in the discretion of the OCR.  
12

13 (b) A Medical Cannabis Dispensary Licensee may sell Medical Cannabis Items to Qualified  
14 Patients, Caregivers, or the parent or legal guardian of a Qualified Patient.  
15

16 (1) The OCR shall adopt regulations concerning what types of identification shall be  
17 considered permission for a Medical Cannabis Dispensary to confirm an individual's  
18 age.  
19

20 (2) A Medical Cannabis Dispensary must engage in reasonable measures to confirm that  
21 all individuals it sells Medical Cannabis Items to are either a Qualified Patient,  
22 Caregiver, or the parent or legal guardian of a Qualified Patient.  
23

24 (3) A Qualified Patient over twenty-one (21) years of age shall only be required to provide  
25 a Medical Cannabis Dispensary a valid form of identification that is acceptable  
26 pursuant to regulations adopted by the OCR.  
27

28 (4) A Medical Cannabis Dispensary must also confirm an individual's residency prior to  
29 completing the sale of Medical Cannabis Items to ensure compliance with the purchase  
30 limits set forth in this Chapter.  
31

32 (c) A Medical Cannabis Dispensary must ensure that all Medical Cannabis purchased or  
33 acquired from a Cannabis Cultivation Licensee or Micro-Cultivation Permittee has been  
34 tested in accordance with the quality assurance program.  
35

36 (d) Nothing in this Chapter prohibits a Medical Cannabis Dispensary from refusing to sell  
37 Medical Cannabis Items to an individual or Qualified Patient.  
38

39 (e) A Medical Cannabis Dispensary shall only display or sell Medical Cannabis Items within  
40 its designated Restricted Access Area, unless the sale is conducted in accordance with  
41 regulations governing the delivery of Medical Cannabis Items to Qualified Patients  
42 promulgated by the OCR. Only Owners, Medical Cannabis Business Representatives,  
43 Consultants, and Qualified Patients shall be permitted into a Restricted Access Area.  
44

45 (f) The hours of operation of and access to a Medical Cannabis Dispensary shall be established  
46 by regulations of the OCR.

- 1  
2 (g) A Medical Cannabis Dispensary shall not Permit any individual under twenty-one (21)  
3 years of age, including Qualified Patients under twenty-one (21) years of age, to enter its  
4 Restricted Access Area; except that a parent or legal guardian of a Qualified Patient under  
5 twenty-one (21) years of age may be permitted.  
6  
7 (h) A Medical Cannabis Dispensary shall not sell Medical Cannabis Items to anyone under  
8 twenty-one (21) years of age, including Qualified Patients under twenty-one (21) years of  
9 age. All sales of Medical Cannabis Items intended for Qualified Patients under twenty-one  
10 (21) years of age shall be made to the Qualified Patient's parent, legal guardian, or  
11 Designated Caregiver.  
12  
13 (i) A Medical Cannabis Dispensary Licensee shall not locate a Licensed Premises within one  
14 thousand (1000) feet of a school and within five hundred (500) feet of a house of worship.  
15  
16 (1) A Medical Cannabis Dispensary Licensee shall not be required to relocate if its  
17 premises was not located within one thousand (1000) feet of a school and five  
18 hundred (500) feet of a school or house of worship on the date the Medical Cannabis  
19 Dispensary Licensee filed its application for licensure or change of location to its  
20 current address.  
21  
22 (2) The OCR shall adopt regulations for Medical Cannabis Dispensary Licenses  
23 located in the Charlotte Amalie, Christiansted, and Frederiksted Historic Districts,  
24 and the town of Cruz Bay that impose requirements, such as security, odor control,  
25 and community engagement. Medical Cannabis Dispensary Licenses located in the  
26 Charlotte Amalie, Christiansted, and Frederiksted Historic Districts and the town  
27 of Cruz Bay shall be exempt from distance requirements in this section.  
28  
29 (j) A Medical Cannabis Dispensary License shall not be within one thousand (1,000) feet of  
30 any cruise ship dock in Charlotte Amalie (Havensight or Crown Bay) in St. Thomas and  
31 within five hundred (500) feet of the primary cruise ship dock in Frederiksted and within  
32 five hundred (500) feet of a primary cruise ship tender pier in Cruz Bay.  
33  
34 (k) A Medical Cannabis Dispensary may not sell more than:  
35  
36 (1) Seven (7) Grams of Medical Cannabis, three (3) Grams of Medical Cannabis  
37 Concentrate, and five hundred (500) milligrams of Medical Cannabis Products to a  
38 Qualified Patient that is not a resident of the USVI.  
39  
40 (2) Two (2) ounces of Medical Cannabis, ten (10) Grams of Medical Cannabis  
41 Concentrate, and two thousand (2,000) milligrams of Medical Cannabis Products to a  
42 Qualified Patient that is a resident of the USVI.  
43  
44 (l) A Medical Cannabis Dispensary shall not intentionally or knowingly sell Medical  
45 Cannabis to a Qualified Patient that will be resold or transported off-island.  
46

- 1 (m) Prior to completing the sale of an Edible Medical Cannabis Product to a Qualified Patient,  
2 the individual that completes the sale must inform the purchaser: *“A standard serving of*  
3 *edible Medical Cannabis is ten (10) milligrams of THC, though many consumers prefer*  
4 *five (5) milligrams or less. Please review the products labeling to ensure you consume*  
5 *only your desired amount. The effects of edible Medical Cannabis can take two (2) or more*  
6 *hours to take effect.”*  
7
- 8 (n) A Medical Cannabis Dispensary may deliver Medical Cannabis Items to Qualified Patients,  
9 in accordance with regulations adopted by the OCR.  
10
- 11 (o) OCR shall implement a Responsible Vendor Training Program, which shall be required of  
12 all employees that work at a Medical Cannabis Dispensary Licensees business prior to any  
13 employees first day of work  
14

15 **§794 – Micro-Cultivation Permit**  
16

- 17 (a) A Micro-Cultivation Permittee may cultivate, cure, process, and store Cannabis and sell,  
18 transfer, and transport Cannabis to Cannabis Licensees.  
19
- 20 (b) A Micro-Cultivation Permit shall only be issued to a single individual.  
21
- 22 (c) An individual may not possess more than one (1) Micro-Cultivation Permit and no more  
23 than one (1) Micro-Cultivation Permit may be issued for a single address.  
24
- 25 (d) A Micro-Cultivation Permittee must be at least twenty-one (21) years of age.  
26
- 27 (e) A Micro-Cultivation Permittee shall not cultivate Flowering Cannabis Plants for  
28 commercial-use outside of its designated Micro-Cultivation Site. A Micro-Cultivation  
29 Permittee may only sell Cannabis that was harvested from Cannabis Plants cultivated within  
30 its Micro-Cultivation Site and in accordance with all applicable laws and regulations.  
31
- 32 (f) A Micro-Cultivation Permittee may not hold an interest in any other Cannabis Business  
33 License. An Owner of a Cannabis Business License may not hold a Micro-Cultivation  
34 Permit.  
35
- 36 (g) A Micro-Cultivation Permittee may cultivate no more than twelve (12) Cannabis plants at  
37 a single time. The Cannabis Plants cultivated pursuant to a Micro-Cultivation Permit shall  
38 be physically separated from any Medical Cannabis Plants cultivated for medical personal  
39 use by a Qualified Patient.  
40
- 41 (h) Cannabis Plants cultivated pursuant to a Micro-Cultivation Permit shall be for commercial-  
42 use only and shall be physically separated from any Flowering Cannabis Plants cultivated  
43 for personal use by a Qualified Patient.  
44
- 45 (1) The commercial Cannabis produced from any Cannabis Plants cultivated pursuant to a  
46 Micro-Cultivation Permit shall be kept physically separate from any Medical Cannabis



1 for personal use.

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

5  
6 (3) Notwithstanding the above, a Micro-Cultivation Permittee can use seeds or clones  
7 produced by Medical Cannabis Plants cultivated for personal use to propagate Cannabis  
8 Plants for commercial use.

9  
10 (i) A Micro-Cultivation Permit may not be possessed by an individual who:

11  
12 (1) Has discharged the sentence for a conviction for a Crime of Violence in the ten (10)  
13 years immediately preceding the individual application date or is convicted of a Crime  
14 of Violence or Drug Felony while in possession of a Micro-Cultivation Permit; or

15  
16 (2) Has been convicted of selling Cannabis to a Person other than a Cannabis Cultivation  
17 Licensee while in possession of a Micro-Cultivation Permit.

18  
19 (j) A Micro-Cultivation Permittee may not have another individual assist with the cultivation,  
20 curing, processing, storing, selling, transferring, or transporting of Cannabis for  
21 remuneration.

22  
23 (k) As part of its books and records, a Micro-Cultivation Permittee shall track all Cannabis  
24 cultivated for commercial use pursuant to its Micro-Cultivation Permit from seed or  
25 immature plant through sale to a Cannabis Licensee. The records shall include total number  
26 of vegetative plants, flowering plants, the harvest date of Flowering Cannabis Plants, and  
27 any other record keeping requirements as determined by the OCR, necessarily to prevent  
28 diversion and protect public safety, that would not make operations unreasonably  
29 impracticable for a Micro-Cultivation Permittee.

30  
31 (l) A Micro-Cultivation Permittee shall only cultivate Cannabis in an enclosed and locked  
32 space, which may be outdoors and does not need a roof. The OCR may impose additional  
33 security requirements upon Micro-Cultivation Permittees that are necessary to prevent  
34 diversion and protect public safety but would not make it unreasonably impracticable to  
35 operate a Micro-Cultivation Permit.

36  
37 (m) A Micro-Cultivation Permittee may not cultivate Cannabis within fifteen (15) feet of a  
38 property line.

39  
40 (n) A Micro-Cultivation Permittee may transport Cannabis in accordance with rules  
41 established by the OCR. Such rules shall include, but are not limited to, requirements for  
42 storage, documentation, and contacting the OCR or other governmental authority prior to  
43 commencing transportation.

44  
45 (o) The OCR shall consider the feasibility, demand, and public safety concerns for Micro-  
46 Cultivation Permits to be authorized to produce edible and topical medical cannabis

1 products.

2  
3 (1) The OCR shall publish a report on whether or not such Micro-Cultivation Permits such  
4 be issued no later than three (3) years after the effective date of this Code.

5  
6 (2) Notwithstanding any other law, rule, or regulation, a Micro-Cultivation permittee shall  
7 not manufacture Medical Cannabis Concentrates through the use of solvents or in a  
8 manner that poses harm to others.

9  
10 (p) The OCR may consider the feasibility and demand for Micro-Cultivation Permits  
11 authorized to cultivate up to fifty (50) Flowering Cannabis Plants in non-residential areas.  
12 The OCR shall publish a report on whether or not such Micro-Cultivation Permits should  
13 be issued no later than five (5) years after the effective date of this Code  
14

15 **§795 – Non-Certified Use**  
16

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

22  
23 (b) The consumption of Cannabis Items within a Non-certified Use Permit Designated  
24 Consumption Area in accordance with this article shall not be grounds for suspension,  
25 revocation, non-renewal, or any other disciplinary action against any overlapping License  
26 or Permit validly issued pursuant to the Virgin Islands Code.

27  
28 (c) Notwithstanding any other law to the contrary, it shall be lawful to operate, or to consume or  
29 use cannabis in or within, an adult use lounge provided that:

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

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

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

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

40 (e) A Non-certified Use Permittee shall not sell, transfer, or distribute Cannabis Items within  
41 the premises to which its valid Non-certified Use Permit is issued. Similarly, a Non-  
42 certified Use Permittee shall take reasonable measures to prevent the unauthorized sale or

1 transfer of Cannabis for remuneration by others in and around the premises for which its  
2 Non-certified Use Permit or has been issued; unless such sale or transfers is a delivery  
3 made pursuant to a valid Medical Cannabis Dispensary License.  
4

5 (f) The consumption of Medical Cannabis Items pursuant to a valid Non-certified Use Permit  
6 shall only be permitted in the Designated Consumption Area, subject to any operational or  
7 other restrictions on cannabis consumption placed upon the Non-certified Use Permit  
8 pursuant to this Chapter and regulations adopted thereto.  
9

10 (g) At all times when the consumption of Cannabis Items is permitted within a Designated  
11 Consumption Area, the Permit holder shall possess and maintain possession of the premises  
12 by ownership, lease, rental, or other bona fide arrangement for possession of the designated  
13 consumption area; or the Permit holder shall have permission to use the premises to allow  
14 cannabis consumption from a Person who is the lawful owner of the property where the  
15 designated consumption area is located.  
16

17 (h) The consumption of Cannabis Items by smoking must occur in accordance with The Virgin  
18 Islands Smoke-free Act. Vaporizing Cannabis Items shall not be considered smoking for  
19 the purposes of this Chapter or The Virgin Islands Smoke-free Act.  
20

21 (i) An individual shall not be permitted within the Designated Consumption Area unless the  
22 Cannabis Use Permittee confirms that the individual is a Qualified Patient, Non-certified  
23 Use Permittee, and at least twenty-one (21) years of age.  
24

25 (j) Designated consumption areas must be clearly marked with conspicuous signage  
26 measuring not less than forty (40) square inches in size that includes the statement  
27 "CANNABIS CONSUMPTION AREA - ACCESS RESTRICTED" in all uppercase  
28 letters not less than one (1) inch high.  
29

30 (k) The Permit holder shall ensure that the consumption of inhaled Medical Cannabis Items  
31 occurring at the street level is not visible from a public right-of-way or a place where  
32 children congregate. The Permit holder shall make reasonable accommodations to ensure  
33 that Persons immediately outside of a designated consumption area are not subject to  
34 cannabis odor caused by cannabis consumption occurring within a designated consumption  
35 area.  
36

37 (l) Non-certified Use Permittees shall be subject to the same advertising restrictions as  
38 Cannabis Business Licensees.  
39

40 (m) A Non-certified Use Permittee shall not locate a Licensed Premises within five hundred  
41 (500) feet of a school or house of worship.  
42

43 (1) A Non-certified Use Permittee shall not be required to relocate if its premises was not  
44 located within five hundred (500) feet of a school or house of worship on the date the  
45 Non-certified Use Permittee filed its application for licensure or change of location to  
46 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 within 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

1 sales tax.

2  
3 (1) Seventy-five percent (75%) of the revenues collected pursuant to this tax shall be  
4 deposited to the Government Employees Retirement Service.

5  
6 (2) Twenty percent (20%) of the revenues collected pursuant to to this tax shall be  
7 deposited with and allocated to the OCR to fund the operations required by this chapter.

8  
9 (3) Five percent (5%) of the revenues collected pursuant to this tax shall be disbursed from  
10 the Cannabis Fund to the Department of Human Services to administer such funds for  
11 senior citizen projects.

12  
13 (4) The OCR may recommend adjustments to the tax rate to the Legislature from time to  
14 time.

15  
16 (b) A Cannabis Cultivation Licensee shall pay a Fifty Cent (\$0.50) sales tax per gram of  
17 Cannabis cultivated on their Licensed Premises that is transferred to another Licensee.

18  
19 (1) Seventy-five percent (75%) of the revenues collected pursuant to this tax shall be  
20 deposited with the Government Employees Retirement Service.

21  
22 (2) Twenty percent (20%) of the revenues collected pursuant to to this tax shall be  
23 deposited with and allocated to the OCR to fund the operations required by this chapter.

24  
25 (3) Five percent (5%) of the revenues collected pursuant to this tax shall be disbursed from the  
26 Cannabis Fund to the Department of Human Services to administer such funds for senior  
27 citizen projects.

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

30  
31 (c) Unless otherwise prohibited by law<sup>1</sup>, in computing net income for Cannabis Businesses  
32 pursuant to Virgin Islands law, there shall be allowed as a deduction from all the ordinary  
33 and necessary expenses paid or incurred during the taxable year in carrying on a trade or  
34 business as a Cannabis establishment, including reasonable allowance for salaries or other  
35 compensation for personal services actually rendered, against such Cannabis Business'  
36 income tax return payable to the territorial government.

37  
38 **§800 - Fees**

39  
40 (a) The OCR shall promulgate regulations establishing reasonable fees for applications,  
41 Licenses, permits, and Qualified Patient cards. All fees must be based upon the actual costs  
42 incurred by the OCR for reviewing an application or overseeing a License on an annual  
43 basis. The revenue from all Fees shall be deposited in the Cannabis Fund.  
44

- 1 (b) The OCR shall establish reasonable, nonrefundable fees that must accompany an initial  
2 application for a permit, license, or Qualified Patient Medical Cannabis Registry Card.  
3  
4 (c) The OCR establish reasonable fees that must be paid by the holder of a permit, license, or  
5 Qualified Patient Medical Cannabis Registry Card on an annual basis.  
6  
7 (d) The OCR establish reasonable fees that must be paid by the holder of a Permit or License  
8 when submitting a change of ownership, change of location, or modification of licensed  
9 premises.  
10  
11 (e) Such fees shall be included in regulations to be promulgated by the OCR AND may be  
12 adjusted by the OCR from time to time by amendment of the regulations.  
13

#### 14 **§801 – Inspection Procedures**

15

- 16 (a) Each Licensee and Permittee shall keep a complete set of all records necessary to show  
17 fully all business transactions of the Licensee or Permittee, all of which shall be open for  
18 the inspection and examination by the OCR or its duly authorized representatives. The  
19 OCR may require any Licensee or Permittee to furnish such information as it considers  
20 necessary for the proper administration of the Chapter.  
21  
22 (b) The Licensed Premises shall be subject to inspection by the OCR during all business hours  
23 and other times of apparent activity for inspection or investigation. For examination of any  
24 inventory or books and records required to be kept by the Licensees, access shall be  
25 required during business hours. Where any part of the licensed premises consists of a  
26 locked area, upon demand to the Licensee, such area shall be made available for inspection  
27 without delay.  
28  
29 (c) Each Licensee shall retain all books and records necessary to show fully the business  
30 transactions of the Licensee for a period of the current tax year and the immediately prior  
31 seven (7) tax years.  
32

#### 33 **§802 – Suspension, Revocations and Fines**

34

- 35 (a) In addition to any other sanctions prescribed by this chapter or rules promulgated pursuant  
36 to this chapter, the OCR has the power, on its own motion or on complaint, after  
37 investigation and opportunity for a public hearing at which the Licensee shall be afforded  
38 an opportunity to be heard, to suspend or revoke a License issued by the OCR for a  
39 violation by the Licensee or by any of the agents or employees of the Licensee of the  
40 provisions of this chapter, or any of the rules promulgated pursuant to this chapter, or of  
41 any of the terms, conditions, or provisions of the License issued by the OCR. The OCR has  
42 the power to administer oaths and issue subpoenas to require the presence of Persons and  
43 the production of papers, books, and records necessary to the determination of a hearing  
44 that the OCR is authorized to conduct.  
45  
46 (b) The OCR shall provide notice of suspension, revocation, fine, or other sanction by mailing



1 the same in writing to the Licensee at the address contained in the license. A suspension  
2 shall not be for a longer period than six (6) months. If a License is suspended or revoked,  
3 no part of the fees paid therefore shall not be returned to the Licensee.  
4

5 (c) Any License or Permit may be summarily suspended by the OCR without notice pending  
6 any prosecution, investigation, or public hearing for public safety purposes and the  
7 Licensee shall be entitled due process subsequent to the suspension.  
8

9 (d) The OCR may enter into a stipulated settlement with a Licensee in lieu of going to a public  
10 hearing. The stipulated settlement may contain any of the following: admission(s) by the  
11 Licensee of violation(s) of rules or statutory provisions, the suspension of a license, that a  
12 suspension be held in abeyance pending no further violation(s) as specified and agreed to  
13 by the parties, a fine imposed against the Licensee, and/or any other terms agreed to by the  
14 OCR and Licensee.  
15

16 (e) Cash payments of fines described herein shall not be accepted by the OCR. The fine shall  
17 be paid into the Cannabis Fund.  
18

### 19 **§803 - Unlawful Acts and Violations**

20

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

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

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

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

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

42 (f) A person who intentionally makes a false statement to a law enforcement official about  
43 any fact or circumstance relating to the medical or non-medical use of Cannabis to avoid  
44 arrest or prosecution is guilty of a misdemeanor punishable by imprisonment for not more  
45 than 90 days or by payment of a fine of not more than \$1,000, or both. This penalty is in  
46 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 certifications 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;

1 or

- 2
- 3 (4) Operating, navigating, or being in actual physical control of any motor vehicle, aircraft,
- 4 train, or motorboat while under the influence of cannabis, except that a registered
- 5 Qualified Patient or nonresident cardholder shall not be considered to be under the
- 6 influence of cannabis solely because of the presence of metabolites or components of
- 7 cannabis that appear in insufficient concentration to cause impairment.

8 **§ 805. Addition of debilitating medical conditions**

9 Any resident of the Virgin Islands may petition the OCR to add serious medical conditions or their

10 treatments to the list of debilitating Qualified Medical Conditions listed herein or established by

11 regulations. Such petition must be accompanied by a certification of the nature of such medical

12 condition and the benefit that would be derived from use of Cannabis. The OCR shall consider

13 petitions in the manner required by OCR regulation, including public notice and hearing. The OCR

14 shall approve or deny a petition not later than 60 days after its submission. If the petition is denied,

15 the petitioner may file an administrative appeal, as more fully described in regulations, and

16 provided a notice of appeal has been filed with the OCR not later than 30 days after the denial.

17 The approval or denial of any timely filed appeal is a final decision of the OCR, subject to judicial

18 review. Jurisdiction and venue are vested in the Superior Court of the Virgin Islands.

19 **§806 – Severability**

20

21 Any section of this chapter being held invalid as to any Person or circumstance shall not affect the

22 application of any other section of this chapter that can be given full effect without the invalid

23 section or application.

24

25 **SECTION 2.** Title 5, Virgin Islands Code section 3561 is hereby amended by inserting the words

26 “inspectors and regulatory enforcement officials of the Office of Cannabis Regulations,”

27 immediately following “Roy L. Schneider Hospitals,”.

28

29 **SECTION 3.** There is hereby appropriated the sum of One Million Dollars (\$1,000,000.00) for the

30 operations of the Office of Cannabis Regulation for its first two (2) years of operation, which sum

31 shall be used until expended.

32

33 **SECTION 4.** Title 19 of the Virgin Islands Code, part III, chapter 29, § 607a is hereby amended

34 by adding the following after subsection (h):

35 (i) Notwithstanding any other provision of this chapter, possession of cannabis or a

36 commercial cannabis product, or operation of a commercial cannabis establishment, or any other

37 act pursuant to and compliant with the terms of chapter 35 of title 19 shall not constitute a violation

38 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