

LEECH LAKE BAND OF OJIBWE
CANNABIS REGULATORY COMMISSION
CANNABIS REGULATIONS

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CHAPTER 1: GENERAL PROVISIONS

Section 1: Authority. The Cannabis Regulatory Commission (“Commission”) approves these Regulations pursuant to Chapter 3 of the Act.

Section 2: Purpose. The Commission developed, proposed, and promulgated these Regulations to:

- 2.1 protect the health, safety, and welfare in a manner substantively similar to State Law regarding Cannabis Related Business Activities;
- 2.2 align the Band’s regulatory and enforcement systems with the Guidance Priorities to ensure that no Cannabis Related Business Activities are permitted within the Reservation that could substantially depart from the Guidance Priorities; and
- 2.3 establish the framework pursuant to the Act for the conduct, regulation, and accountability of Cannabis Related Business Activities within the Reservation.

Section 3: Scope. These Regulations shall apply to all Persons engaged in Cannabis Related Business Activities within the Reservation.

Section 4: Construction.

- 4.1 These Regulations, to the extent reasonable, shall be read and interpreted in a manner consistent with the Act, but in the event of any inconsistency, the Act shall control.
- 4.2 These Regulations, to the extent reasonable, shall be read and interpreted in a manner consistent with any Expedited Regulations, but in the event of any inconsistency, the Expedited Regulations shall control.
- 4.3 These Regulations shall be liberally construed in favor of the Band and are not intended to limit or repeal any Band power, authority, right, or immunity, including any possessed by the Commission or Tribal Police or any of their respective employees.
- 4.4 Nothing in these Regulations is intended to, nor shall waive any rights of the Band of any nature whatsoever reserved under any treaty or provided for under federal law.
- 4.5 Nothing in these Regulations is intended to, nor shall limit any rights, powers, or privileges retained by the Band under the Constitution or by law.
- 4.6 Nothing in these Regulations is intended to, nor shall grant, expand, or confirm in any way whatsoever, the jurisdiction of any State, rather all State Law prohibitions, limitations and requirements which may be included under these Regulations, are adopted solely as a matter of Band law.
- 4.7 Nothing in these Regulations is intended to, nor shall serve as a concession or admission of any nature whatsoever regarding the jurisdiction of any State or any burden arising from compliance with any State Law.

Section 5: Severability. If a court of competent jurisdiction holds that any provision or application of these Regulations is invalid, such judgment shall not affect, impair, or invalidate the remainder of these Regulations, which shall continue in full force and effect.

Section 6: Effective Date. Consistent with subsection 3.03(e) of the Act, these Regulations shall become effective on the date set forth in the Commission resolution that approves these Regulations.

Section 7: Definitions. In addition to the definitions stated in Section 1.07 of the Act, capitalized terms in these Regulations shall have the meanings set forth below.

7.1 “Active Ingredient” means all cannabinoids, including tetrahydrocannabinol (THC), cannabidiol (CBD), cannabinol (CBN), cannabigerol (CBG), tetrahydrocannabivarin (THCV), and all terpenes, including myrcene.

7.2 “Cannabis Product” has the meaning as defined by Section 1.07(r) of the Act and may include any product created from Cannabis that is approved by the Commission, including but not limited to cannabis concentrates and pre-rolled cannabis products or pre-rolled infused cannabis products.

7.3 “Cannabis Tracking System” means the electronic seed-to-sale tracking and tracing system that captures and maintains records of Cannabis, Cannabis Products and Licensee activity in accordance with Chapter 6 of the Act.

7.4 “Cannabis Transporter Vehicle” means any vehicle used by a Licensee to transport Cannabis or Cannabis Products.

7.5 “Child-Resistant” means special packaging that is:

7.5.1 designed or constructed to be significantly difficult for children under five (5) years of age to open and not difficult for normal adults to use properly;

7.5.2 opaque so that the packaging does not allow the product to be seen without opening the packaging material; and

7.5.3 re-sealable for any product intended for more than a single use or containing multiple servings.

7.6 “Commissioner” means a member of the Commission appointed by the Tribal Council under Section 2.07 of the Act.

7.7 “Completed Application” means the Commission has received all applicable Application form(s), all information, documents, and forms required under the Act, these Regulations, or by the Commission, and all required Application fees.

7.8 “Criminal Offenses” means an offense committed under the Criminal Code of the jurisdiction where the offense occurred.

7.9 “Enforcement Proceeding” means any proceeding initiated by the Commission against a Licensee, which involves limiting, revoking, terminating, conditioning, suspending, or restricting any License or to reprimand, warn, or fine a Licensee.

7.10 “Enforcement Hearing” means any hearing before the Commission to adjudicate a matter that is subject to an Enforcement Proceeding.

7.11 “Excluded Cannabis Employee List” means the list of persons who cannot be employed by a Licensee that is maintained by the Commission and based on:

7.11.1 the results of a criminal history background check conducted on behalf of a Licensee before hiring that person in accordance with subsection 9.01(a) of the Act; or

7.11.2 an investigation conducted by the Commission under the Act concerning violations of the Act, these Regulations, or any Compact.

7.12 “Executive Director” means the person appointed to serve in the position established by the Commission, who shall exercise the powers and perform the duties specified in the Act, as delegated by the Commission.

7.13 “Foreign Jurisdiction” means governments other than the Band.

7.14 “Foreign Law” means all statutes and regulations of a Foreign Jurisdiction, including any regulations promulgated by the Foreign Regulatory Agency.

7.15 “Foreign License” means a license issued by a Foreign Regulatory Agency that allows a Person to operate a Cannabis Business as defined under the law of that jurisdiction.

7.16 “Foreign Regulatory Agency” means the regulatory entity with jurisdiction over Cannabis, Cannabis Products, Cannabis Goods or Services, or Cannabis Related Business Activities under Foreign Law in a Foreign Jurisdiction.

7.17 “Harvest Batch” means a specifically identified quantity of Cannabis that is uniform in strain, cultivated utilizing the same Pesticide and other agricultural chemicals and harvested at the same time.

7.18 “Immature Plant” means a nonflowering Cannabis plant that is not a Mature Plant or a seedling.

7.19 “Inactive Ingredient” means any component other than an Active Ingredient.

7.20 “Include”, whether or not capitalized, shall be deemed to be followed by “without limitation”.

7.21 “Limited Access Area” means an area of a Cannabis Business that is accessible only by individuals who are over twenty-one (21) years of age.

7.22 “Mandatory Recall” is a recall initiated by the Commission and is required when Cannabis or Cannabis Products are determined to pose a significant risk to public health, safety, or the environment and must be removed from the stream of commerce.

7.23 “Marketing of Cannabis and Cannabis Products” includes advertising conducted through print, broadcast, radio, social media, Internet applications, billboards, and other channels of communication employed to conduct outreach to the public.

7.24 “Mature Plant” means a Cannabis plant that is flowering.

7.25 “Originating Establishment” means the Licensee that possesses the Cannabis or Cannabis Product to be transported immediately prior to transport.

7.26 “Pest” means undesired insect, rodent, nematode (small worm), fungus, bird, vertebrate, invertebrate, weed, virus, bacteria, or other microorganism (except microorganisms on or in humans or animals) injurious to health or the environment.

7.27 “Pesticide” means any substance or mixture of substances intended for preventing, destroying, repelling, or mitigating any pest or any substance or mixture of substances intended for use as a plant regulator, defoliant or desiccant.

7.28 “Petitioner” means the Person who challenges a Commission decision under the Act or is subject to an adverse decision by the Commission under the Act, including the denial, suspension, or revocation of a License under the Act.

7.29 “Presiding Officer” means the Chairperson under Subsection 11.04(a) of the Act, or the hearing officer designated under Subsection 11.04(b) of the Act, as applicable.

7.30 “Production Batch” means:

7.30.1 any amount of Cannabis Product of the same category and produced using the same extraction methods, standard operating procedures, and an identical group of Harvest Batch(es) of Cannabis; or

7.30.2 any amount of Cannabis Product of the same exact type, produced using the same ingredients, standard operating procedures, and the same Harvest Batch(es) of Cannabis (single strain or multiple strain) and/or Production Batch(es) of cannabis concentrate; or

7.30.3 any amount of pre-rolled amount of pre-rolled cannabis or infused pre-rolled cannabis of the same exact type, produced using the same ingredients, standard operating procedures, and the same Production Batch(es) of cannabis concentrate.

7.31 “Quality” means that the Cannabis or Cannabis Product consistently meets the established specifications for identity, cannabinoid concentration, composition, and limits on contaminants, and has been manufactured, packaged, labeled, and held under conditions to prevent adulteration and misbranding.

7.32 “Quality Control” means a planned and systematic operation or procedure for ensuring the quality of the Cannabis or Cannabis Product.

7.33 “Reasonable Grounds” means articulable facts that make a conclusion more likely than not.

7.34 “Restricted Access Area” means a building, room, or other contiguous area upon the licensed premises where Cannabis or Cannabis Products are grown, cultivated, manufactured, stored, weighed, packaged, sold, possessed for sale, transferred, or processed for transfer, under control of the Licensee, with access limited to only those persons licensed by the Commission and those visitors escorted by a person licensed by the Commission. All areas of ingress or egress to limited access areas must be clearly identified as such by a sign as designated by the Commission.

7.35 “Sample” means a portion or part of a Batch, the characteristics of which represent, as accurately as possible, the entire Batch, allowing for the laboratory Testing results of the sample to be generally applied to the entire Batch.

7.36 “Testing” means the research and analysis of Cannabis or Cannabis Products for contaminants, safety or potency. “Testing” or “test” includes the collection of Samples of Cannabis or Cannabis Products for testing purposes.

7.37 “Visibly Intoxicated” means displaying obvious, objective, and visible evidence of intoxication that would be apparent to an ordinary observer.

7.38 “Voluntary Recall” means a recall initiated by a Licensee when Cannabis or Cannabis Products are deemed to not satisfy internal quality standards or are otherwise mislabeled or defective.

CHAPTER 2: CANNABIS BUSINESS LICENSES

Section 1: Determinations

- 1.1 The Commission shall make all Cannabis Business License determinations in accordance with the Act, including Chapter 7 and Chapter 8 of the Act, and these Regulations.
- 1.2 In accordance with subsection 8.05(b) of the Act, the Commission shall make its best effort to review an Application within thirty (30) business days following receipt of a complete Application.
- 1.3 In accordance with subsection 8.05(f) of the Act, if the Commission denies an Application, the Commission shall promptly notify the Applicant of the specific reasons for such denial and inform the Applicant of its right to appeal the determination in accordance with Chapter 12 of the Act. The Commission may provide a description of any corrective actions that the Commission determines will cure the deficiencies in the Application.

Section 2: Fees

- 2.1 An Applicant shall pay the Commission a nonrefundable Application fee at the time of filing an Application for a Cannabis Business License.
- 2.2 The Commission shall approve a schedule of fees each year in accordance with Section 7.05(a) of the Act, which schedule shall be deemed to be incorporated into these Regulations.

Section 3: Standards

- 3.1 Consistent with the purpose set forth in Section 1.04 of the Act, and the standard and burden set forth in subsection 7.07(a) of the Act, the Commission shall not approve an Application unless the Applicant establishes by clear and convincing evidence that the operation of the Cannabis Business will protect the public health, safety, and welfare in a manner substantively similar to State Law regarding Cannabis Related Business Activities, which determination shall be based upon the Commission's review of the Application, including all plans required under Chapter 2 Section 5 of these Regulations.
- 3.2 Any failure by an Applicant to comply with the Application requirements of the Act or these Regulations shall be grounds for denial of the Application for a Cannabis Business License.

Section 4: Cannabis Business License Types Authorized.

- 4.1 The Commission shall authorize the following types of Cannabis Business Licenses:
 - 4.1.1 Cannabis Business Cultivation License.
 - 4.1.2 Cannabis Business Manufacturing License.

- 4.1.3 Cannabis Business Retail License.
 - 4.1.4 Cannabis Business Testing License.
 - 4.1.5 Cannabis Business Wholesale License.
 - 4.1.6 Cannabis Business Delivery License.
 - 4.1.7 Reciprocal Cannabis Business License.
- 4.2 The Commission shall authorize the following endorsements for Cannabis Business Manufacturing Licenses. A Cannabis Business Manufacturing License shall hold a minimum of one endorsement and may hold any combination or all of the available endorsements.
- 4.2.1 Extraction. This endorsement authorizes the specific process of separating and isolating active compounds from cannabis plant material, and may include solvent-based, mechanical, or heat-based techniques. Only those methods specifically outlined and approved in a Licensee's Manufacturing Plan may be utilized.
 - 4.2.2 Manufacturing. This endorsement authorizes the creation of Cannabis Products.
- 4.3 Cannabis Business Retail Licenses, Cannabis Business Testing Licenses, and Cannabis Business Wholesale Licenses are available only to tribal enterprises. Individual Band Citizens and entities formed by individual Band Citizens organized under the Band's Business Corporation Code are not eligible for these types of licenses and will not receive approval for licensure for these license types.

Section 5: Application Procedure

- 5.1 The Commission shall publicly announce the time period during which it will accept applications for licensure, the type of licenses available, and specific procedures for the selection of licenses from the applicant pool. The Commission may limit the number of licenses that are available during any application period.
- 5.2 The Applicant shall apply for a Cannabis Business License on the Application form provided by the Commission.
- 5.3 The Applicant for a Cannabis Business License shall submit with the Application all other information, documents and forms required under the Act or these Regulations, and by the Commission. The Applicant must specify and provide tailored plans and diagrams for the type of Cannabis Related Business Activities they seek to undertake.
- 5.4 Upon receipt of a Completed Application for a Cannabis Business License, the Commission shall comply with Sections 8.04 and 8.05 of the Act.
- 5.4 By submitting an Application for a Cannabis Business License, the Applicant shall be deemed to have agreed to fulfill all responsibilities under the Act, these Regulations and

any Compact and to have consented to the Commission's exercise of its power and authority pursuant to the Act, these Regulations and any Compact.

Section 6: Plans

6.1 In addition to any other plans required under the Act, an Application for a Cannabis Business License shall include the following plans, the form of which may be determined by the Commission in application instructions during any application window:

- 6.1.1 A Security Plan;
- 6.1.2 A Facility Operations Plan;
- 6.1.3 A Cannabis Waste Disposal Plan;
- 6.1.4 An Inventory Control Plan;
- 6.1.5 A Recordkeeping Plan;
- 6.1.6 A Cannabis Storage Plan;
- 6.1.7 A Transportation Plan;
- 6.1.8 A Quality Control and Testing Plan;
- 6.1.9 A Cultivation Plan, if applicable. The Cultivation Plan must provide sufficient detail for the Commission to have a clear understanding of cultivation methods; nutrient and fertilizer inputs to be utilized; pest management protocols; growing schedules; and methods for trimming, drying, and curing. The Cultivation Plan must clearly state the size of canopy the Applicant intends to cultivate.
- 6.1.10 A Manufacturing Plan, if applicable. The Manufacturing Plan must provide sufficient detail for the Commission to have a clear understanding of the planned product types intended to be produced; a description of all extraction techniques to be utilized; all processing steps to include potential product-related biological, chemical, and physical hazards applicable to the step, and planned actions to control the identified hazards; sanitary practices for safe handling of ingredients and inputs; and pest management protocols. The Manufacturing Plan must clearly indicate which manufacturing endorsements the Applicant is seeking and provide sufficient detail on any activities the Applicant seeks to undertake.
- 6.1.11 A Retail Dispensing Plan, if applicable. The Retail Dispensing Plan must provide sufficient detail for the Commission to have a clear understanding of dispensing methods; identification verification methods; and customer education to be provided.
- 6.1.12 A Testing Plan, if applicable. The Testing Plan must include proof of accreditation by a laboratory accrediting organization approved by the Commission. At a minimum, this accreditation must require a laboratory to

operate formal management systems under the International Organization for Standardization;

6.1.13 An Access Control Plan;

6.1.14 A Maintenance of Financial Records Plan;

6.1.15 An Emergency Response Plan; and

6.1.16 A Background Investigation and Training Plan for Cannabis Employees, including how the Applicant will maintain compliance with the Tribal Employment Rights Ordinance.

6.2 Diagrams of the proposed facility shall be included in the Application. An Application for a Cannabis Business License shall include the following diagrams:

6.2.1 A Site Plan demonstrating adjacent roads, any buildings on the parcel, exterior parking, all areas of ingress or egress of the facility, and loading/unloading areas;

6.2.2 A Floor Plan labeling all rooms and the square footage of all rooms in the facility, secure storage areas, operational areas, restricted access areas, limited access areas, restrooms, and any other required areas of the facility for the license type sought; and

6.2.3 A Security Diagram demonstrating all required security equipment including cameras, panic alarms, window breaks, access control measures, and similar security apparatus.

6.3 Any plan required under these Regulations shall meet all applicable requirements of these Regulations and, to the extent not in conflict with these Regulations, all substantive requirements of Band Law relating to the plan.

Section 7: Premises Review

7.1 The Commission shall condition the issuance of a Cannabis Business License on the Applicant providing the Commission with a Certificate of Occupancy issued by the Leech Lake Regulatory Division.

7.2 In accordance with subsection 8.05(a)(2) of the Act, upon receipt of a Completed Application, the Commission shall review the premises of the Cannabis Business to ensure that the premises comply with Band law, the Regulations, and any Compact.

7.3 The review of the premises of the Cannabis Business shall include a determination of whether the plans required under Chapter 2 Section 6 of these Regulations adequately protect the public health, safety, and welfare in consideration of such premises and operations of the Cannabis Business.

7.4 In accordance with the Act, including subsection 2.16(g), and these Regulations, including Chapter 5 subsection 7.3, the Commission may periodically review the

premises of the Cannabis Business to ensure continued compliance with B&D law, the Regulations, and any Compact.

Section 8: License Issuance

8.1 The Commission shall issue an applicant a license in accordance with Section 8.04 of the Act and this Chapter 2 of the Regulations.

8.2 License Contents. The license issued by the Commission shall include the following information:

- 8.2.1 The legal name of the Licensee, including any DBA, if applicable;
- 8.2.2 The license number;
- 8.2.3 The licensed address;
- 8.2.4 The date of license issuance;
- 8.2.5 The date of license expiration; and
- 8.2.6 The Cannabis Business License type and any endorsements authorized by the license.
- 8.2.7 For Cannabis Business Cultivation Licenses, the canopy limit.

8.3 Conspicuous Posting. The Licensee shall post its license in a conspicuous location at its licensed premises.

Section 9: Renewal

9.1 The Applicant shall apply for renewal of a Cannabis Business License on the renewal Application form provided by the Commission.

9.2 The Applicant for a Cannabis Business License shall submit with the Application all other information, documents and forms required under the Act or these Regulations, and by the Commission, along with any renewal fee as set forth by the Commission.

9.3 By submitting a renewal Application for a Cannabis Business License, the Applicant shall be deemed to have agreed to fulfill all responsibilities under the Act, these Regulations and any Compact and to have consented to the Commission's exercise of its power and authority pursuant to the Act, these Regulations and any Compact.

9.4 The standards set forth in Chapter 2 Section 3 of these Regulations shall apply to the renewal Application for a Cannabis Business License.

9.5 Upon receipt of a completed renewal Application for a Cannabis Business License, the Commission shall act in accordance with Section 8.07 of the Act, including granting a Temporary License under subsection 8.07(d) of the Act, if appropriate.

9.6 In accordance with subsection 8.07(a) of the Act, a Licensee shall submit a written renewal Application to the Commission on the form provided by the Commission at least forty-five (45) calendar days prior to the date any Cannabis Business License will expire.

9.7 In accordance with subsection 8.07(b) of the Act, the Commission shall approve Applications to renew a Cannabis Business License within thirty (30) calendar days following the Commission's receipt of a complete Application, unless the Commission determines that the Licensee does not meet the standards set forth in Chapter 2 Section 3 of these Regulations.

9.8 In accordance with subsection 8.07(c) of the Act, the Commission may, in its discretion, hold an open hearing to consider the Application in accordance with the procedures described in Chapter 11 of the Act, but the Commission may close the hearing or portions of the hearing as determined necessary to protect confidential information at the discretion of the Commission.

9.9 In accordance with subsection 8.06(f) of the Act, if the Commission denies an Application to renew a Cannabis Business License, the Commission shall, within seven (7) calendar days, notify the Applicant of the specific reasons for such denial, provide a description of any corrective actions that the Commission determines will cure the deficiencies in the Application and inform the Applicant of its right to appeal the determination in accordance with Chapter 12 of the Act.

Section 10: Reciprocity

10.1 The Commission may recognize and accept the licensing determinations of a Foreign Regulatory Agency regarding an Applicant in accordance with Chapter 8 of the Act and this Chapter 2 subsection 10.1, but only if the Commission determines that such Foreign Jurisdiction applies licensing standards that are as stringent and a background investigation process that is as rigorous as the Act requires.

10.2 The Commission may waive the background investigation process and such other requirements of Chapter 8 of the Act and this Chapter 2 of these Regulations as it determines are unnecessary when granting reciprocity to the licensing determinations of another jurisdiction.

CHAPTER 3: SECURITY

Section 1: Responsibilities

- 1.1 Security System Required.** A Licensee is responsible for implementing and maintaining required security systems at the licensed premises.
- 1.2 Commercial-grade Equipment.** A Licensee shall utilize commercial-grade equipment to prevent unauthorized entry and to prevent and detect adverse loss.
- 1.3 Auxiliary Power Required.** A Licensee shall maintain sufficient auxiliary power to maintain operations for at least twenty-four (24) hours following a power outage.
- 1.4 Security Plan Required.** A Licensee shall maintain a security plan, including a floor plan that shows all doors, windows, alarm sensors, alarm panels, video cameras and video storage devices. The security plan shall describe how alarms and video are monitored and backed up in case of loss of power. A Licensee shall provide a copy of its current security plan to both the Commission and the Leech Lake Tribal Police Department, or other law enforcement agency as designated by the Commission. A Licensee has a continuing obligation to notify the Commission of any changes to the security plan prior to implementing any changes.

Section 2: Alarm System

- 2.1 Alarm System Monitoring.** A Licensee shall maintain an alarm system at the Cannabis Business. A Licensee shall ensure that all of its licensed premises are continuously monitored. Licensees may engage the services of a monitoring company to fulfill this requirement. Upon request, a Licensee shall make available to the Commission all information related to the alarm system, monitoring, and alarm activity.

- 2.2 Alarm System Coverage.** Alarm system coverage shall include:

- 2.2.1 Coverage of all facility entrances and exits; rooms with exterior windows, exterior walls, roof hatches, or skylights; storage rooms, including those that contain cannabis and safes; and the perimeter of the facility;
- 2.2.2 An audible security alarm system signal, known as a panic alarm, generated by the manual activation of a device intended to signal a life-threatening or emergency situation requiring law enforcement response;
- 2.2.3 A silent alarm signal, known as a holdup alarm, generated by the manual activation of a device intended to signal a robbery in progress directly to law enforcement;
- 2.2.4 A failure notification system that provides an audible, text, or visual notification of any failure in the systems. The failure notification system shall provide by telephone, e-mail, or text message an alert to a designated security person within the facility within five (5) minutes after the failure;

- 2.2.5 Smoke and fire alarms;
- 2.2.6 Auxiliary power sufficient to maintain operation for at least twenty-four (24) hours following a power outage;
- 2.2.7 The ability to ensure all access doors are not solely controlled by an electronic access panel to prevent locks from becoming released during a power outage;
- 2.2.8 Motion detectors for exterior lighting.

Section 3: Surveillance System

3.1 Surveillance System Monitoring. A Licensee shall maintain a professionally monitored security surveillance system that is operational twenty-four (24) hours a day, seven (7) days a week, and records all activity in images capable of clearly revealing facial detail.

3.2 Surveillance System Coverage. A Licensee shall have a video surveillance system that, at a minimum, consists of digital or network video recorders, cameras capable of meeting the recording requirements in this Regulation, video monitors, digital archiving devices, and a color printer capable of delivering still photos. Surveillance system coverage shall include fixed camera placement that allows for a clear image of all individuals and activities in and around:

- 3.2.1 All Restricted Access Areas, including all areas where any cannabis activities occur, including but not limited to cultivation, manufacturing, sale, weighing, packaging, storing, loading, unloading, transfers, destruction and any other cannabis activities;
- 3.2.2 Any room or area containing a security alarm and surveillance system storage device or equipment;
- 3.2.3 Entrances to and exits from the facility. Entrances and exits shall be recorded from both indoor and outdoor vantage points;
- 3.2.4 Rooms with exterior windows, exterior walls, roof hatches, or skylights and storage rooms, including those that may contain cannabis and safes and excluding restrooms;
- 3.2.5 Twenty (20) feet from the exterior of the perimeter of the facility;
- 3.2.6 Limited Access Areas where Cannabis and Cannabis Products are sold and displayed for sale; and
- 3.2.7 Designated Consumption Areas.

3.3 Surveillance System Requirements. The surveillance system maintained by the Licensee shall:

- 3.3.1 Operate and record twenty-four (24) hours a day, seven (7) days a week;
- 3.3.2 Operate under the normal lighting conditions of each area under surveillance;
- 3.3.3 Immediately produce a clear, color, still photograph in a digital format that is easily accessible;
- 3.3.4 Clearly and accurately display the date and time. The date and time shall be synchronized and set correctly and shall not significantly obscure the picture;
- 3.3.5 Record all images captured by each surveillance camera in a format that shall be easily accessed for a minimum of thirty (30) calendar days unless otherwise required for investigative or litigation purposes;
- 3.3.6 Easily export video recordings and still photographs requested by the Commission, law enforcement, and other federal or state government officials and provide the same in a standard file format that is easily accessible;
- 3.3.7 Record at a minimum of seven hundred twenty (720) pixels, fifteen (15) frames per second, be Internet Protocol compatible and accurately stamped with date and time;
- 3.3.8 Include sufficient lighting to meet all video surveillance system requirements of this subsection;
- 3.3.9 Include a failure notification system that provides an audible, text, or visual notification of any failure in the systems. The failure notification system shall provide by telephone, e-mail, or text message an alert to a designated security person within the facility within five (5) minutes after the failure.

3.4 Location and Maintenance of Surveillance Equipment.

- 3.4.1 The surveillance room or surveillance area shall be a Restricted Access Area.
- 3.4.2. Surveillance recording equipment must be housed in a designated, locked, and secured room or other enclosure with access limited to authorized employees, agents of the Commission, and state or local law enforcement agencies for a purpose authorized by the Code or for any other state or local law enforcement purpose, and service personnel or contractors. Recordings must be stored in a manner to protect from tampering or theft.

3.4.3. Licensees must keep a current list of all authorized employees and service personnel who have access to the surveillance system and/or room on the licensed premises. Licensees must keep a surveillance equipment maintenance activity log on the licensed premises to record all service activity including the identity of the individual(s) performing the service, the service date and time and the reason for service to the surveillance system.

3.4.4 Improper use of the alarm or surveillance equipment may result in disciplinary action for the employee, up to and including termination. A Licensee shall maintain a log of the recordings, which includes the identify of:

3.4.4.1 All Cannabis Employees who are responsible for monitoring the video surveillance system;

3.4.4.2 Any Cannabis Employee who removed any recording from the video surveillance system storage device and the time and date removed; and

3.4.4.3 Any Cannabis Employee who destroyed any recording.

3.4.5 Off-site monitoring and video recording storage by the Licensee or an independent third-party may be authorized upon approval by the Commission.

3.4.6 A Licensee shall keep surveillance recordings for a minimum of forty-five (45) calendar days, except in instances of investigation or inspection by the Commission in which case the Licensee shall retain the recordings until the time as the Commission notifies the Licensee that the recordings may be destroyed.

3.4.7 Surveillance recordings are subject to inspection by the Commission and must be kept in a manner that allows the Commission to view and obtain copies of the recordings at the Cannabis Business immediately upon request. A Licensee shall also send or otherwise provide copies of the recordings to the Commission upon request within the time specified by the Commission.

Section 4: Locks. A Licensee shall securely lock the Cannabis Business, including interior rooms as required by these Regulations, windows, and points of entry and exits, with commercial-grade, nonresidential door locks or other electronic or keypad access. Locks on doors that are required for egress must meet the requirements of the Band's Regulatory Division.

Section 5: Signage

5.1 License Conspicuously Posted. A Licensee shall conspicuously post its Cannabis Business License in its facility.

5.2 All areas of ingress and egress to Restricted Access Areas on the Licensed Premises shall be clearly identified by the posting of a sign which shall be not less than 12 inches

wide and 12 inches long, composed of letters not less than a half inch in height, which shall state, "Do Not Enter - Restricted Access Area – Access Limited to Licensed Personnel and Escorted Visitors." A Licensee may comply with this paragraph when that sign is conspicuously placed immediately within an exterior entrance that is locked against public entry and only accessible to limited, licensed personnel and escorted visitors.

5.3 All areas of ingress and egress to Limited Access Areas shall be clearly identified by the posting of a sign which shall be not less than 12 inches wide and 12 inches long, composed of letters not less than a half inch in height, which shall state: "Limited Access Area – No persons under 21 allowed."

CHAPTER 4: CANNABIS EMPLOYEES

Section 1: Prerequisites to Hire

1.1 In accordance with subsection 9.01(b) of the Act, a Licensee shall not hire any person as a Cannabis Employee without first:

1.1.1 Conducting or causing to be conducted a criminal history background check in accordance with subsection 9.01(a) of the Act; and

1.1.2 Ensuring that the person is not included on the Excluded Cannabis Employee List.

1.2 A Licensee shall not hire any person as a Cannabis Employee unless the person passes a criminal history background check based on the standards set forth in Chapter 4 subsection 2.3 of these Regulations.

1.3 A Licensee shall verify the identity and authorization to work in the United States of each person it seeks to hire as a Cannabis Employee in connection with conducting the criminal history background check.

Section 2: Background Investigation

2.1 In accordance with subsection 9.01(a) of the Act, a Licensee shall ensure a criminal background check on any prospective Cannabis Employee is conducted by the Commission or its designee before hiring that person. The Licensee shall keep records of the results of the criminal history background checks for the duration of the Cannabis Employee's employment with the Licensee. The Licensee shall record confirmation of criminal history background checks and make the confirmation available for inspection upon request by the Commission.

2.2 A Licensee shall request a criminal history background investigation from the Commission or its designee on a Cannabis Employee within thirty (30) calendar days prior to expiration of the Cannabis Employee's Cannabis Employee Identification Card.

2.3 The purpose of the criminal history background investigation shall be to determine whether a prospective or current Cannabis Employee was convicted of, or entered a plea of guilty, or no contest to:

2.3.1 Any offense involving the distribution of a controlled substance to a minor, as employment of such persons is prohibited by subsection 9.01(b)(11) of the Act;

2.3.2 Any misdemeanor involving any fraud, theft, dishonesty, or moral turpitude within five (5) years of the employment application date, but excluding any conviction or plea involving Cannabis, as the Commission has determined that a prohibition on employment of such persons by a Licensee is necessary to protect the health, safety, and welfare;

- 2.3.3 Any felony within ten (10) years of the employment application date, but excluding any crime determined by the Licensee to relate to the furtherance of the Band's tribal sovereignty rights or any conviction or plea involving Cannabis, as the Commission has determined that a prohibition on employment of such persons by a Licensee is necessary to protect health, safety, and welfare.
- 2.4 In accordance with subsection 9.01(a) of the Act, upon request by the Commission, a Licensee shall submit to the Commission the results of any criminal history background check relating to a prospective Cannabis Employee.

2.5 Within seven (7) calendar days of receiving the results of a criminal history background check, a Licensee shall submit to the Commission the results of any criminal history background check for any prospective or current Cannabis Employee who does not pass a criminal history background check based on the standards set forth in Chapter 4 subsection 2.3 of these Regulations to enable the Commission to update the Excluded Cannabis Employee List.

Section 3: Excluded Cannabis Employee List

3.1 In accordance with subsection 9.01(b)(8) of the Act, the Commission shall maintain the Excluded Cannabis Employee List.

3.2 The Excluded Cannabis Employee List shall be limited to the following persons:

3.2.1 Any person who was convicted of, or entered a plea of guilty, or no contest to any offense listed in Chapter 4 subsection 2.3 of these Regulations; or

3.2.2 Any Cannabis Employee found by the Commission in connection with any investigation conducted under the Act to have intentionally, willfully, or knowingly violated any provision of the Act, these Regulations, any Compact, or any plan described in Chapter 2 Section 6 of these Regulations, but only if the violation posed an immediate threat to the health, safety, and welfare of the Band or others.

3.3 Upon adding any person to the Excluded Cannabis Employee List, the Commission shall, within seven (7) calendar days, notify the Licensee of the specific reasons for such addition, and inform the Licensee of its right to challenge the Commission's decision under Chapter 17 of these Regulations.

3.4 A Licensee may challenge the Commission's decision to add any person to the Excluded Cannabis Employee List in accordance with hearing procedures set forth in Chapter 17 of these Regulations.

3.5 A challenge by a Licensee shall not delay the effectiveness of the Commission's decision to add a person to the Excluded Cannabis Employee List, unless the Commission elects to stay such decision either on its own, or upon request by a Licensee, following the Commission's receipt of a challenge.

3.6 The Commission shall update the Excluded Cannabis Employee List not less than quarterly, and more frequently if necessary, including to remove persons who no longer are qualify under Chapter 4 subsection 2.3 of these Regulations.

3.7 The Commission shall immediately provide each Licensee with any updated Excluded Cannabis Employee List.

3.8 A Licensee shall not continue to employ any Cannabis Employee who is added to the Excluded Cannabis Employee List, provided that a Licensee may suspend the Cannabis Employee pending final resolution of any challenge by a Cannabis Employee.

3.9 A Licensee shall not continue to employ any Cannabis Employee after becoming aware that the Cannabis Employee was convicted of, or entered a plea of guilty, or no contest to an offense stated in Chapter 4 subsection 2.3 of these Regulations, regardless of whether the Cannabis Employee has been added to the Excluded Cannabis Employee List.

Section 4: Cannabis Employee Identification Card Application

4.1 To initiate the Cannabis Employee Identification Card process and prior to hiring any individual, a Licensee shall submit to the Commission or its designee information sufficient to conduct a background check. At a minimum, this includes the individual's full name, date of birth, and any other information required by the Commission or its designee.

4.2 The Commission or its designee shall run the requested background check upon receipt of all required information necessary to effectuate the review. The Commission or its designee shall review the results of the background check to determine the individual's eligibility for employment and provide the results of the background check to the requesting Licensee.

4.3 Consistent with subsection 9.01(b)(2) of the Act, a Licensee shall submit to the Commission a Cannabis Employee Identification Card Application within seven (7) business days of the Cannabis Employee's hiring or, for a current Cannabis Employee, within thirty (30) calendar days prior to expiration of a Cannabis Employee Identification Card. Information required by the Cannabis Employee Identification Card Application includes, but is not limited to:

4.3.1 The Cannabis Employee Identification Card Application Form;

4.3.2 The results of the criminal history background investigation initiated by the Licensee under subsection 9.01(a) of the Act, which shall include whether the prospective Cannabis Employee passed the background investigation based on the standards set forth in Chapter 4 subsection 2.3 of these Regulations; and

4.3.3 A certification that the Licensee complied with the requirements of Chapter 4 Section 1 of these Regulations.

4.3.4 Other items that may be required by the Commission.

Section 5: Cannabis Employee Identification Card Fees

5.1 In accordance with Section 7.05(a) of the Act, the Commission shall establish a schedule of fees for each Cannabis Employee Identification Card Application, Cannabis Employee Identification Card renewals, and the reprinting of lost or stolen Employee Identification Cards.

5.2 The Commission will charge a Licensee a fee for each Cannabis Employee Identification Card Application the Commission must process.

Section 6: Cannabis Employee Identification Card Issuance

6.1 Review of Cannabis Employee Identification Card Applications is an administrative process undertaken by the Cannabis Commission Executive Director that does not require a hearing by the Commission. Nothing in this section prohibits the Commission from holding a hearing to discuss and make a determination on a Cannabis Employee Identification Card Application, if in the discretion of the Commission additional scrutiny is warranted by the evidence provided in the submitted application.

6.2 The Commission shall notify the Licensee of its determination to approve or deny the Cannabis Employee Identification Card Application within fourteen (14) business days of receipt of the completed application.

6.3 If approved, the Commission or its designee shall print and issue the Cannabis Employee Identification Card, which shall include a distinct employee identification number. The Commission shall record the distinct employee identification number issued to the employee on the application to ensure accurate tracking and compliance.

6.4 If the Commission denies an application for a Cannabis Employee Identification Card, the Commission shall include in its notification to the Licensee the specific reasons for such denial, and inform the Licensee of its right to challenge the Commission's decision under Chapter 17 of these Regulations.

6.5 A Licensee may challenge the Commission's decision to deny an application for a Cannabis Employee Identification Card in accordance with hearing procedures set forth in Chapter 17 of these Regulations.

6.6 A challenge by a Licensee shall not delay the effectiveness of the Commission's decision to deny a Cannabis Employee Identification Card, unless the Commission elects to stay such decision either on its own, or upon request by a Licensee, following the Commission's decision.

6.7 A Licensee shall not continue to employ any Cannabis Employee for whom the Commission has denied an application for a Cannabis Employee Identification Card, provided that the Licensee may suspend the Cannabis Employee pending final resolution of any challenge by a Licensee.

Section 7: Cannabis Employee Identification Card

7.1 Creation of Cannabis Employee Identification Card. The Commission or its designee shall create a Cannabis Employee Identification Card for each employee, agent, or volunteer upon notification of approval by the Commission of the Cannabis Employee Identification Card Application.

7.2 Cannabis Employee Identification Card Contents. A Cannabis Employee Identification Card shall contain:

- 7.2.1 The individual's name, photo, and employee identification number;
- 7.2.2 The name and license number of the regulated Cannabis Business at which the Cannabis Employee is authorized to work; and
- 7.2.3 The effective date and expiration date of the Cannabis Employee Identification Card.

7.3 Conspicuous Visibility. A Cannabis Employee Identification Card shall be conspicuously worn by employees, agents, or volunteers at all times that they are performing job duties, while they are on the licensed premises, or during transport of cannabis. This requirement may only be waived in writing by the Commission or Designee.

7.4 Failure to Wear Cannabis Employee Identification Card. A Licensee shall not permit any Cannabis Employee to perform job duties without conspicuously wearing their Cannabis Employee Identification Card at all times.

7.5 Cannabis Employee Identification Card Duration. A Cannabis Employee Identification Card shall be valid for three (3) years, except as otherwise provided in these Regulations.

7.6 Duty to Update. A Licensee shall require all Cannabis Employees to report any new or pending criminal charges or convictions within forty-eight (48) hours. A Licensee shall notify the Commission within seven (7) business days of any change in status to any Cannabis Employee's information. The Commission may require a new background check based on the update provided to ensure the continued eligibility of the individual for employment at a Cannabis Business.

7.7 Termination. A Cannabis Employee Identification Card shall no longer have valid, active status as of the date a Cannabis Employee is no longer employed by a Licensee. A Licensee shall ensure all access permissions are removed as soon as possible following an employee separation, and no later than seven (7) business days after the separation.

Section 8: Cannabis Employee Identification Card Replacement

8.1 A Cannabis Employee shall notify the Licensee within twenty-four (24) hours upon discovery that their Cannabis Employee Identification Card is destroyed, damaged, or lost.

8.2 A Licensee shall notify the Commission or its designee within twenty-four (24) hours that a replacement Cannabis Employee Identification Card is required, along with the reason for replacement and replacement Identification Card fee.

8.3 The Commission or its designee shall provide a replacement Cannabis Employee Identification Card for any Cannabis Employee Identification Card that is destroyed, damaged, or lost within twenty-four (24) hours of notification by the Licensee.

8.4 Notwithstanding Chapter 4 subsections 7.3 and 7.4 of this Regulation, a Licensee may permit a Cannabis Employee to perform job duties without carrying a Cannabis Employee Identification Card on their person if the Cannabis Employee Identification Card was destroyed, damaged, or lost and the Cannabis Employee has notified the Licensee; provided that this exception shall not apply once the Commission or its designee has issued a replacement Cannabis Employee Identification Card.

Section 9: Employee Training

9.1 Prior to commencing employment, a Cannabis Employee shall complete required training. The Licensee shall provide training on the following subjects to its Cannabis Employees, as appropriate for their specific role in the Cannabis Business:

- 9.1.1 Applicable Tribal cannabis Law and Regulations, including license sanctions and criminal liability;
- 9.1.2 Inventory management;
- 9.1.3 Security protocols;
- 9.1.4 Maintenance of records;
- 9.1.5 Emergency management procedures;
- 9.1.6 The Licensee's Standard Operating Procedures;
- 9.1.7 Other topics as required by the Commission.

Section 10: Cannabis Employee Records

10. 1 Individual Employment Record. A Licensee shall keep an individual employment record for all Cannabis Employees, including:

- 10.1.1 Full legal name;
- 10.1.2 Detailed job description;
- 10.1.3 Documentation of completed criminal background check;
- 10.1.4 Record of all training received or acquired by the employee;
- 10.1.5 Dates of employment;
- 10.1.6 Records of days and hours worked; and
- 10.1.7 Any disciplinary actions taken by the Licensee.

10.2 Employment Record Maintenance. Employment records shall be maintained, either electronically or in hard copy, for at least three (3) years after the employee's last date of employment with the Licensee.

CHAPTER 5: CANNABIS OPERATIONS - GENERAL

Section 1: Authorized Visitor Access

- 1.1 Each Licensee shall comply with the requirements of Section 9.02 of the Act for any Authorized Visitor.
- 1.2 Prior to entering a Restricted Access Area, all visitors, including outside vendors, contractors or others, must obtain a visitor identification badge from management personnel of the Licensee that shall remain visible while in the Restricted Access Area.
- 1.3 Visitors shall be escorted by the Licensee's licensed personnel at all times. No more than five visitors may be escorted by a single employee. Except that trade craftspeople, including but not limited to ancillary business operators, not normally engaged in the business of cultivating, processing, or selling cannabis need not be accompanied on a full-time basis, but only reasonably monitored.
- 1.4 A Licensee shall promptly report to the Commission if any person is present in the secured area of any Cannabis Business who is not a Cannabis Employee or Authorized Visitor, or if any such person has violated the Act, these Regulations, or the Compact. Upon any such occurrence, the Commission may take any action permitted under the Act.
- 1.5 The Licensee shall maintain a log of all visitor activity, for any purpose, within the Restricted Access Area and shall make such logs available for inspection by the Commission.
- 1.6 All visitors admitted into a Restricted Access Area must provide acceptable proof of age and must be at least twenty-one (21) years of age.
- 1.7 The Licensee shall check the identification for all visitors to verify that the name on the identification matches the name in the visitor log.
- 1.8 A Licensee may not receive consideration or compensation for permitting a visitor to enter a Restricted Access Area.
- 1.9 Use of a visitor badge to circumvent the Employee Identification Card requirements of these Regulations is prohibited and may constitute a license violation affecting public safety.

Section 2: Waste Disposal

2.1 Waste Management. A Licensee shall dispose of undesired, excess, unauthorized, obsolete, adulterated, misbranded, or deteriorated cannabis in a manner as to render the cannabis unusable. A Licensee shall record cannabis waste in the Cannabis Tracking System. Soil, other growing media, root balls, stalks of Mature Plants, and leaves and branches that do not contain visible trichomes are not considered Cannabis waste.

2.2 Separate Cannabis Waste Area. A Licensee shall store Cannabis and Cannabis Products intended for disposal in an area inaccessible to the public. It shall not be stored

in proximity to Cannabis or Cannabis Products destined for sale to minimize any risk of contamination.

2.3 Rendering Cannabis Unusable. Cannabis shall be rendered unusable by grinding and incorporating the cannabis with one (1) or more of the non-consumable, solid wastes listed below so that the resulting mixture is at least 50% non-cannabis waste, and such that the resulting mixture cannot easily be separated and sorted:

- 2.3.1 Paper waste;
- 2.3.2 Plastic waste;
- 2.3.3 Cardboard waste;
- 2.3.4 Food waste;
- 2.3.5 Grease or other compostable oil waste;
- 2.3.6 Bokashi or other compost activators;
- 2.3.7 Soil;
- 2.3.8 Sawdust;
- 2.3.9 Manure; and
- 2.3.10 Other wastes approved by the Commission that will render the cannabis waste unusable and unrecognizable.

2.4 Waste Disposal. Cannabis that is rendered unusable shall be discarded into a dumpster with commercial-grade locks or other approved, locked container for removal from the facility by a waste removal company selected by the Licensee.

2.5 Waste Disposal Video Surveillance. The disposal of Cannabis shall be performed under video surveillance from the time the destruction begins to when it is placed in a locked dumpster or other approved, locked container and removed from the licensed premises.

2.6 Waste Disposal Oversight. A minimum of two (2) employees shall oversee the disposal of Cannabis.

2.7 Waste Disposal Records. A Licensee shall maintain and make available a separate record of every disposal indicating:

- 2.7.1 The date and time of disposal;
- 2.7.2 The manner of disposal;
- 2.7.3 The quantity of Cannabis being disposed of;
- 2.7.4 Any unique identification codes associated with the cannabis scheduled for destruction;
- 2.7.5 The reasoning for and description of the disposal;

2.7.6 The name, employee identification number, and signature of the employees overseeing the disposal of cannabis; and

2.7.7 If the disposal contains cannabis that was prepared for sale to another Cannabis Business, the batch number, strain, volume, weight, and number of units, if applicable, of the Cannabis being disposed of.

2.8 Non-Cannabis Waste. The disposal of waste from the Cannabis Business that does not include cannabis, including hazardous waste and liquid waste, shall be performed in a manner consistent with applicable tribal requirements. Wastewater may be recycled upon the tract of land upon which the Cannabis Business is located, to the extent practicable and shall be disposed of in a manner that complies with all applicable laws.

Section 3: Storage

3.1 All Cannabis and Cannabis Product shall be stored at the Licensee's Cannabis Business in a secured Limited Access Area or Restricted Access Area and shall be identified and tracked consistently in the Cannabis Tracking System.

3.2 All containers used to store Cannabis and Cannabis Product for transfer or sale to the public or between Licensees shall be clearly marked, labeled, or tagged, and enclosed on all sides in secured containers. Each secured container shall be identified and tracked in the Cannabis Tracking System.

3.3 All chemicals or solvents shall be stored separately from Cannabis and Cannabis Product and shall be kept in locked storage areas approved for chemical storage. Safety Data Sheets for stored chemicals shall be accessible adjacent to the storage location.

3.4 In-process Cannabis Products not in final packaging shall be stored separately from finished Cannabis Products.

3.6 A retail Licensee shall ensure that all Cannabis and Cannabis Products being offered for sale or transfer to the public in a Limited Access Area are located behind a counter or other barrier located in a space that is separate from stock rooms and other secure areas where Cannabis and Cannabis Products are stored.

3.7 A Licensee shall ensure that any Cannabis or Cannabis Product stock or storage room complies with the security plan filed with the Commission and meets the security requirements of these Regulations and any other applicable requirements in the Act, these Regulations and any Compact.

3.8 Any areas where Cannabis and Cannabis Products are stored shall have continuous and dedicated video surveillance coverage.

Section 4: Onsite Use Prohibited. With the exception of authorized Designated Consumption Areas, a Licensee shall not permit the onsite use or consumption of any Cannabis or Cannabis Products. Designated Consumption Areas shall prohibit further consumption of Cannabis or Cannabis Products by any person who is Visibly Intoxicated.

Section 5: Cash Handling Procedures

5.1 A Licensee may have an ATM inside a dispensing facility to provide easy withdrawal of cash payments for customers.

5.2 Cannabis Employees are responsible for processing transactions using the point of sale system selected by the Licensee and accurately counting and recording all cash transactions.

5.3 Licensees shall train Retail Cannabis Employees to identify counterfeit currency in transactions. If a Cannabis Employee suspects an individual is attempting to use counterfeit currency, they shall immediately escalate to their manager.

5.4 All cash counting shall occur under video surveillance and shall be undertaken by a minimum of two (2) Cannabis Employees, however, cash counting at the point of sale for sales to customers shall not require two (2) Cannabis Employees to verify the count for change to a customer.

5.5 All cash shall be securely stored in an on-site locked safe or vault with access limited to the minimal number of supervisory staff members necessary to facilitate operations. The safe or vault must be located in a Restricted Access Area and must have twenty-four (24) hour video surveillance coverage.

Section 6: Reportable Events

6.1 A Licensee shall immediately notify the Commission upon becoming aware of any suspected:

- 6.1.1 Diversion, theft, loss, adulteration, or unauthorized destruction of any Cannabis, Cannabis Accessory, or Cannabis Product;
- 6.1.2 Loss or unauthorized alteration of records related to any Cannabis, Cannabis Accessory, or Cannabis Product;
- 6.1.3 Cannabis or Cannabis Product spoilage, contamination, or any other condition rendering the Cannabis or Cannabis Product potentially unsuitable for human consumption;
- 6.1.4 Response by law enforcement to the Cannabis Business for any damage to Band property or environmental contamination involving the premises;
- 6.1.5 Injury to any Cannabis Employee, patron, or visitor to the Cannabis Business; and
- 6.1.6 As otherwise required by these Regulations.

6.2 A Licensee shall ensure that its Facility Operations Plan requires each Cannabis Employee to immediately notify the Licensee upon becoming aware of any suspected violation of Chapter 5 subsection 6.1 of these Regulations. Additionally, Cannabis Employees may directly report to the Commission any such suspected violation.

6.3 Upon such notification under Chapter 5 subsections 6.1 and 6.2 of these Regulations, the Commission may require the Licensee to notify Tribal Police of the event, if not already notified by the Licensee or a Cannabis Employee.

6.4 Within twenty-four (24) hours of a Licensee providing the notice required by Chapter 5 subsection 6.1 of these Regulations or the Commission contacting the Licensee in response to notice under Chapter 5 subsection 6.2 of these Regulations, the Licensee shall provide to the Commission a signed statement that details the factual circumstances of the event, including, as applicable:

- 6.4.1 An accurate inventory of the quantity and type of any Cannabis or Cannabis Product diverted, stolen, lost, destroyed or damaged;
- 6.4.2 A description of any records lost or altered, whether any internal or third-party investigation is still ongoing; and
- 6.4.3 Confirmation that the Tribal Police were notified.

6.5 A Licensee shall notify the Commission within twenty-four (24) hours after any of the following:

- 6.5.1 Any alarm activation or other security event that warrants notification of the Tribal Police;
- 6.5.2 Any breach of security;
- 6.5.3 Any failure of a security alarm system due to a loss of electrical support or mechanical malfunction that is expected to last longer than two (2) hours; or
- 6.5.4 Any disruption in video surveillance coverage.

6.6 A Licensee shall notify the Commission within five (5) business days of any corrective measures taken in response to an event specified in Chapter 5 subsection 6.5 of these Regulations.

6.7 A Licensee shall maintain and produce to the Commission all records related to an occurrence that is reportable pursuant to Chapter 5 Section 6 of these Regulations.

6.8 A Licensee shall notify the Commission within twenty-four (24) hours of a change to the designated point of contact for compliance matters of the Licensee.

Section 7: Inspections by Commission

7.1 For purposes of supervision and enforcement activities, and in addition to all other authority under the Act, the Commission may:

- 7.1.1 Enter any Cannabis Transporter Vehicle within the Reservation, and a Licensee shall be responsible for ensuring Commission access;
- 7.1.2 Enter all areas of a Cannabis Business, including any areas in which any Cannabis or Cannabis Product is stored, dispensed, sold, produced, manufactured,

delivered, transported, or disposed of, and a Licensee shall be responsible for ensuring Commission access;

7.1.3 Enter any other place within the Reservation where Cannabis Related Business Activity has occurred and, if such Cannabis Related Business Activity relates to a Licensee, the Licensee shall be responsible for ensuring Commission access;

7.1.4 Inspect any such place referenced in Chapter 5 subsection 7.1 of these Regulations, and all pertinent equipment, finished and unfinished material, containers and labeling, and all things in such place, including records, files, financial data, sales data, shipping data, pricing data, Cannabis Employee data, research, papers, processes, controls, and establishments. Such inspection may include onsite audits; and

7.1.5 Inventory and obtain Samples of any Cannabis, Cannabis Product, Cannabis Accessories, labels, containers for Cannabis or Cannabis Product, and finished or unfinished Cannabis Products for testing or other compliance activities.

7.2 A Licensee shall not store, dispense, sell, produce, manufacture, deliver, or dispose of any Cannabis or Cannabis Product at any location within the Reservation except in accordance with the Act, these Regulations, and any Compact, except with the express prior authorization of the Commission.

7.3 In accordance with subsection 2.16(g) of the Act, the Commission shall have access to all areas of a Cannabis Business. The Commission may, but is not required, to provide prior notice to the Licensee.

7.4 The Commission shall have access to any location within the Reservation at which a Cannabis Business engages in any Cannabis Related Business Activity.

Section 8: Financial Audit. A Licensee shall conduct an annual financial audit. The audit shall be conducted by an independent auditing firm and submitted to the Commission not later than thirty (30) calendar days from the completion of the audit. All costs associated with the financial audit shall be the responsibility of the Licensee.

CHAPTER 6: CANNABIS OPERATIONS - CULTIVATION

Section 1: General Requirements

- 1.1 License Required.** A person or entity shall not engage in the business of planting, growing, cultivating, raising, harvesting, trimming, storing, testing, packaging, labeling, transferring, transporting, selling, or offering to sell Cannabis to a Cannabis Business for commercial purposes without first being issued a Cannabis Business Cultivation License by the Commission.
- 1.2 Permitted Sales.** A Cannabis Business Cultivation Licensee shall only purchase or sell Cannabis from a Cannabis Business Wholesale Licensee. If no Cannabis Business Wholesale Licensees are operational, the Commission may provide a limited waiver for this requirement to allow sales between Licensees. At no time shall a Cannabis Business Cultivation License purchase or sell Cannabis with an unlicensed entity.
- 1.3 Compliant Cannabis.** A Cannabis Business Cultivation Licensee may only sell or offer to sell Cannabis that complies with the testing requirements and Regulations established by the Commission.
- 1.4 Indoor Cultivation.** A Cannabis Business Cultivation Licensee shall only conduct licensed cultivation activities in an enclosed, locked facility. Outdoor cultivation is not permitted.
- 1.5 Residences Prohibited.** A Cannabis Business Cultivation Licensee shall not conduct licensed cultivation activities in a residential dwelling. This does not preclude licensees from utilizing enclosed, locked facilities on properties that also contain residential dwellings, however, the buildings must be completely distinct and the licensed premises must sit at least twenty-five (25) feet from the residential dwelling.
- 1.6 Continuing Obligations.** The qualifications that a Cannabis Business Cultivation Licensee shall meet to receive a license are continuing qualifications to maintain the license throughout the licensure period. Any changes to the Cultivation Plan included as part of the initial application must be submitted, in writing, to the Commission for review and approval prior to enacting any operational changes.

Section 2: Requirements for Cultivating and Growing Cannabis

- 2.1 Pesticides.** Pesticide use by a Licensee shall abide by the following requirements:
- 2.1.1 A Cannabis Business Cultivation Licensee who uses a pesticide on cannabis shall be certified to apply pesticides by the Minnesota Department of Agriculture or other entity as determined by the Commission.
 - 2.1.2 A Cannabis Business Cultivation Licensee shall not use any pesticide in violation of the product label.

- 2.1.3 A Cannabis Business Cultivation Licensee who uses a pesticide on growth medium used for multiple cannabis cultivation cycles shall comply with the longest of any planting restriction interval on the product label prior to reusing the growth medium.
- 2.1.4 The Commission may require pesticide testing on a random basis or if its authorized agents have reason to believe that a pesticide may have been applied to medicinal cannabis in violation of the product label.
- 2.1.5 Any Cannabis bearing pesticide residue in violation of the label or testing standards established by the Commission shall be subject to forfeiture or destruction without compensation.
- 2.1.6 A Cannabis Business Cultivation Licensee shall maintain a log of the use of all pesticides and any other chemical applications applied to cannabis for a minimum of three (3) years, including:
 - 2.1.6.1 The date of application;
 - 2.1.6.2 The name of the individual making the application;
 - 2.1.6.3 The product that was applied;
 - 2.1.6.4 The section, including the square footage, that received the application;
 - 2.1.6.5 The amount of product that was applied; and
 - 2.1.6.6 A copy of the label of the product that was applied.

2.2 Cultivation Requirements. A Cannabis Business Cultivation Licensee shall:

- 2.2.1 Use appropriate nutrient practices.
- 2.2.2 Maintain a log of the type and amounts of fertilizer and growth additives used.
- 2.2.3 Perform visual inspections of growing cannabis plants and harvested cannabis plant material to ensure there are no visible insects, mold, mildew, pests, rot, grey or black plant material, or inorganic material, including plastic, glass, and metal shavings.
- 2.2.4 Have a separate and secure area for temporary storage of Cannabis awaiting disposal by the cultivator.
- 2.2.5 Establish procedures to monitor, record, and regulate:
 - 2.2.5.1 Temperature;
 - 2.2.5.2 Humidity;
 - 2.2.5.3 Ventilation;
 - 2.2.5.4 Lighting; and
 - 2.2.5.5 Water supply.

2.3 Canopy.

- 2.3.1 A Cannabis Business Cultivation Licensee shall only cultivate up to the canopy size indicated on the Cultivation Plan submitted as part of its application for licensure. Any changes to the Cultivation Plan shall be submitted in writing to the Commission and approved prior to any operational changes.

2.3.2 Calculating Canopy Size. Total canopy shall be measured by calculating

the total square footage of each distinct cultivation area containing mature, flowering cannabis plants. Distinct cultivation areas include: trays, tables, shelves or may be demarcated by trellising, tiers, or other identifiable boundaries.

- 2.3.2 **Expansions to Canopy.** Expansions to existing canopy limits are permitted only with prior written authorization of the Commission. The Commission has discretion to approve or deny a request to expand maximum canopy size.

CHAPTER 7: CANNABIS OPERATIONS - MANUFACTURING

Section 1: General Requirements

1.1 License Required. A person or entity shall not engage in the business of manufacturing, storing, testing, packaging, labeling, transferring, transporting, selling, or offering to sell Cannabis Products to a Cannabis Business for commercial purposes without first being issued a Cannabis Business Manufacturing License by the Commission.

1.2 Permitted Sales. A Cannabis Business Manufacturing Licensee shall only purchase or sell Cannabis and Cannabis Products from a Cannabis Business Wholesale Licensee. If no Cannabis Business Wholesale Licensees are operational, the Commission may provide a limited waiver for this requirement to allow sales between Licensees. At no time shall a Cannabis Business Manufacturing License purchase or sell Cannabis or Cannabis Products with an unlicensed entity.

1.3 General Manufacturer Requirements. A manufacturer shall:

- 1.3.1 Conduct manufacturing activities in an enclosed, locked facility;
- 1.3.2 Not acquire, possess, sell, offer for sale, transfer, or transport any Cannabis Products that are prohibited by the Act or Regulations;
- 1.3.3 Only sell or offer to sell Cannabis Products that comply with the testing requirements and regulations established by the Commission; and
- 1.3.4 Only sell or transfer Cannabis Products in a sealed and properly labeled package.

1.3 Continuing Obligations. The qualifications that a manufacturer shall meet to receive a license are continuing qualifications to maintain the license throughout the licensure period. Any changes to the Manufacturing Plan included as part of the initial application must be submitted, in writing, to the Commission for review and approval prior to enacting any operational changes.

Section 2: Requirements for Manufacturing Cannabis Products

2.1 Permitted Products. A manufacturer with the appropriate endorsement shall be permitted to manufacture topicals, ointments, concentrates, and edible cannabis products including beverages, tinctures, oils, and infused smokeable products.

2.2 A manufacturer shall:

- 2.2.1** Use appropriate ingredients, utilities, supplies, materials, processes for storage and transportation, and good manufacturing practices such as adequate handwashing to prevent deterioration, spoilage, contamination and adulteration;

- 2.2.3** Perform visual inspections of cannabis products and materials to ensure there are no visible insects, mold, mildew, pests, rot, grey or black plant material, or inorganic material, including plastic, glass, and metal shavings;
- 2.2.4** Have a separate and secure area for temporary storage of cannabis products awaiting disposal;
- 2.2.5** Establish procedures to monitor, record, and regulate temperature, humidity, ventilation, lighting, and water quality.

2.3 Edible Products. Edible products shall comply with the following requirements:

- 2.3.1** A manufacturer shall not manufacture or sell an edible product in a shape and form that is likely to appeal to minors.
- 2.3.2** All edible products shall be prepared, handled, and stored in compliance with sanitary requirements.
- 2.3.3** In addition to the packaging and label requirements applicable to all types of cannabis products, the following information or statement shall be affixed to every container containing an edible product:
 - 2.3.3.1** If the edible product is perishable or time and temperature-controlled, a statement that the product shall be refrigerated;
 - 2.3.3.2** The date on which the edible product was manufacturer;
 - 2.3.3.3** A nutritional fact panel that shall be based on the number of THC servings within the container;
 - 2.3.3.4** Information regarding the size of each serving for the product by milligrams, the total number of servings of cannabis in the product, and the total amount of active THC in the product by milligrams (mg); and
 - 2.3.3.5** A warning that the impairment effects of edible products may be delayed.
- 2.3.4** A manufacturer may not manufacture, sell, or offer to sell an edible product with potency levels exceeding the limits established by the Commission.
- 2.3.5** The tetrahydrocannabinol (THC) content shall be homogenous, or evenly distributed throughout the edible product.
- 2.3.6** Edible products must be manufactured according to the applicable provisions of Minnesota Food Law, including applicable sections of the Code of Federal Regulations which are adopted here by reference, with the exception that the product is not adulterated solely due to the presence of cannabis or hemp ingredients.

2.4 Manufacturing Inputs and Ingredients. All products other than cannabis derived ingredients and hemp derived ingredients must be:

- 2.4.1 Safe for the intended purpose and use in the manufacturing process. Any solvent used in manufacturing must be safe for human consumption and approved for use in foods by the FDA.
- 2.4.2 Used, stored, and disposed of according to label instructions and in compliance with all other applicable laws and regulations.

2.5 Prohibited Ingredients. A Manufacturer shall not use the following ingredients when manufacturing cannabis concentrate:

- 2.5.1 Polyethylene glycol (PEG);
- 2.5.2 Vitamin E Acetate; or
- 2.5.3 Medium Chain Triglycerides (MCT Oil).

CHAPTER 8: CANNABIS OPERATIONS - RETAIL

Section 1: General Requirements

1.1 License Required. A person or entity shall not transfer, transport, package, dispense, sell, or deliver Cannabis and Cannabis Products to customers for commercial purposes without first being issued a Cannabis Business Retail License by the Commission.

1.2 Permitted Sales. A Cannabis Business Retail Licensee shall only purchase or sell Cannabis and Cannabis Products from a Cannabis Business Wholesale Licensee. If no Cannabis Business Wholesale Licensees are operational, the Commission may provide a limited waiver for this requirement to allow sales between Licensees. At no time shall a Cannabis Business Retail License purchase or sell Cannabis or Cannabis Products with an unlicensed entity. This requirement does not prohibit direct to consumer sales as part of the normal course of business.

1.3 Dispensary Requirements. A Cannabis Business Retail License shall:

- 1.3.1 Not sell or dispense cannabis to anyone under the age of twenty-one (21);
- 1.3.2 Not acquire, possess, dispense, sell, offer for sale, transfer, or transport any Cannabis or Cannabis Products not in a form or potency approved by the Commission;
- 1.3.3 Only dispense or sell Cannabis and Cannabis Products that have passed the testing requirements established by the Commission;
- 1.3.4 Only dispense or sell Cannabis and Cannabis Products to a customer in a sealed and properly labeled package as required by 13.2 and 13.4;
- 1.3.5 Not offer any samples or otherwise provide Cannabis or Cannabis Products to customers without remuneration; and
- 1.3.6 Maintain adequate on-site parking for employees, agents, visitors, transporters, and Commission staff and agents.

1.4 Continuing Obligations. The qualifications that a Cannabis Business Retail Licensee shall meet to receive a license are continuing qualifications to maintain the license throughout the licensure period.

1.5 Hemp Sales Permissible. A Cannabis Business Retail Licensee may sell lower potency hemp edible products, hemp concentrates, hemp-derived consumer products, hemp-derived topical products, and hemp grain, so long as:

- 1.6.1 All testing is completed as required by the Act and these Regulations;

- 1.6.2** All product is tracked in the Cannabis Tracking System, as required by the Act and these Regulations;
- 1.6.3** All age verification procedures required by the Act and these Regulations are followed.

Section 2: Dispensing Cannabis

2.1 Qualified Purchaser. A Cannabis Business Retail Licensee shall only dispense Cannabis and Cannabis Products to a qualified purchaser who is twenty-one (21) years of age or older.

2.2 Physical Inspection Required. A Licensee shall physically view and inspect the proof of identification to confirm the information contained on the documents and also to judge the authenticity of the documents presented. An electronic identification scanner may be used to assist in this inspection.

2.3 Identification Must be Valid. A Licensee shall refuse the transfer of Cannabis and Cannabis Products if a person produces identification that is invalid or expired, or is otherwise ineligible to purchase cannabis pursuant to the Act or these Regulations.

2.4 Seizure of Identification. A Licensee may seize a form of identification if the Licensee has reasonable grounds to believe that the form of identification has been altered or falsified or is being used to violate any law. A Licensee that seizes a form of identification must deliver it to a law enforcement agency within twenty-four (24) hours of seizure.

2.5 Forms of Valid Identification. The kind and type of identification deemed adequate shall be limited to the following, including any valid and verified digital identification:

- 2.5.1 A valid Tribal identification card;
- 2.5.2 A valid driver's, operator's, chauffeur's, or similar type license or government-issued identification card, including a temporary license issued by Minnesota, another state, District of Columbia, U.S. territory, or a province of Canada, and including the photograph and date of birth of the individual;
- 2.5.3 A valid passport or passport identification card issued by the United States, or, in the case of a foreign national, a valid passport from the country of issuance;
- 2.5.4 A valid instructional permit issued under Minn. Stat. 171.05 to a person of legal age, which includes a photograph and the date of birth of the person issued the permit;
- 2.5.5 A valid United States military identification card or any other identification card issued by the United States government including but

not limited to a permanent resident card, alien registration card, or consular card.

2.6 Dispensing Records. A Cannabis Business Retail Licensee shall maintain records that include specific notations of the type and amount of cannabis dispensed. Each entry shall include the date and time the Cannabis or Cannabis Product was dispensed. The data required to be recorded by this subsection shall be entered into the designated track-and-trace system.

2.7 Completing the Transaction. Prior to completion of the transaction, the employee conducting the transaction at the Cannabis Business Retail Licensee shall prepare a receipt of the transaction, provide a hardcopy or electronic copy of the receipt to the customer, and retain a hardcopy or electronic copy of the receipt for the dispensary's records for a minimum of three (3) years. The receipt shall include:

- 2.7.1 The Cannabis Business Retail Licensee's name, address, and license number;
- 2.7.2 The name of the customer;
- 2.7.3 The date and time the Cannabis and/or Cannabis Product was dispensed;
- 2.7.4 The form and quantity of the Cannabis and/or Cannabis Product dispensed;
- 2.7.5 Any Cannabis Accessories or educational materials included in the transaction; and
- 2.7.6 The amount paid by the customer for the Cannabis, Cannabis Product, and any other items.

CHAPTER 9: CANNABIS OPERATIONS – TRANSPORTATION

Section 1: Transportation Authorization

- 1.1 All Licensees are authorized to undertake transportation activities under the authority of their specific license type. A separate Cannabis Business Transportation License is not required to transport Cannabis and Cannabis Products for Cannabis Business Licensees. If a Person does not seek to pursue any cannabis activities other than transportation, a Cannabis Business Transportation License is required.
- 1.2 Transportation is strictly a business-to-business activity between Licensees. At no time may any Licensee undertake direct-to-consumer deliveries without a Cannabis Business Delivery License.
- 1.3 A Licensee seeking to conduct transportation activities must maintain written standard operating procedures for transportation to ensure compliance with the Act and these Regulations. These standard operating procedures shall be available for inspection by the Commission.

Section 2: Secure Transportation

- 2.1 A Licensee is authorized to transport Cannabis and Cannabis Products. Cannabis and Cannabis Products shall be maintained in a locked, secured, and sealed container that is not accessible while in transit. The container must be secured by a locked closed lid or door or sealed by tamper-proof tape or equivalent provided the means of sealing the product would alert the receiving Licensee that the Cannabis or Cannabis Products had been tampered with at some point from the time it departed the shipping Licensee.
- 2.3 If a Licensee transports money associated with the purchase or sale of Cannabis or Cannabis Products, the Licensee shall lock the money in a sealed container kept separate from the Cannabis or Cannabis Products and only accessible to the Licensee and its employees.
- 2.4 A Licensee that is transferring Cannabis and Cannabis Products shall remain onsite until the Cannabis or Cannabis Products are weighed and accepted or rejected before leaving the receiving Cannabis Business.
- 2.5 Cannabis Transporter Vehicles are subject to inspection within the Reservation at any time by the Commission to determine compliance with the Act and these Regulations.
- 2.6 All persons transporting Cannabis or Cannabis Products for a Licensee shall be Cannabis Employees. Any Cannabis Employee driving a Cannabis Transporter Vehicle shall possess a valid driver's license.
- 2.7 Only Cannabis Employees shall transport Cannabis or Cannabis Products on behalf of a Licensee. Cannabis Employees shall wear a Cannabis Employee Identification Card

that is affixed to a conspicuous place on the outside of their clothing at all times while undertaking transportation activities.

2.8 Cannabis Employees transporting Cannabis or Cannabis Products for any Licensee on a public road within the Reservation in connection with any Cannabis Related Business Activities shall always possess a legible copy of the Cannabis Business License.

2.9 Cannabis Employees operating a Cannabis Transporter Vehicle shall have access to a secure form of communication with the Licensee, such as a cellular telephone, at all times in the vehicle or on his or her person.

Section 3: Transport Manifest

3.1 A Licensee shall have a route plan and manifest available for inspection by the Commission to determine compliance with the Act and these Regulations. A copy of the route plan and manifest must be carried by a Licensee during transport. A Licensee shall carry a copy of a route plan and manifest in the Cannabis Transporter Vehicle and shall present them to law enforcement officers or Commission members, upon request.

3.2 A Licensee shall generate a Commission-approved transport manifest through the Cannabis Tracking System in advance each time the Licensee transports any Cannabis or Cannabis Product, which shall include:

3.2.1 The name, address, phone number, and license number of the originating Licensee and the name, address, phone number, and license number of the Licensee receiving the shipment.

3.2.2 The description and quantities of each item in the shipment, date and time of shipment;

3.2.3 The make, model, and license plate number of the Cannabis Transporter Vehicle;

3.2.4 The date and time of arrival at destination locations; and

3.2.5 The name and signature of the driver and any other person in the Cannabis Transporter Vehicle and name and signature of the person receiving the shipment.

3.3 A Licensee shall not possess Cannabis or Cannabis Products that are not listed on a manifest.

3.4 The Cannabis Business to which Cannabis or Cannabis Product is delivered shall document in a discrepancy report any difference between the type and quantity of Cannabis or Cannabis Product documented on the Transport Manifest and the type and quantities of Cannabis or Cannabis Product received. The Licensee shall promptly forward each discrepancy report to the Commission for investigation.

Section 4: Secure Cannabis Transporter Vehicles

- 4.1 A Licensee shall provide to the Commission, the make, model, and license plate number of all Cannabis Transporter Vehicles.
- 4.2 All Cannabis Transporter Vehicles shall be insured, have valid vehicle registration, be in good working order and equipped with an alarm and locking compartments for securing cargo, and must be equipped with a vehicle-rated fire extinguisher and battery jumper cables.
- 4.3 All Cannabis Transporter Vehicles used to engage in any Cannabis Related Business Activities within the Reservation shall contain sufficient fuel to minimize the need to refuel in transit.
- 4.4 All Cannabis Transporter Vehicles shall contain no exterior markings which identify the contents of the vehicle.
- 4.5 No firearms shall be permitted in Cannabis Transporter Vehicles.
- 4.6 All Cannabis Transporter Vehicles shall have a heating system and a cooling system that is adequate to keep Cannabis and Cannabis Products within a temperature range that prevents melting, spoilage or other damage.
- 4.7 A Licensee shall identify and record all Cannabis Transporter Vehicles with the Commission and have the required vehicle registration. A Licensee's Cannabis Transport Vehicles are subject to inspection by the Commission at any time when within the Reservation to determine compliance with the Act and these Regulations.
- 4.8 All Cannabis Transporter Vehicles must contain a global positioning system (GPS) device for identifying the geographic location of the Cannabis Transporter Vehicle. The device must be either permanently or temporarily affixed to the Cannabis Transporter Vehicle while it is in operation, and the device must remain active and in the possession of the person operating the Cannabis Transporter Vehicle at all times during delivery. A Licensee must be able to identify the geographic location of each Cannabis Transporter Vehicle at all times.

Section 5: Transportation Recordkeeping

- 5.1 When transporting Cannabis or Cannabis Products, a person operating a Cannabis Transporter Vehicle shall:
 - 5.1.1 Maintain a physical or electronic copy of each order request and shall make the order request available to the Commission upon request; and
 - 5.1.2 Not leave Cannabis or Cannabis Products in an unattended Cannabis Transporter Vehicle unless the Cannabis Transporter Vehicle is locked and equipped with an active vehicle alarm system.
- 5.2 The person operating Transporter Vehicles shall maintain a log that includes all stops within the Reservation, and the reason for each stop. A Licensee shall maintain the log for

a minimum of three (3) years from the date of delivery and make it available to the Commission upon request. The log may be maintained electronically.

5.3 A Licensee shall notify the Commission, or law enforcement of any theft, loss of Cannabis or Cannabis Products, or criminal activity. A Licensee shall report to the Commission and law enforcement, if applicable, any other event occurring during the transport of Cannabis or Cannabis Products that violates the Act, these Regulations, or the Licensee's Transportation Plan, including any collisions involving Cannabis Transporter Vehicles or any diversion of Cannabis or Cannabis Products. Notification shall occur no later than twenty-four (24) hours after discovery of the theft, loss, criminal activity, or any other event during the transport of Cannabis or Cannabis Products that violates the Act, these Regulations, or the Licensee's Transportation Plan.

CHAPTER 10: CANNABIS OPERATIONS – DESIGNATED CONSUMPTION AREA

Section 1: Commission Approval

1.1 A Cannabis Business Retail Licensee may apply to the Commission for approval of a Designated Consumption Area when submitting its initial Application to the Commission for a License to operate as a Cannabis Business or at any time thereafter. No other Cannabis Business License types are eligible for authorization of a Designated Consumption Area.

1.2 In accordance with the Act, including subsections 5.01(a)-(b) and 8.01(b), upon Commission review of an Applicant's or Licensee's proposed operations plan and floor plan that meets the requirements of this Chapter and approval of the proposed Designated Consumption Area, a Cannabis Business Retail Licensee may:

1.2.1 Sell Cannabis and Cannabis Products for use or consumption within Designated Consumption Areas; and

1.2.2 Permit persons who are twenty-one (21) years of age or older to use and consume Cannabis and Cannabis Products within Designated Consumption Areas.

1.3 In accordance with subsection 9.03(b) of the Act, may allow the consumption of food and beverages in the Designated Consumption Area.

1.4 A Cannabis Business Retail Licensee shall post within each Designated Consumption Area all notices as may be required by the Commission, which may include warnings related to intoxication and operating a motor vehicle while Visibly Intoxicated.

1.5 A Cannabis Business Retail Licensee shall notify the Commission of any special events that will involve the use or consumption of Cannabis or Cannabis Products within a Designated Consumption Area, including promotional events organized by the Cannabis Business Retail Licensee and events where a Designated Consumption Area is reserved by a third party. A Cannabis Business Retail Licensee shall obtain Commission approval prior to any special event.

1.6 The notice required under Chapter 10 subsection 1.5 shall be provided in writing as soon as practicable, but not later than ten (10) business days before the special event and shall include a detailed explanation of the event, the intended duration of the event, a description of event security, and a list of any vendors and their function to be utilized for the event. Commission may request additional details or require changes to the proposed special event plans, which shall be incorporated by the Cannabis Business Retail Licensee prior to Commission approval of the event.

Section 2: Operations

2.1 The operations plan for a Designated Consumption Area shall:

2.1.1 Include a detailed explanation for how Cannabis Employees will identify, prevent, and address any person who is Visibly Intoxicated from the using or

consuming Cannabis or Cannabis Products within a Designated Consumption Area, underage access to a Designated Consumption Area, and any other activity on the grounds of the Cannabis Business that is prohibited under applicable law;

2.1.2 State procedures to ensure the following:

2.1.2.1 Only Cannabis and Cannabis Product purchased or obtained from the Cannabis Business Retail Licensee shall be consumed within a Designated Consumption Area, and no other Cannabis or Cannabis Product shall be permitted within a Designated Consumption Area;

2.1.2.2 Access to a Cannabis Consumption Area shall be restricted to persons twenty-one (21) years of age and older;

2.1.2.3 No on-site sale of alcohol or tobacco to any person shall be permitted within a Designated Consumption Area;

2.1.2.4 No on-site consumption of alcohol or tobacco by any person shall be permitted within a Designated Consumption Area;

2.1.2.5 A Designated Consumption Area shall provide adequate security and lighting on-site to ensure the safety of persons and protect the premises from theft at all times in conformance with the security plan submitted to the Commission;

2.1.2.6 If a Designated Consumption Area is located within the interior of the Cannabis Business, an odor absorbing ventilation and exhaust system must be installed so that odor generated inside the Designated Consumption Area is not detected outside premises of the Cannabis Business; and

2.1.2.7 If a Designated Consumption Area is located within the interior of a Cannabis Business, it shall be a well-ventilated, private area that is partitioned off from access to all other areas of the Cannabis Business and designed to prevent the flow of smoke to any other area of the Cannabis Business.

2.2 A Cannabis Business Retail Licensee shall cut off service of Cannabis and Cannabis Product to any customer who is Visibly Intoxicated and provide information on ride services.

2.3 A Cannabis Business Retail Licensee shall train Cannabis Employees about the various Cannabis and Cannabis Products that can be purchased and consumed within a Designated Consumption Area, including potency, absorption time, and effects.

2.4 A Cannabis Business Retail Licensee shall cause Cannabis Employees to educate customers as to the potency, absorption time and effects of Cannabis and Cannabis Products that are purchased and consumed within a Designated Consumption Area.

2.5 A Cannabis Business Retail Licensee shall ensure that solid waste receptacles and recycling bins, in sufficient numbers and locations to account for peak business periods are placed and properly maintained within a Designated Consumption Area.

2.6 A Cannabis Business Retail Licensee shall ensure that promptly following opening each day a Designated Consumption Area and all areas within at least one hundred feet of the Designated Consumption Area are free of any waste or litter generated by use of the Designated Consumption Area.

Section 3: Floor Plan. The floor plan shall include the following for each Designated Consumption Area:

- 3.1 The number of rooms and distinct outdoor spaces comprising the Designated Consumption Area;
- 3.2 The sizes and dimensions of rooms and outdoor spaces;
- 3.3 The locations and description of all fire walls;
- 3.4 The locations, sizes and descriptions of all windows and doorways;
- 3.5 The locations and description of all lighting, surveillance and other systems, and equipment;
- 3.6 The locations of any hazardous materials storage, fire extinguishers, and personal protection supplies; and
- 3.7 Any other information required by the Commission.

CHAPTER 11: INVENTORY CONTROL

Section 1: Cannabis Tracking System Required

1.1 Designated System. A Licensee shall use the Cannabis Tracking System designated by the Commission, including software, tagging and labeling tools, and any other elements necessary to fulfill the inventory and tracking requirements specified in this Chapter. All costs for the purchase and use of the Cannabis Tracking System are the sole responsibility of the Licensee.

1.2 System Administrator. A Licensee shall designate one or more individuals as system administrators. The system administrator(s) must manage the permissions to access the Cannabis Tracking System of other users from the Licensee.

1.3 Training. A System Administrator must successfully complete all required training in the use of the Cannabis Tracking System, as prescribed by the Commission. The Commission may also require additional ongoing, continuing education for the System Administrator to retain a Cannabis Tracking System Administrator account.

1.4 Cannabis Tracking System Access, User Accounts. A Licensee may designate one or more of its employees or owners as System Users. A System User may access the Cannabis Tracking System to conduct inventory and tracking functions. A System User must not add, terminate or manage other users, or manage settings in the Cannabis Tracking System. A Licensee must ensure that each System User is properly trained and supervised by a System Administrator in the proper and lawful use of the Cannabis Tracking System.

1.5 Removal of a System Administrator or System User. A Licensee shall cancel any Cannabis Inventory Tracking System Administrator or User from the Cannabis Inventory Tracking System account within twenty-four (24) hours after the Cannabis Employee's employment with the Licensee is terminated.

1.6 Record of Administrators and Users. A Licensee must maintain a record of the name and login credentials of all system administrators and system users who have had access to the business's account in the seed-to-sale system within the past 12 months. This record must be available for inspection by the OCM and the Commission.

1.7 System Security; Responsibility for Use of Cannabis Tracking System. A Licensee must control access to the Cannabis Tracking System to prevent any unauthorized use, unlawful use, or inaccurate reporting. Each individual authorized to access the Cannabis Tracking System must have unique login credentials, consisting of a username and password. An individual must not access the system with another individual's login credentials. The system administrator must terminate accounts of inactive users and individuals no longer employed by the Licensee within 24 hours.

1.8 Supplemental Software Allowed. A Licensee may use additional software that interfaces with the Cannabis Tracking System. All information required under this

Chapter must be reported in the Cannabis Tracking System, regardless of whether it is created or stored in another system.

1.9 Fees. The Commission shall have no financial responsibility in connection with the Cannabis Tracking System, including for any fees and expenses charged by the software vendor for the Cannabis Tracking System accounts involved in linking the Cannabis Tracking System to the Licensee's other software. Each Licensee is responsible for all costs associated with its use of the Cannabis Tracking System and any associated vendor fees.

Section 2: Inventory Tracking Requirements

2.1 Inventory Management. A Licensee shall conduct inventory and tracking functions using the Cannabis Tracking System in the manner prescribed by the Commission. Licensees shall track and trace Cannabis and Cannabis Products from Immature Plant or receipt to final disposition, using a Cannabis Tracking System that has been certified by the Commission.

2.2 Licensees of a Foreign Regulatory Agency. Licensees of a Foreign Jurisdiction who have been granted a reciprocal license are granted a limited exception to this requirement so long as the Foreign Licensee utilizes an inventory tracking system authorized by the Foreign Regulatory Agency to track all stages of Cannabis or Cannabis Product development.

2.2 System Inventory. A Licensee shall use the Cannabis Tracking System to maintain an accurate inventory of all products regulated under this Section that the business has in its possession. The system inventory shall include:

- 2.2.1 A complete inventory of all Cannabis Goods or Services, including the product category for each product, quantity in either weight or units as appropriate for the product category, and the Harvest Batch Number and/or Production Batch Number that relates to the Cannabis or Cannabis Product;
- 2.2.2 Any changes to the Licensee's inventory of any Cannabis Goods or Services;
- 2.2.3 When Cannabis plants are partially or fully harvested or destroyed, including the type(s) and amount(s);
- 2.2.4 When Cannabis waste is destroyed, including the information described in Chapter 5 subsection 2.7 of these Regulations;
- 2.2.5 When a sale or transfer occurs between Licensees, including the date, time, quantity, and price of each sale or transfer of Cannabis or Cannabis Product;
- 2.2.6 When a sale or transfer occurs from a Cannabis Employee to a Cannabis customer, including the date, time, quantity, and price of each sale or transfer of Cannabis or Cannabis Product to a person that is at least twenty-one (21) years of age;
- 2.2.7 Any theft of any Cannabis or Cannabis Product;
- 2.2.8 All sales records, including receipt and integration of information from third-party inventory control and tracking systems;

- 2.2.9 All mandatory Testing results; and
- 2.2.10 Any other information required by the Cannabis Tracking System or as otherwise specified by the Commission.

2.3 A Cannabis Tracking System Administrator shall ensure that all inventory is tagged and entered in the Cannabis Inventory Tracking System as required by these Regulations.

2.4 A Cannabis Tracking System administrator shall correct any information that is entered into the Cannabis Inventory Tracking System in error within three (3) business days of discovery of the error.

2.5 A Cannabis Tracking System Administrator shall monitor all notifications from the Cannabis Inventory Tracking System and resolve all issues identified in the notification. The notification shall not be dismissed by a Cannabis Tracking System Administrator until the issue(s) identified in the notification has been resolved.

Section 3: Required Inventory Information

3.1 Harvest and Production Batches. A Licensee shall issue a unique identifier generated by the Cannabis Tracking System to each Harvest Batch of Cannabis or Production Batch of Cannabis Products that it produces or manufactures or that it otherwise changes the nature of in such a manner as to render the information from an existing unique identifier inaccurate or incomplete.

3.2 Required Data Entry. Using the unique identifier, a Licensee shall enter each instance of the following activities into the Cannabis Tracking System for all Cannabis and Cannabis Products in its possession, which data shall be entered during or promptly upon completion of an activity, but if not feasible for a specific transaction not later than twenty-four (24) hours after completion of the activity:

- 3.2.1 Cultivation, harvesting, processing or manufacturing;
- 3.2.2 Laboratory Testing and results;
- 3.2.3 Packaging;
- 3.2.4 Labeling;
- 3.2.5 Storage;
- 3.2.6 Sale or transfer;
- 3.2.7 Transportation;
- 3.2.8 Receipt;
- 3.2.9 Return;
- 3.2.10 Recall;

- 3.2.11 Spoilage or adulteration;
- 3.2.12 Destruction or disposal; and
- 3.2.13 Any other instance prescribed by the Commission.

3.3 Additional Information Required. For each activity entry, a Licensee shall enter into the Cannabis Tracking System the following corresponding information:

- 3.3.1 Unique identifier of the Cannabis or Cannabis Product involved;
- 3.3.2 Product, brand name, or type of Cannabis or Cannabis Product involved, as applicable;
- 3.3.3 Amount of Cannabis by weight in metric and/or imperial units (as directed by the Commission), and by number for Cannabis Product, if appropriate;
- 3.3.4 Nature of the activity and any required details;
- 3.3.5 Date and time of the activity;
- 3.3.6 Name and license number of the Licensees involved;
- 3.3.7 Name and License or registration number of all employees conducting the activity;
- 3.3.8 Address where the activity took place; and
- 3.3.9 Any other information as may be prescribed by the Commission.

Section 4: Inventory Reconciliation

4.1 Initial Inventory. Prior to commencing business, a Licensee shall:

- 4.1.1 Conduct an initial comprehensive inventory of all Cannabis, Cannabis Product, and Cannabis Accessories at the facility; and
- 4.1.2 Establish ongoing inventory controls and procedures for the conduct of inventory reviews and comprehensive inventories of Cannabis, Cannabis Product and Cannabis Accessories, which shall enable the Licensee to detect any diversion, theft or loss in a timely manner.

4.2 Daily Accuracy. All inventory tracking activities at a Cannabis Business shall be tracked through the use of the Cannabis Tracking System. A Licensee shall reconcile all on-premises and in-transit cannabis inventories each day in the Cannabis Tracking System at the close of business, and shall ensure completion no later than 11:59 pm the same day.

4.3 Monthly Reconciliation. A Licensee shall reconcile its records in the Cannabis Tracking System with its physical inventory at least once every month. If reconciliation reveals a discrepancy, the Licensee shall conduct an audit to determine the cause of the

discrepancy and take corrective action. The Licensee shall immediately notify the Commission if the Licensee is unable to determine the cause of the discrepancy within three (3) calendar days, or if the audit identifies a discrepancy between the Cannabis Tracking System records and the physical inventory that appears to be due to theft. Upon such notification, the Commission may require the Licensee to report the event to Tribal Police. Licensees shall provide copies of the monthly reconciliation to the Commission no later than two (2) business days after completion of the monthly reconciliation.

4.4 Point of Sale Reconciliation. A Licensee shall reconcile its records within the Cannabis Tracking System with the records of its point-of-sale software at the close of each day it conducts business. If reconciliation reveals a discrepancy, the Licensee shall determine the cause of the discrepancy and take corrective action. The Licensee shall immediately notify the Commission if the Licensee is unable to determine the cause of the discrepancy within three (3) calendar days, or if the discrepancy is due to suspected theft or diversion. Upon such notification, the Commission may require the Licensee to report the event to Tribal Police.

4.5 Commission Reporting. The Commission may, in its discretion, require Licensees to provide the results of its daily inventory reconciliations or other inventory audit records on a set schedule to the Commission for its review. The Commission shall notify the Licensee in writing of the records that must be provided and the schedule for submission to the Commission.

Section 5: Conduct While Using Cannabis Tracking System

5.1 Misstatements or Omissions Prohibited. A Licensee and its designated System Administrator(s) and System User(s) shall enter data into the Cannabis Tracking System that fully and transparently accounts for all inventory tracking activities. Both the Cannabis Business and the individuals using the Cannabis Tracking System are responsible for the accuracy of all information entered into the system. Any misstatements or omissions may be considered a license violation affecting public safety.

5.2 Use of Another User's Login Prohibited. Individuals entering data into the Cannabis Tracking System shall only use that individual's account.

Section 6: Loss of System Access

6.1 If at any point a Licensee loses access to the Cannabis Tracking System for any reason, the Licensee must keep and maintain comprehensive records detailing, electronically if possible and in such a manner that provides safeguards against erasures and unauthorized changes in data, all cannabis tracking inventory activities that were conducted during the loss of access. Once access is restored, all cannabis inventory tracking activities that occurred during the loss of access must be entered into the system. A Licensee must document when access to the system was lost and when it was restored.

6.2 A Licensee shall not transfer any cannabis to another licensed Cannabis Business until such time as access is restored and all information is recorded into the Cannabis Tracking System.

6.3 A Licensee must immediately contact and alert the applicable system vendor to the outage to minimize any time without system access.

6.4 A Licensee shall maintain a record of all Cannabis Tracking System outages, including the time and date that access was lost and restored.

6.5 If a Licensee experiences a Cannabis Tracking System outage for more than one (1) hour during normal business hours, the Licensee shall notify the Commission in writing of the outage, as soon as practicable but no later than the end of that business operations day, and maintain a log of all such communications.

6.6 Within twenty-four (24) hours after a Licensee's access to the Cannabis Tracking System is restored, the Licensee shall complete a manual entry into the Cannabis Tracking System of all required information that took place during the outage period. If a Licensee can demonstrate that twenty-four (24) hours is not reasonably sufficient to complete the manual entry, the Commission may extend the deadline.

CHAPTER 12: PACKAGING AND LABELING

Section 1: Packaging for Transfer to Cannabis Businesses

1.1 Prior to transfer to another Cannabis Business, Cannabis and Cannabis Products shall be placed into a container. The container may but is not required to be child-resistant.

1.2 Each container of Cannabis flower or trim that is transferred to a Cannabis Business shall not exceed fifty (50) pounds, but may include pre-weighed units that are within the sales limits in the Act and these Regulations.

1.3 A container of wet whole plant that is transferred to a Cannabis Business may exceed fifty (50) pounds, but shall not exceed one hundred (100) pounds.

1.4 Each container of concentrate that is transferred to a Cannabis Business shall not exceed fifty (50) pounds, but may include pre-weighed units that are within the applicable sales limits in the Act and these Regulations.

Section 2: Packaging for Transfer to Consumer

2.1 Before Cannabis and Cannabis Products are sold or transferred, the container, bag, or product holding the Cannabis or Cannabis Products must be sealed and labeled.

2.2 An edible Cannabis Product shall be in child-resistant packages or containers that meet the effectiveness specifications outlined in 16 CFR 1700.15.

2.3 An edible Cannabis Product containing more than one serving shall be in a resealable package or container that meets the effectiveness specifications outlined in 16 CFR 1700.15.

2.4 Consumer information should be clear and noticeable, as well as easily accessible to consumers. Cannabis and Cannabis Products shall contain no health or physical benefit claims.

2.5 Packaging will not be designed to be attractive to individuals under the age of twenty-one (21), and will not display any of the following:

2.5.1 Any cartoons;

2.5.2 Any likeness to images, characters, or phrases that are popularly used to advertise to children;

2.5.3 Any imitation of candy packaging or labeling;

2.5.4 The terms “candy” or “candies;” and

2.5.5 The package shall not imitate any package used for products typically marketed to children.

2.7 The packaging of all Cannabis Products will contain a list of ingredients, and expiration date, if applicable, refrigeration required, if appropriate, net weight of the

product, and a Harvest Batch number and/or Production Batch number, or some other tracking identification number, as appropriate.

2.8 All required label information shall be located on the outside container or wrapper of the finished product to be sold to consumers.

2.9 All labeling and packaging shall not contain any claim related to health or health benefits, unless a qualified health claim has received and complies with a Letter of Enforcement Discretion issued by the FDA, or the health claim has been approved under the significant scientific agreement standard by the FDA.

2.10 A Licensee may, but is not required, to place a child-resistant container into an opaque exit package at the point of transfer to the consumer.

Section 3: Labeling for Transfer to Cannabis Business

3.1 Before any Cannabis or Cannabis Product is sold or transferred to another Cannabis Business it shall be affixed with a label that shall include at least the following information:

3.1.1 The license number of the Cannabis Business where the Cannabis was grown, and if applicable, the license number of the Cannabis Business where the Cannabis Product was produced;

3.1.2 The Harvest Batch Number(s) assigned to the Cannabis and, if applicable, the Product Batch Number(s) assigned to the Cannabis Product;

3.1.3 The net contents, using a standard of measure compatible with the track-and-trace system, of the Cannabis and Cannabis Products prior to placement in the container;

3.1.4 Potency test results as required to permit the receiving Cannabis Business to label the Cannabis and Cannabis Products for consumer sale, as required by these Regulations.

Section 4: Labeling for Transfer to Consumer

4.1 Before any Cannabis or Cannabis Product is sold or transferred it shall be packaged and properly labeled, in a sealed bag or container, which label shall include all of the following:

4.1.1 The date of sale;

4.1.2 The name of the Cannabis or Cannabis Product;

4.1.3 The license number of the Cannabis Business that cultivated the Cannabis, and if applicable, the license number of the Cannabis Business that produced the Cannabis Product;

4.1.4 The concentration of Tetrahydrocannabinol (THC) and cannabidiol (CBD) as reported by the laboratory after potency Testing along with a statement that the actual value may vary from the reported value by 10%;

4.1.5 The activation time expressed in words or through a pictogram;

4.1.6 The ingredients of the Cannabis or Cannabis Product, in descending order of predominance by weight. Inactive Ingredients shall be clearly listed on the label;

4.1.7 A list of any solvent(s) used to produce the Cannabis Product, if applicable;

4.1.8 The net weight or net volume of the Cannabis Product;

4.1.9 The unique identifier issued by the Cannabis Tracking System to the Harvest Batch and/or Production Batch of Cannabis or Cannabis Product being packaged and labeled for sale or transfer;

4.1.10 The following warning statements:

4.1.10.1 “CONTAINS CANNABIS. There may be health risks associated with the use of this product. There may be additional health risks associated with the use of this product for women who are pregnant, breastfeeding or planning on becoming pregnant. Do not drive a motor vehicle or operate heavy machinery while using this product. National Poison Control Center 1-800-222-1222.”; and

4.1.10.2 “It is illegal to drive a vehicle while under the influence of cannabis. For use by individuals 21 years of age or older. Keep out of reach of children.”

4.1.11 The Universal Symbol, if adopted by the Commission.

4.2 All edible Cannabis Products shall comply with Chapter 12 subsection 4.1 of these Regulations and:

4.2.1 Shall include allergen labeling as specified by the Food and Drug Administration (FDA), Food Allergen Labeling and Consumer Protection Act of 2004 (FALCPA), 21 USC 343; and

4.2.2 If any health or nutritional claim is made, appropriate labeling as specified by the federal regulations regarding Food Labeling, 21 CFR part 101.

4.3 Label Requirements.

4.3.1 Required labeling text must be no smaller than 1/16 of an inch.

4.3.2 No container or label shall be intentionally or knowingly labeled so as to cause confusion as to whether the Cannabis or Cannabis Product is a trademarked product or labeled in a manner that violates any federal trademark law or regulation.

4.3.3 All information required to be listed on a label shall be written in English. In addition to the required English label, Licensees may include an additional, accurate foreign language translation on the label that otherwise complies with these Regulations.

4.3.4 Labeling text on the container and any label must be unobstructed and conspicuous. A Licensee may affix multiple labels to the container, provided that none of the information required by these rules is obstructed and permanently hidden from view. For example and not by means of limitation, labels may be accordion, expandable, extendable or layered to permit labeling of small containers.

CHAPTER 13: QUALITY ASSURANCE

Section 1: Recall

1.1 Mandatory Recall. If the Commission determines that a recall is necessary in order to protect public health, safety, or the environment, or that any product does not comply with the Act or these Regulations and must be removed from the stream of commerce, they shall order a Mandatory Recall. The Commission shall notify impacted Licensees when a Mandatory Recall is required and shall specify the specific Cannabis or Cannabis Product subject to the recall. Licensees shall initiate their recall plans within twenty-four (24) hours of the Commission's notice. Licensees shall respond to any request for information made by the Commission regarding recalls within twenty-four (24) hours of the Commission's request. The Commission may take control of the Mandatory Recall process at any time. Licensees shall provide daily updates to the Commission until the Mandatory Recall process has concluded. The Commission shall post notice of any Mandatory Recalls publicly to its website.

1.2 Notification. A Licensee shall immediately notify the Commission by electronic mail, as well as any Licensee from which it obtained any Cannabis or Cannabis Products in question, upon becoming aware of any issues with Cannabis or Cannabis Products it has distributed, or any complaint made to the Licensee by another business, a customer, or other stakeholder who reports an adverse event from using Cannabis or Cannabis Products purchased from the Licensee.

1.3 Investigation. A Licensee shall immediately investigate a complaint to determine if a recall of Cannabis or Cannabis Products is necessary or if any further action is required.

1.3.1 If a Licensee determines that further action is not required, the Licensee shall notify the Commission of its decision, and, within twenty-four (24) hours, submit a written report to the Commission stating its rationale and evidence for not taking further action. The Commission shall review the written report and consult with the Licensee as needed. If the Commission disagrees with the Licensee's decision, the Commission shall take all necessary steps allowable to ensure public health and safety, including but not limited to issuing a Mandatory Recall or a cease-and-desist order to pause the sale and distribution of the cannabis at issue until resolution of the matter.

1.3.2 If a Licensee determines that further action is required due to an issue concerning public health, safety, or environment, the Commission shall order a Mandatory Recall.

1.3.3 If a Licensee determines that further action is required due to issues with internal quality standards, mislabeling, or defects, or which otherwise have issues which do not impact public health, safety, or environment, the Licensee shall initiate a Voluntary Recall.

1.4 Recall Plan Required. A Licensee shall maintain a written recall plan. Recall plans, whether voluntary or mandatory, shall include but are not limited to the following:

1.4.1 Evaluation of Complaint or Condition. A Licensee must maintain a record of all complaints it receives regarding the quality of Cannabis and/or Cannabis Products that has any potential negative impact to health or regarding an adverse reaction. To the extent known after reasonable diligence to ascertain the information, the record must contain the name of the complainant, the purchase date, the location of where the Cannabis and/or Cannabis Products were purchased, the date the complaint was received, the nature of the complaint, the steps taken to investigate the complaint, the response to the complaint, and the name and batch number of the cannabis subject to the complaint.

1.4.2 Preliminary Steps. If an initial assessment indicates a recall may be necessary, the Licensee shall take the following measures:

- 1.3.2.1 Determine the hazard and evaluate the safety concerns with the product;
- 1.3.2.2 Undertake necessary product quarantine measures for any affected Cannabis and/or Cannabis Products in the Licensee's possession or control; and
- 1.3.2.3 Determine the product removal strategy appropriate to the threat and location in commerce.

1.4.3 Identification of Affected Cannabis. A recall plan must establish a process for identifying affected Cannabis and/or Cannabis Products subject to a recall, which shall include the following:

1.4.3.1 Distribution List. When identifying Cannabis and/or Cannabis Products subject to a recall, the Licensee shall create a distribution list that includes the following information:

- 1.4.3.1.1 The name, license number, and address of the Licensee(s) that received the Cannabis and/or Cannabis Products subject to the recall;
- 1.4.3.1.2 Ship or transfer date(s) for the Cannabis and/or Cannabis Products subject to the recall; and
- 1.4.3.1.3 Business contact information for each Licensee that received Cannabis and/or Cannabis Products subject to the recall, including names and telephone numbers.

1.4.3.2 Product Information. When identifying Cannabis and/or Cannabis Products subject to a recall, the Licensee shall document the following product information:

- 1.4.3.2.1 The type of Cannabis and/or Cannabis Product;
- 1.4.3.2.2 Product description;
- 1.4.3.2.3 Net contents;

- 1.4.3.2.4** Harvest and/or Production Batch number(s);
- 1.4.3.2.5** The license number(s) for the Licensee(s) that cultivated, manufactured, and sold the product(s) subject to the recall; and
- 1.4.3.2.6** To the extent known after reasonable diligence to ascertain the information, the recall plan must also include the following additional product information: the amount of affected Cannabis and/or Cannabis Products returned in response to the recall and the amount of affected Cannabis and/or Cannabis Products that remains in the marketplace.

1.4.3.3 Notification to Affected Parties.

- 1.4.3.3.1** When undertaking a recall, a Licensee shall issue a recall notice to Licensee(s) identified on the Distribution List.
- 1.4.3.3.2** No later than forty-eight (48) hours from issuing a recall notice to impacted Licensee(s), the Licensee shall issue the following additional notifications:
 - 1.4.3.3.2.1** The Licensee shall notify the Commission;
 - 1.4.3.3.2.2** If located off tribal land, the Licensee shall notify the state regulatory authority where the Licensee subject to the recall is located, the Office of Cannabis Management;
 - 1.4.3.3.2.3** If located off tribal land, the Licensee shall notify the local jurisdiction where the Licensee subject to the recall is located; and
 - 1.4.3.3.2.4** The Licensee shall notify consumers using the most effective method available, which may include any of the following methods: an email to the customer list serve, an alert on the Licensee's website, a warning that is clearly and visibly posted on the licensed premises, or a press release to notify consumers.

1.4.4 Recall Notice. A recall notice issued by a Licensee shall include the following information:

- 1.4.4.1** The reason for the recall and related hazards, if any. If the Cannabis and/or Cannabis Products are being removed for voluntary as opposed to mandatory reasons, the notice may state that the Cannabis and/or Cannabis Products do not meet internal company specifications and are being removed from distribution;
- 1.4.4.2** The type of Cannabis and/or Cannabis Product;
- 1.4.4.3** The Licensee(s) that received the affected Cannabis and/or Cannabis Product;

- 1.4.4.4** The license number(s) and name(s), including trade name(s), of the Cannabis Business(es) that cultivated or manufactured the product(s) subject to the recall;
- 1.4.4.5** Product description(s) for Cannabis and/or Cannabis Products subject to the recall;
- 1.4.4.6** Harvest and Production Batch number(s) for the Cannabis and/or Cannabis Products subject to the recall;
- 1.4.4.7** Expiration date(s) for the Cannabis and/or Cannabis Product subject to the recall;
- 1.4.4.8** Ship or transfer date(s) for the Cannabis and/or Cannabis Product subject to the recall;
- 1.4.4.9** Instructions regarding the disposition of the Cannabis and/or Cannabis Product subject to the recall.

1.4.5 Removal of Affected Cannabis.

- 1.4.5.1** Removal. A Licensee shall make all reasonable efforts to remove the affected Cannabis and/or Cannabis Products from commerce. Affected Cannabis that is either still in control of the originating Licensee or in commerce shall be secured, segregated, clearly labeled not for sale or distribution and separated from any other cannabis or cannabis product.
- 1.4.5.2** Product Disposition. Affected product must be destroyed and documented pursuant to Chapter 5 Section 2 Waste Disposal of these Regulations.
- 1.4.5.3** Recall Effectiveness. A Licensee undertaking a recall is responsible for determining whether the recall is effective. The Licensee shall complete recall effectiveness checks to verify that all receiving Licensees have been notified and have taken appropriate action.
 - 1.4.5.3.1** Effectiveness checks shall determine:
 - 1.4.5.3.1.1** If the receiving Licensee received the recall notification;
 - 1.4.5.3.1.2** If the recalled Cannabis and/or Cannabis Product was handled as instructed in the recall notification; and
 - 1.4.5.3.1.3** If the Cannabis and/or Cannabis Product was further distributed or sold by the receiving Licensee before receipt of the recall notification, and if so, were these additional Licensees notified.
 - 1.4.5.3.2** If 100% of the affected cannabis has been accounted for, then no effectiveness checks are required.

1.4.6 Termination of Recall. A Licensee may terminate the recall when the Licensee determines that all reasonable efforts have been made to remove

or correct the affected Cannabis and/or Cannabis Product in accordance with the recall plan, and when it is reasonable to assume that the Cannabis and/or Cannabis Product subject to the recall has been removed and proper disposition or correction has been made commensurate with the degree of hazard of the recalled cannabis.

1.4.6.1 Upon termination of the recall, the Licensee shall provide notice to the Commission with a recall status report and a description of the disposition of the recalled Cannabis and/or Cannabis Products. The recall status report shall contain the following information:

- 1.4.6.1.1** Number of Licensee(s) notified of the recall, the date and method of notification;
- 1.4.6.1.2** Number of Licensee(s) and customers who responded to the recall notice and both the quantity of affected Cannabis and/or Cannabis Products in the possession of the Licensee at the time of response, and quantity of affected Cannabis and/or Cannabis Products returned or corrected;
- 1.4.6.1.3** Number and results of the effectiveness checks that were made;
- 1.4.6.1.4** Approximate time that was required to complete the recall.

1.4.6.2 The Commission retains authority to require additional action be taken by Licensees prior to the termination of a recall, whether mandatory or voluntary.

Section 2: Sanitation and Safety

2.1 Facility Sanitary Condition. A Licensee shall maintain its facility in a sanitary condition to limit the potential for contamination or adulteration of the Cannabis and Cannabis Products stored in or dispensed at the facility. The following requirements shall apply:

- 2.1.1 Trash shall be properly and routinely removed;
- 2.1.2 Floors, walls, and ceilings shall be kept in good repair;
- 2.1.3 Adequate protection against pests shall be provided; and
- 2.1.4 Toxic cleaning compounds, sanitizing agents, and other chemicals shall be labeled and stored in a manner that prevents contamination of cannabis, and in a manner that otherwise complies with all other applicable laws, rules, regulations, and ordinances.

2.2 Employee Sanitary Practices. All employees, agents, and volunteers shall conform to sanitary practices while on duty, which includes:

- 2.2.1 Maintaining adequate personal cleanliness;

2.2.2 Washing hands thoroughly in an adequate hand-washing area before starting work and at any other time when hands may have become soiled or contaminated; and

2.2.3 Eating food, chewing gum, drinking beverages, or using vaping or tobacco products confined to designated areas other than where cannabis may be exposed.

2.3 Handwashing Facilities. A Licensee shall provide its employees and visitors with adequate and convenient hand-washing facilities furnished with running water at a temperature suitable for sanitizing hands. Effective nontoxic sanitizing cleansers and sanitary towel service or suitable drying devices shall also be provided.

2.4 Restrooms. A Licensee shall provide employees and visitors with adequate, readily accessible restrooms that are maintained in a sanitary condition and in good repair. Restrooms for customers are not required.

2.5 Building Code and Occupational Health and Safety. A Cannabis Business shall comply with all other applicable tribal, federal, state, and local building code requirements and occupational safety and health requirements.

CHAPTER 14: RECORDKEEPING

Section 1: General Requirements

1.1 Recordkeeping Required. A Licensee shall maintain complete, accurate, and up-to-date records related to its business in accordance with the requirements of this Chapter. Unless otherwise provided for in these regulations, records required to be maintained shall be kept for a minimum of three (3) years.

1.2 Format and Accessibility. The records of a Licensee shall be maintained in hard copy or electronic format and shall be ready accessible by authorized representatives of the Licensee.

1.3 Inspection Upon Request. The records of a Licensee shall be made available for inspection by the Commission upon reasonable request. The request and inspection of records by the Commission shall not interfere with or negatively impact the Licensee's normal course of operations. Upon request, the Licensee shall make such documents immediately available for inspection and copying by the Commission and, unless the Commission grants an extension, shall provide copies of such documents to the Commission within three (3) business days of receipt of a written request from the Commission. Such documents shall be provided to the Commission in electronic format, unless not commercially feasible.

1.4 Reporting Requirements. A Licensee shall notify the Commission within twenty-four (24) hours of becoming aware of any suspected loss or unauthorized alteration of records required to be maintained.

Section 2: Types of Records Required to be Maintained. A Licensee shall maintain the following types of records:

2.1 Financial and Business Records. The financial records of a Licensee shall be maintained in accordance with generally accepted accounting principles. The financial and business records required to be maintained include the following:

- 2.1.1 Assets and liabilities;
- 2.1.2 Monetary transactions;
- 2.1.3 Books of accounts;
- 2.1.4 Sales records, including the date, time, quantity, and price of each sale or transfer of cannabis or cannabis products;
- 2.1.5 Salary and wages paid to each employee; and
- 2.1.6 Annual financial audits.

2.2 Personnel Records.

2.2.1 Employee Records. Employee records, including all Cannabis Employee Identification Numbers and verification that any Cannabis Employee Identification Card is current and valid and has not been suspended, revoked or denied, which shall be maintained for at least three (3) years after the employee's last date of employment.

2.2.2 An organizational chart, staffing plan, and job descriptions for each employee position.

2.3 Inventory and Seed-To-Sale Tracking Records.

2.4 Licensure Records. Licensure records shall include all information related to the License including the initial licensing application, renewal, revocation, suspension, enforcement, changes, and other actions pertaining to the maintenance of the Cannabis Business License.

2.5 Waste Disposal Records.

2.6 Testing Result Records.

2.7 Security System Records. A Licensee shall maintain video surveillance and security alarm records for a minimum of forty-five (45) calendar days, except in instances of investigation or inspection by the Commission in which case the Licensee shall retain the recordings until the time as the Commission provides notice that the recordings may be destroyed.

2.8 Written Standard Operating Procedures, including at a minimum the following:

2.8.1 Security procedures;

2.8.2 Hours of operation, and opening and closing procedures;

2.8.3 Storage and waste disposal procedures;

2.8.4 Recordkeeping procedures;

2.8.5 Quality control, including product testing;

2.8.6 Emergency procedures;

2.8.7 Procedures for maintaining confidential information;

2.8.8 Prevention of diversion procedures;

2.8.9 Cash handling procedures;

2.8.10 Procedures to promote workplace safety;

2.8.11 Transportation procedures; and

2.8.12 Operational procedures specific to the Cannabis Business activity undertaken by the Licensee.

CHAPTER 15: ADVERTISING AND MARKETING

Section 1: Advertising General Requirements. All Advertising of Cannabis and Cannabis Products shall:

- 1.1 Not be conducted in a way that is deceptive, false, or misleading, including through any deceptive, false, or misleading assertions or statements on any Cannabis or Cannabis Product sign or document;
- 1.2 Not contain any claim related to health or health benefits, unless a qualified health claim has received and complies with a Letter of Enforcement Discretion issued by the FDA, or the health claim has been approved under the significant scientific agreement standard by the FDA;
- 1.3 Include cautionary language regarding the effects of Cannabis varying from person to person and an admonishment to keep all Cannabis and Cannabis Products out of the reach of children;
- 1.4 Not be directed to members of the public unless the Licensee advertising the product has reliable evidence that no more than 30 percent of the audience or readership for the television program, radio program, internet website, or print publication, is reasonably expected to be under the age of twenty-one (21);
- 1.5 Not use any depictions or images of persons under twenty-one (21) years of age;
- 1.6 Not include graphics or photographs that depict toys, cartoon characters, games, movie characters, sports figures, or any images likely to be appealing to minors or anyone under twenty-one (21) years of age; and
- 1.7 Not be located or distributed within 500 feet of an educational institution, public library, recreation center, or any other location where minors are known to gather.

Section 2: No Safety Claims

- 2.1 No Licensee may engage in advertising or utilize signage that asserts its products are safe because they are regulated by the Commission or a Foreign Regulatory Agency.
- 2.2. No Licensee may engage in advertising or utilize signage that asserts its products are safe because they are tested in accordance with the Commission or a Foreign Regulatory Agency's requirements.

Section 3: Signage and Advertising: Outdoor Advertising

- 3.1 In addition to any requirements within these Regulations, a Licensee shall comply with any applicable Tribal, local, or state ordinances regulating signs and advertising, as applicable.
- 3.2 A Licensee shall not advertise on any outdoor sign that is within 500 feet of an educational institution, public library, recreation center, or any other location where minors are known to gather.

Section 4: Advertising via Marketing Directed Toward Location-Based Devices. A Licensee shall not engage in advertising via marketing Advertising via marketing directed towards location-based devices, including, but not limited to, cellular phones, unless the marketing is a mobile device application installed on the device by the owner of the device who is twenty-one (21) years of age or older and includes a permanent and easy opt-out feature.

Section 5: Pop-up Advertising. A Licensee shall not utilize unsolicited pop-up advertising on the internet.

Section 6: Advertising: Event Sponsorship. A Licensee may sponsor a charitable, sports, or similar event, but a Licensee shall not engage in advertising at, or in connection with, such an event unless the Licensee has reliable evidence that 71.6 percent of the audience at the event and/or viewing advertising in connection with the event is reasonably expected to be at least the age of 21.

CHAPTER 16: TESTING

Section 1: Testing Required. A Licensee shall not sell or offer for sale Cannabis or Cannabis Products, unless:

- 1.1 A representative sample of the Harvest Batch or Production Batch, as applicable, of Cannabis or Cannabis Products has been tested by a licensed and qualified cannabis testing laboratory; and
- 1.2 The tested sample was found to comply with the testing protocols and standards adopted by the Commission.

Section 2: Validity of Foreign Jurisdictions and Foreign Licenses.

2.1 Validity of Foreign Jurisdiction Testing. Notwithstanding the requirements of Chapter 16 Section 1 above of these Regulations, evidence of testing in accordance with the requirements of the Foreign Jurisdiction where the Cannabis or Cannabis Product was produced may satisfy the testing requirements of the Act and these Regulations. Testing results shall be in the possession of the Licensee before any Cannabis or Cannabis Product is sold. Samples shall be tested in accordance with the minimum standards in the most current version of the Foreign Regulatory Agency testing standards.

2.2 Validity of Foreign Licenses. An entity licensed by a Foreign Jurisdiction shall be approved to conduct testing activities required by the Act and these Regulations on behalf of Cannabis Businesses, upon the filing of the following with the Commission:

- 2.2.1 A copy of its Foreign License;
- 2.2.2 A letter from the Foreign Regulatory Agency which issued the Foreign License confirming the good standing of the Licensee;
- 2.2.3 Disclosure of any violations, sanctions, suspensions, or any other disciplinary action by the Foreign Regulatory Agency against the Foreign License.

2.3 Public Health and Safety. Notwithstanding Chapter 16 subsection 2.2 of these Regulations, the Commission may refuse to approve, or may revoke approval, upon a finding that the Foreign Licensee's violations, sanctions, suspensions, or any other disciplinary action under the Foreign Regulatory Agency are a threat to public health and safety.

2.4 Duty to Disclose. A Foreign Licensee approved to conduct testing activities on behalf of Cannabis Businesses has a continuing duty to disclose any violations, sanctions, suspensions, or any other disciplinary action taken by the Foreign Regulatory Agency against the Foreign Licensee.

Section 3: Testing Analysis. Representative samples of Cannabis and Cannabis Products shall be tested for:

- 3.1 Cannabinoid profile;
- 3.2 Potency and homogeneity; and
- 3.3 The presence of contaminants specified by the Commission, which may include residual solvents, foreign material, microbial contaminants, mold, mildew, mycotoxins, heavy metals, plant growth regulators, Vitamin E acetate, and pesticides.

Section 4: Reporting Results in Cannabis Tracking System.

4.1 A Licensee shall report the results of any laboratory testing in the seed-to-sale system within the record of the Harvest Batch or Production Batch tested. In the case of a failed test, a Licensee shall record any remediation steps taken to address the failure and the results of subsequent testing.

4.2 A Licensee whose product fails to meet mandatory testing criteria must report all notifications of non-compliant laboratory analysis to the Commission and include the following information:

- 4.2.1** The mandatory testing criteria that was not met;
- 4.2.2** The production status of the Harvest Batch or Production Batch represented;
- 4.2.3** The decision to dispose of the product or the intent to remediate the Harvest Batch or Production Batch pursuant to Chapter 5 Section 2 Waste Disposal of these Regulations.

4.3 Notifications are required for all testing results of Cannabis and Cannabis Products and is not limited to Harvest Batches or Production Batches which have completed the production process.

Section 5: Validity of Testing Results. Testing results shall be valid for a period of one (1) year. Cannabis or Cannabis Products with testing dates in excess of one (1) year shall be deemed expired and may not be dispensed, sold, transferred or otherwise conveyed until retested.

Section 6: Recordkeeping and Inspection. A Licensee shall maintain test result reports for at least three (3) years after the date of testing. Test result reports must be made available for inspection by the Commission upon request.

Section 7: Operating Procedures.

7.1 A Licensee approved by the Commission to test Cannabis and Cannabis Products must operate formal management systems under the International Organization for Standardization (ISO) and obtain and maintain ISO 17025 accreditation through a laboratory accrediting organization.

7.2 A Licensee approved by the Commission to test Cannabis and Cannabis Products may demonstrate analytical capability and acceptable performance through a combination of:

- 7.2.1** Existing certificates and approvals;

- 7.2.2** Documented demonstrations of analytical capabilities; or
- 7.2.3** Annual participation and passing performance in an ISO 17043-accredited proficiency testing program.

7.3 A Licensee approved by the Commission to test Cannabis and Cannabis Products shall develop and maintain written standard operating procedures describing the actions required to ensure that all Cannabis and Cannabis Products are properly tested and have passed all required testing before they are sold or offered for sale, and to notify the Commission of any test results that indicate the Cannabis Product does not comply with the Commission's testing protocols and standards. Standard operating procedures must include:

- 7.3.1** Sample receipt;
- 7.3.2** Sample handling;
- 7.3.3** Representative subsampling policies when the whole sample is not used for analysis;
- 7.3.4** Sample testing procedures;
- 7.3.5** Sample testing acceptance criteria.

7.4 A Licensee must maintain written standard operating procedures describing the actions to collect all mandatory samples described in this Chapter for each regulated product handled. Standard operating procedures must:

- 7.4.1** Address all the requirements for sample and data collection and laboratory analysis described in this Chapter;
- 7.4.2** Contain detail necessary for accurate and consistent actions by assigned staff; and
- 7.4.3** Contain process for supervisory observations to verify sample collection actions are completed accurately by assigned staff.

7.5 Staff conducting sampling activities or sample testing must be knowledgeable in standard operating procedures necessary to perform actions accurately and consistently. Training records of such staff must be maintained for three (3) years.

7.6 A Licensee approved by the Commission to test Cannabis and Cannabis Products shall notify the Commission in writing of any operational changes planned at least thirty (30) calendar days prior to the change occurring.

Section 8: Sample Collection Methods

8.1 Methods for sample collection must ensure the accurate representation of the batch. Representation of the batch must be based upon rational established criteria such as random sampling and take into consideration:

- 8.1.1** Statistical criteria for component variability, confidence levels, and degree of precision desired;
- 8.1.2** Inherent characteristics of the regulated product which may impact batch consistency;
- 8.1.3** The quantity needed for specific laboratory analysis.

8.2 Methods for sample collection must maintain the integrity of the sample to include:

- 8.2.1** Sample containers, collection tools, and supplies do not alter the accuracy of the analysis;
- 8.2.2** Sample containers, collection tools, and supplies must be cleaned when necessary and handled in a manner to prevent the introduction of contaminants into the sample;
- 8.2.3** Sample collection actions are performed in a manner visible to mandatory recording devices;
- 8.2.4** Sample containers must be opened, filled, and resealed in a manner designed to prevent contamination of other samples;
- 8.2.5** Sterile equipment, utensils, and aseptic sampling techniques must be used when relevant for the analysis;
- 8.2.6** Collected samples must be identified so that the following information can be determined: product name, the product batch number, the date on which the sample was taken, and the identity of the person who collected the sample;
- 8.2.7** Sample containers are sealed immediately after collection in a manner to indicate when tampering has occurred, or the integrity of the sample has otherwise been compromised.

Section 8: Testing Protocols.

- 8.1** A Licensee licensed by the Commission that cultivates cannabis or manufactures Cannabis Products shall comply with all applicable testing protocols and standards adopted by the Commission.
- 8.2** A Licensee approved by the Commission to test Cannabis and Cannabis Products shall comply with all applicable testing protocols and standards adopted by the Commission.
- 8.3** A Licensee approved by the Commission to test Cannabis and Cannabis Products shall maintain the identity and integrity of all samples handled from time of receipt by the Licensee to the reporting of analytical results and disposal of untested samples.

Section 9: Testing Methods

- 9.1** A Licensee approved by the Commission to test Cannabis and Cannabis Products must grind the batch sample to create a representative and homogeneous composite batch sample for testing.
- 9.2** A Licensee approved by the Commission to test Cannabis and Cannabis Products must grind a raw cannabis sample and may also use a paddle blender on all or part of the batch sample to produce a homogenous composite batch sample.
- 9.3** All required testing must be performed on the composite batch sample.

9.4 Complete homogenization of the entire submitted sample does not apply when homogeneity testing is to be performed.

Section 10: Incorporation by Reference. The ISO/IEC Standard 17025 is incorporated by reference and made a part of this rule where indicated.

Section 11: Prohibited Activities.

11.1 A Licensee approved by the Commission to test Cannabis and Cannabis Products may not:

11.1.1 Misrepresent approvals from the Commission on any document or marketing material;

11.1.2 Refuse inspection of premises and related records by authorized representatives of the Commission;

11.1.3 Falsify, misreport, or misrepresent any testing data or test results to the Commission or another Licensee.

11.2 No Licensee may offer any Cannabis or Cannabis Product in its final packaging for wholesale distribution or retail sale which:

11.2.1 Has not undergone mandatory testing as required in these Rules; or

11.2.2 Does not meet the acceptance criteria established by the Commission for that product.

Section 12: Technical Manager Required. A Licensee approved by the Commission to test Cannabis and Cannabis Products must operate under the direction of at least one technical manager responsible for the Licensee achieving and maintaining the quality and analytical standards of practice. Only individuals who have demonstrated qualifications for the role through documented education and experience performing the required actions may be designated as a technical manager.

Section 13: Sample Results Reporting.

13.1 All samples acquired, received, and processed by the Licensee approved by the Commission to test Cannabis and Cannabis Products must have a report completed.

13.2 The report must note whether the complete sample was homogenized and tested as received or if a portion was sampled by the Licensee approved by the Commission to test Cannabis and Cannabis Products for analysis.

13.3 Measurement uncertainty and limits of detection and/or limits of quantitation must be reported with the results of testing batch samples of products.

13.4 A Certificate of Analysis must be provided to the sampling entity for the sample submitted for analysis that includes all of the following information, at a minimum:

- 13.4.1** Name and license number issued by the Commission for the Licensee approved by the Commission to test Cannabis and Cannabis Products;
- 13.4.2** Name and license number issued by the Commission for the Licensee submitting the sample;
- 13.4.3** Product category, product type, and name of product being sampled;
- 13.4.4** Product batch number represented by the sample;
- 13.4.5** Summary of analytical results including sample identifier, methods performed, target compounds, sample result, reporting limit, proper qualifier according to standard operating procedures, units of measure, preparation date(s) where applicable, and analysis date(s);
- 13.4.6** For homogeneity and contaminant analysis, and indication of whether the analytical results meet the acceptance criteria established by the Commission.

Section 14: Disposal. Unanalyzed portions of samples must be disposed of according to Chapter 5 Section 2 Waste Disposal of these Regulations, unless the samples are being held subject to a request by the Commission or for stability testing.

Section 15: Variance.

15.1 A Licensee approved by the Commission to test Cannabis and Cannabis Products may seek a variance from or more parts of this Chapter subject to this subsection.

15.2 A request for a variance must contain the following:

- 15.2.1** The rule part and language for which the variance is sought;
- 15.2.2** Reasons for the request;
- 15.2.3** Alternate measures that the Licensee approved by the Commission to test Cannabis and Cannabis Products will take if the Commission grants its request for a variance;
- 15.2.4** The proposed length of time of the variance; and
- 15.2.5** Data that the Licensee approved by the Commission to test Cannabis and Cannabis Products will provide to ensure analytical results of equal or better reliability, if applicable.

15.3 The Commission shall evaluate the request for variance, and approve the request if:

- 15.3.1** The variance request contained the required information from Chapter 16 subsection 15.2 of these Regulations;
- 15.3.2** The variance will have no potential adverse effect on public health, safety or the environment;

15.3.3 The alternative measures to be taken, if any, are equivalent to or superior to those prescribed;

15.3.4 Strict compliance with the rule will impose an undue burden on the Licensee approved by the Commission to test Cannabis and Cannabis Products or the industry as a whole;

15.3.5 The variance does not vary a statutory standard or preempt federal law or rule;

15.3.6 The variance has only future effect.

15.4 If the Commission grants a variance, the effect of the variance is as follows:

15.4.1 Any alternative measures or conditions attached to a variance approved by the Commission shall have the force and effect of law; and

15.4.2 A violation of the alternative measures or conditions attached to a variance approved by the Commission shall subject the Licensee approved by the Commission to test Cannabis and Cannabis Products to the enforcement actions and penalties provided in law or rule.

15.5 Renewal.

15.5.1 A Licensee approved by the Commission to test Cannabis and Cannabis Products shall submit a request to renew the variance, if the variance is still required and the length of time indicated on the initial request is lapsing. A renewal request shall be submitted to the Commission no later than thirty (30) calendar days prior to the conclusion date listed on the initial request for variance.

15.5.2 The Commission may deny, revoke, or refuse to renew a variance when the criteria in Chapter 16 subsection 15.3 of these Regulations are not met or the additional measures of Chapter 16 subsection 15.4 of these Regulations are not met.

Section 16: Authority of Commission. To ensure public health and safety the Commission may, at any time, require immediate mandatory testing of Cannabis or Cannabis Products suspected to be a potential human health hazard or threat to public safety.

Section 17: Annual Report for Testing Thresholds.

17.1 No later than July 1 of each year, the Commission shall publish and make available to Licensees and the public an annual report for testing thresholds identifying:

17.1.1 Approved analytical methods for contaminant tests under each category in Chapter 16 Section 3 Testing Analysis of these Regulations.

17.1.2 The specific contaminants listed in Chapter 16 subsection 3.3 of these Regulations required to be tested for each product type;

- 17.1.3** The acceptance criteria by product category and contaminant type;
 - 17.1.4** The analytical methods and acceptance criteria for homogeneity; and
 - 17.1.5** Reporting requirements for the analytical test labs for each analyte and product category.
- 17.2** A Licensee approved by the Commission to test Cannabis and Cannabis Products must ensure that their testing protocols and standard operating procedures are updated to reflect any changes in the annual report no later than August 1 of each year.
- 17.3** The Commission shall only amend the annual report for testing thresholds outside of the provided schedule if the Commission determines an addition or revision is necessary to protect public health and safety.

Section 18: Responsibilities of Licensees. A Licensee shall ensure the following:

- 18.1** Workers responsible for sample collection have been properly trained on sampling procedures;
- 18.2** All mandatory testing is completed by a Licensee approved by the Commission to test Cannabis and Cannabis Products and approved for the analytical method specific to the product type being tested;
- 18.3** The identity and integrity of all samples collected are maintained from time of collection to receipt by the Licensee approved by the Commission to test Cannabis and Cannabis Products; and
- 18.4** Complete and accurate disclosures are made to the Licensee approved by the Commission to test Cannabis and Cannabis Products of all cultivation and production methods required by the Act and these Regulations, or other relevant information necessary for the accurate laboratory analysis and reporting of analytical results.

Section 19: Remediation.

- 19.1** All batches of regulated product failing to meet acceptance criteria for contaminants categories or homogeneity established by the Commission must be:
 - 19.1.1** Disposed of according to Chapter 5 Section 2 Waste Disposal of these Regulations; or
 - 19.1.2** Remediated according to a plan approved by the Commission.
- 19.2** Remediation plans must be in writing and submitted on forms prescribed by the Commission.
- 19.3** No batch-tested product may undergo remediation activities until the Commission approves the submitted plans.

19.4 All product awaiting remediation or disposal must be identified and quarantined to prevent use other than through disposal or approved remediation plan.

19.5 All remediated material must meet appropriate acceptance criteria, standards, specifications, and any other relevant criteria established by the Commission as part of the approved remediation plan.

CHAPTER 17: HEARING PROCEDURES

Section 1: Scope

1.1 Under subsection 2.16(d)(6) of the Act, the Commission is empowered to conduct such hearings as it may deem appropriate in carrying out its duties and responsibilities under the Act in accordance with Chapter 11 of the Act and Chapter 17 of these Regulations.

1.2 The Act and these Regulations provide for a hearing before the Commission in certain circumstances, including as follows:

1.2.1 Chapter 11 of the Act sets forth hearing procedures, and subsection 11.01(b) of the Act requires the Commission to promulgate Regulations establishing standards and procedures for conducting hearings consistent with the Act;

1.2.2 Under Section 11.02 of the Act, except as otherwise stated in the Act, the Commission shall afford an Applicant an opportunity for a hearing prior to taking certain final action on an Application, a Licensee a hearing prior to taking certain enforcement action, and other Persons a hearing prior to issuing a decision;

1.2.3 Under subsection 2.16(i)(5) of the Act, any enforcement action taken by the Commission, shall be conducted in accordance with the hearing procedures described in Chapter 11 of the Act;

1.2.4 Chapter 4 subsection 3.4 of these Regulations grants a Licensee the right to a hearing to challenge the Commission's decision to add any person to the Excluded Cannabis Employee List in accordance with this Chapter 17 of the Regulations; and

1.2.5 Chapter 4 subsection 6.4 of these Regulations grants a Licensee the right challenge the Commission's decision to deny an application for a Cannabis Employee Identification Card in accordance with this Chapter 17 of the Regulations.

1.3 This Chapter 17 of the Regulations supplements Chapter 11 of the Act for any hearing before the Commission.

Section 2: Notice of Hearing

2.1 Except as provided otherwise in the Act or these Regulations, the Commission shall provide written notice to the Petitioner of:

2.1.1 An Enforcement Hearing at least twenty-one (21) business days prior to the date set for the hearing; and

2.1.2 all other hearings at least fourteen (14) business days prior to the date set for the hearing.

2.2 The notice shall be sent by a United States mail or private carrier/courier using services that document an attempted delivery or may be personally served upon the Petitioner, including by a Commission staff member according to personal service requirements in Title 2 of the Band's Tribal Codes.

2.3 The notice shall state the date, time, and place of the hearing, shall describe the purposes and reasons for the hearing, including whether the hearing is an Enforcement Hearing, and shall summarize the evidence being relied on by the Commission in support of its decision or Enforcement Proceeding, provided that such requirement shall not prohibit the Commission from considering other evidence.

Section 3: *Ex Parte* Communications

3.1 No ex parte communication (i.e., communications outside the official record of the proceeding that do not include the Commission's legal counsel, the Executive Director, or the Executive Director's designee) relative to any matter being considered by the Commission, or a threat or offer of reward, shall be made to any Commissioner by or on behalf of the Petitioner, including by Petitioner's attorney.

3.2 Nothing in this Section shall prohibit the Petitioner or Petitioner's attorney from communicating with the Commission's legal counsel, the Executive Director, or the Executive Director's designee.

3.3 Any Commissioner who receives an ex parte communication shall immediately report such communication to the Commission's legal counsel and, if made in writing, provide a copy to the Commission's legal counsel.

3.4 For purposes of this Section only, the matters being considered by the Commission shall be limited to those matters identified in the written notice regarding the hearing as well as any other matters that are actually considered by the Commission during a hearing, provided that the due process rights of the Petitioner under the Act, these Regulations, or other applicable law will not be abridged or deprived without the Petitioner's knowing and voluntary consent on the record.

3.5 All matters identified in the written notice shall be subject to the prohibition against ex parte communications, and all matters not identified in the written notice that are considered by the Commission during a hearing shall become subject to the prohibition against ex parte communications as soon as they are discussed during the hearing.

3.6 The Commission shall have the power to impose an appropriate sanction on the Petitioner upon its determination that a Petitioner has made an ex parte communication in violation of this Section.

Section 4: Attorney Appearances

4.1 The Petitioner may appear personally or through an attorney, except that the Petitioner shall personally attend any hearing on the merits unless such attendance has been waived, in writing, by the Commission.

4.2 When the Petitioner has appeared through an attorney, service of all notices, motions, orders, decisions, and other papers thereafter shall be made upon the attorney, unless the Petitioner requests otherwise in writing.

4.3 When the Petitioner is represented by an attorney, the attorney shall sign all motions, notices, requests, and other papers on behalf of the Petitioner, including a request for subpoenas. Subsection 11.03(a) of the Act governs the issuance of subpoenas by the Commission.

4.4 Any attorney appearing before the Commission shall be duly admitted and authorized to practice before the Leech Lake Tribal Court, provided that the Commission may permit on a case-by-case basis, for good cause shown by written application to the Commission, the appearance before the Commission of any attorney who is duly licensed to practice law in any other jurisdiction.

Section 5: Discovery

5.1 The Commission and the Petitioner shall have the right to discovery in Enforcement Proceedings in accordance with this Section.

5.2 The Commission's legal counsel and the Petitioner shall exchange a list of persons that each party intends to call as witnesses no later than five (5) business days before a scheduled hearing. The day the list is received shall be considered a full day's notice under this Section.

5.3 Each witness shall be identified by name, if known, position and business address. If no business address is available, a home address for the witness shall be provided.

5.4 Any witness not identified in accordance with this Section may be prohibited from testifying at a hearing at the discretion of the Presiding Officer.

5.5 The Commission's legal counsel and the Petitioner shall exchange a copy of all documents or exhibits that they intend to offer as evidence in support of their case in chief, subject to the provisions of Chapter 17 Section 6 of these Regulations. This exchange shall be made to the opposing party no later than five (5) business days before a scheduled hearing. The day the documents or exhibits are received shall be considered a full day's notice under this Section.

5.6 The failure to make available any document or exhibit in accordance with this Section may, at the discretion of the Presiding Officer, be grounds to deny the admission into evidence of such document or exhibit.

Section 6: Confidential Information

6.1 Prior to submitting any documents or exhibits to the Commission, the Commission's legal counsel or the Petitioner may designate any document it reasonably believes to contain confidential information as "Subject to a Confidentiality Claim" by so marking the document in a prominent manner.

6.2 Any documents marked under Chapter 17 subsection 6.1 of these Regulations shall not be exchanged with the opposing party but shall be made available for inspection at the Commission's office.

6.3 Any documents marked under Chapter 17 subsection 6.1 of these Regulations and any non-public information contained within such marked document, shall not be made a part of the public record of the Commission proceedings or otherwise disclosed by the Commission to any Person (except as may be required under any applicable law, rule, regulation, court or administrative order, or any Compact), without first providing the Commission's legal counsel or the Petitioner with the opportunity to seek a ruling by the Commission that the document or non-public information contained therein should not be made public.

6.4 The request for such a ruling and any discussions relating to the document shall be heard and ruled upon by the Commission in a timely manner, but not later than at the outset of the hearing. If the request for such a ruling is made during a public hearing, the hearing shall be adjourned, and the Commission shall conduct a closed session to hear and rule upon the request of the Commission's legal counsel or the Petitioner. The Commission's legal counsel or the Petitioner may present to the Commission in a closed meeting written and oral argument regarding the confidentiality claim, along with any facts the Commission's legal counsel or the Petitioner believes to be relevant to such argument.

6.5 In determining whether a document marked in accordance with Chapter 17 subsection 6.1 of these Regulations should be made part of the public record of the Commission proceedings, the Commission shall balance the claim for confidentiality against the materiality of the information to the related regulatory procedure or subject of the hearing, the public's right to be made aware of the information, and the Commission's need to make the information part of the public record in order to remain fully accountable for the Commission's decision. In making this determination, the Commission shall consider all facts and circumstances relevant to making a proper ruling.

6.6 In determining whether a document marked in accordance with Chapter 17 subsection 6.1 of these Regulations should be made part of the public record of the Commission proceedings, the Commission may consider whether the rights of the public to be aware of the information and the rights of the Commission or the Petitioner to the protection of confidential information contained in the document may be effectively addressed, at least in part, by the redaction of certain confidential information contained in the document.

6.7 If the Commission rules during a closed meeting that the document in question or information contained therein should be made part of the public record of the Commission's proceedings, the document or information shall be made part of the public record unless the Commission's legal counsel or the Petitioner requests that the Commission withdraw the document from the proceeding and the Commission's

possession. In the event the Commission's legal counsel or the Petitioner requests that the document be withdrawn from the Commission's possession, the Commission shall consider the withdrawal request when it weighs the other evidence in the proceeding. A withdrawal of documents from the proceeding shall be looked upon by the Commission with disfavor, and, depending on the facts and circumstances, the Commission may deem the withdrawal of any document at Petitioner's request to be sufficient cause in and of itself to deny the relief requested by the Petitioner.

6.8 If the Commission rules during a closed meeting that the document in question or information contained therein should not be made part of the public record, the document shall be designated "Confidential" and shall not be part of the public record. The Commission may consider the document and information contained therein in camera in making its determination.

6.9 At the conclusion of the Commission proceedings, the Commission shall return to the Petitioner all documents marked as "Subject to a Confidentiality Claim" pursuant to Chapter 17 subsection 6.1 of these Regulations: (1) that were not made part of the public record of the proceeding; or (2) that were designated as "Confidential" and considered by the Commissioners in camera.

Section 7: Hearing Rules

7.1 All hearings shall be conducted in accordance with the Act, including Section 11.04 of the Act.

7.2 The Commission shall have the power and discretion to issue subpoenas in accordance with Section 11.03 of the Act.

7.3 The Presiding Officer may exercise discretion to limit the testimony of witnesses where that testimony constitutes hearsay or is irrelevant, argumentative, or repetitive.

7.4 The Presiding Officer may caution or eject from the hearing any person who is disruptive, disorderly, or who shows a lack of proper respect for the Commission or the proceedings.

7.5 Persons shall be permitted to speak at a hearing only when recognized by the Presiding Officer.

7.6 Any party to the hearing may call and examine witnesses and conduct cross-examinations reasonably required for a full and fair presentation of relevant facts.

7.7 Any Commissioner may ask questions of witnesses. The Presiding Officer may request or allow additional evidence at any time before the submission of evidence has been completed.

7.8 In accordance with subsection 11.04(f) of the Act, all hearings shall be open to Band Citizens, except as otherwise determined necessary by the Commission.

Section 8: Rules of Evidence

8.1 Hearings shall not be subject to any formal rules of evidence. The Presiding Officer shall admit all testimony having reasonable probative value, but shall exclude hearsay, irrelevant, or unduly repetitious testimony.

8.2 The Commission shall give effect to the rules of privilege unless such privilege is waived. Basic principles of relevancy, materiality and probative force shall govern the proof of all questions of fact. Objections to evidentiary offers and offers of proof of evidence not admitted may be made and shall be noted in the record.

8.3 Any evidence, including records and documents in the possession of the Commission which the Commission desires to avail itself, shall be duly offered and made a part of the record in the case.

8.4 Every party shall be afforded adequate opportunity to rebut or offer countervailing evidence.

8.5 The Commission or the Presiding Officer may take official notice of any well-recognized fact or any established technical or scientific fact or process, but the Petitioner shall be notified before the hearing, including by full reference in preliminary reports or otherwise, of the facts so noticed by the Presiding Officer, and the Petitioner shall be afforded an opportunity to contest the validity of the Presiding Officer's official notice of any facts.

8.6 Documentary evidence may be received in the form of copies or excerpts if the original is not readily available. Upon request, the Presiding Officer or the Petitioner shall be given an opportunity to compare the copy to the original.

8.7 The record in all hearings shall include:

8.7.1 All Applications, intermediate rulings and exhibits and appendices thereto;

8.7.2 Evidence received or considered, stipulations and admissions, including confidential evidence received pursuant to these Regulations;

8.7.3 A statement of facts officially noticed;

8.7.4 Questions and offers of proof, objections, and rulings thereon;

8.7.5 Any decision, opinion, findings, or report by the Commission; and

8.7.6 The transcript prepared by a duly certified court reporter, unless the Commission waives the need for a transcript to be prepared.

8.8 The Commission shall have the affirmative obligation to establish by a preponderance of the evidence violations of the Act, these Regulations, or any Compact.

8.9 In accordance with subsection 7.07(a) of the Act, Petitioner shall have the burden of proving by clear and convincing evidence that all standards and other requirements applicable to such License have been or continue to be met, including qualification for any License.

8.10 Petitioner shall have the burden of proving by clear and convincing evidence that a person was improperly added to the Excluded Cannabis Employee List or an application for a Cannabis Employee Identification Card was improperly denied.

Section 9: Commission Decisions

9.1 All Commission decisions shall be made in accordance with the Act, including Section 11.05 of the Act.

9.2 The Commission shall include with a final decision on the merits a statement that the Commission's decision is a "final decision subject to appeal", and such decision shall not be subject to rehearing before the Commission.

9.3 The Commission shall review each decision of a hearing officer, designated under subsection 11.04(b) of the Act, and shall have the authority to accept, amend or reject the findings of the hearing officer.

9.4 The Commission shall make a good faith attempt to serve a copy of any Commission decision on the Petitioner or Petitioner's attorney by first class U.S. mail to the applicable last known address.

Section 10: Sanctions. If Petitioner or Petitioner's attorney fails to comply with any Commission decision or order relating to a hearing, including regarding discovery or failure to appear at a hearing at the scheduled time, the Commission may, either sua sponte or upon the Presiding Officer's motion, impose appropriate sanctions for the noncompliance as the Commission deems to be just under the circumstances.