

10.27.21 CCB Meeting Recommendations

General operational requirements

General Operational Requirements

- Reviewed operational requirements in Colorado, Massachusetts, and New Jersey
- Met with CCB ED / GC, DFR, Dept. of Tax, VSECU, NCS Analytics, VAAFMM, Medicinal Subcommittee

Inventory and transfer between licensees

"A Regulated Marijuana Business is required to use the Inventory Tracking System as the primary inventory tracking system of record. " 1 Colo. Code Regs. § 212-3-3-805A

"All inventory tracking activities at a Regulated Marijuana Business must be tracked through use of the Inventory Tracking System. A Licensee must reconcile all on-premises and in-transit Regulated Marijuana inventories each [day (CO & NJ) / month (MA)] in the Inventory Tracking System at the close of business." 1 Colo. Code Regs. § 212-3-3-805

Conduct a comprehensive annual inventory audit at least once every year from the date of the previous comprehensive inventory (MA and NJ)

"Regulated Marijuana Business and the individuals using the Inventory Tracking system are responsible for the accuracy of all information entered into the Inventory Tracking System. Any misstatements or omissions may be considered a license violation affecting public safety." 1 Colo. Code Regs. § 212-3-3-805

"Licensees must have the ability to reconcile transported and on-hand Regulated Marijuana inventory with the Inventory Tracking System and the associated transaction history and transportation order receipts. " 1 Colo. Code Regs. § 212-3-3-810

Inventory and transfer between licensees

New Jersey

A CE shall:

1. Use plant tags and labels compatible with the Commission-designated system; and
2. Be responsible for any costs associated with the acquisition of such compatible plant tags and for any costs associated with additional software or hardware that ensures compatibility with the Commission-designated system.
3. The Commission, in accordance with the general purposes and intent of the Act and this chapter, may waive a regulatory requirement regarding the operations of a cannabis business, to the extent such waiver does not conflict with any other State law, if in the Commission's determination, such a waiver:
 1. Is necessary to achieve the purpose of the Act;
 2. Does not create a danger to the public health, safety, or welfare.

Inventory and transfer between licensees

“Regulated Marijuana shall only be transported by Licensees” 1 Colo. Code Regs. § 212-3-3-605

“A Licensee may only transport Regulated Marijuana if he or she has a copy of an Inventory Tracking System-generated transport manifest that contains all the information required by this Rule ” 1 Colo. Code Regs. § 212-3-3-605

“A Licensee may transport Regulated Marijuana from an originating location to multiple destination locations so long as the transport manifest correctly reflects the specific inventory destined for specific Regulated Marijuana Businesses” 1 Colo. Code Regs. § 212-3-3-605

“Transport of Regulated Marijuana shall be accompanied by a copy of the originating Regulated Marijuana Business's business license, the driver's valid Owner's License or Employee License, the driver's valid motor vehicle operator's license, and all required vehicle registration and insurance information.” 1 Colo. Code Regs. § 212-3-3-605

Inventory and transfer between licensees

The Inventory Tracking System-generated transport manifest shall include the following:

- **a.** Departure date and approximate time of departure;
- **b.** Name, location address, and license number of the originating Regulated Marijuana Business;
- **c.** Name, location address, and license number of the destination Regulated Marijuana Business(es) or name and location address of the destination Pesticide Manufacturer;
- **d.** Name, location address, and license number of the Medical Marijuana Transporter or Retail Marijuana Transporter if applicable pursuant to Rule 3-605(H)(1)(b)(iv).
- **e.** Product name and quantities (by weight and unit) of each product to be delivered to each specific destination location(s);
- **f.** Arrival date and estimated time of arrival;
- **g.** Transport vehicle make and model and license plate number; and
- **h.** Name, Employee or Owner License number, and signature of the Licensee accompanying the transport.
- **i.** a signature line for the marijuana establishment agent who receives the marijuana products (MA)

Inventory and transfer between licensees

- Responsibilities of Originating Licensee
- Prior to departure, the originating CE shall adjust its records to reflect the removal of Regulated Marijuana.
- Any marijuana product that is undeliverable or is refused by the destination CE shall be transported back to the originating establishment. (MA)
- Unmarked vehicle and marijuana products must not be visible from outside the vehicle (MA)
- CE agents shall report to the Board and law enforcement authorities any vehicle accidents, diversions, losses, or other reportable incidents that occur during transport, not more than 24 hours of such accidents, diversions, losses, or other reportable incidents. (MA)
- In the event Regulated Marijuana has failed required testing, has been contaminated, or otherwise presents a risk of cross-contamination to other Regulated Marijuana, such Regulated Marijuana may only be transported if it is physically segregated and contained in a sealed package that prevents cross-contamination.

Inventory and transfer between licensees

- Responsibilities of Recipient Licensee.
- Upon receipt, the receiving Licensee shall ensure that the Regulated Marijuana received are as described in the transport manifest and shall immediately adjust its records to reflect the receipt of inventory.”
- A recipient Licensee shall separately document any differences between the quantity specified in the transport manifest and the quantities received.
- 1 Colo. Code Regs. § 212-3-3-605

Business Records

- Current Employee List
- Secure Facility Information
- Advertising Records
- Inventory records
- Seed-to-sale tracking records
- Energy usage records
- Visitor Log
- All records normally retained for tax purposes.
- Waste Log
- Surveillance Logs
- Testing Records
- Sampling Unit Records
- License Application Records
- Standard Operating Procedures
- Corrective Action and Preventive Action records

Banking and Financial Transactions

- Adam Crabtree, CEO of NCS Analytics
- High-risk data analytics platform for regulators / FIs
- Currently working with CA, MI, WV
- Integrates with seed to sale tracking and POS systems
- Provides real-time monitoring, financial analysis, market trends, and suspicious activity reports
- Streamlines compliance & enforcement resources

Insurance

- (a) A Marijuana Establishment shall obtain and maintain general liability insurance coverage for no less than \$1,000,000 per occurrence and \$2,000,000 in aggregate, annually, and product liability insurance coverage for no less than \$1,000,000 per occurrence and \$2,000,000 in aggregate, annually, except as provided in 935 CMR 500.105(10)(b) or otherwise approved by the Commission. The deductible for each policy shall be no higher than \$5,000 per occurrence.
- (b) A Marijuana Establishment that documents an inability to obtain minimum liability insurance coverage as required by 935 CMR 500.105(10)(a) may place in escrow a sum of no less than \$250,000 or such other amount approved by the Commission, to be expended for coverage of liabilities.
- (c) The escrow account required pursuant to 935 CMR 500.105(10)(b) must be replenished within ten business days of any expenditure. (d) Reports documenting compliance with 935 CMR 500.105(10) shall be made in a manner and form determined by the Commission pursuant to 935 CMR 500.000.

Priority of licensure system

7 VSA § 903 criteria

- (1) whether the applicants have an existing medical cannabis dispensary license in good standing;
- (2) whether the applicants would foster social justice and equity in the cannabis industry by being a minority or women-owned business;
- (3) whether the applicants propose specific plans to recruit, hire, and implement a development ladder for minorities, women, or individuals who have historically been disproportionately impacted by cannabis prohibition;
- (4) whether applicants propose specific plans to pay employees a living wage and offer benefits;
- (5) whether the project incorporates principles of environmental resiliency or sustainability, including energy efficiency; and
- (6) the geographic distribution of cannabis establishments based on population and market needs.