

RULES AND REGULATIONS GOVERNING THE OVERSIGHT OF MEDICAL MARIJUANA CULTIVATION FACILITIES AND DISPENSARIES BY THE ALCOHOLIC BEVERAGE CONTROL DIVISION

SECTION 1. AUTHORITY OF THE BOARD

These rules and regulations governing the oversight of medical marijuana cultivation facilities and dispensaries in Arkansas are duly adopted and promulgated by the Arkansas Alcoholic Beverage Control Board pursuant to Amendment No. 98 of the Constitution of the State of Arkansas of 1874, The Medical Marijuana Amendment of 2016.

SECTION 2. SCOPE

These rules and regulations govern the oversight of medical marijuana cultivation facilities and dispensaries in Arkansas. These rules govern the requirements for record keeping, security, and personnel at cultivation facilities and dispensaries. These rules govern the requirements for the manufacturing, processing, packaging, dispensing, disposing, advertising, and marketing of medical marijuana by cultivation facilities and dispensaries. These rules govern the procedures for inspecting and investigating cultivation facilities and dispensaries. These rules govern the procedures for sanctioning, suspending, and terminating cultivation facility and dispensary licenses for violations of the amendment or these rules.

SECTION 3. DEFINITIONS

- (1) “Acquire” or “Acquisition” means coming to possess marijuana by means of any legal source herein authorized, not from an unauthorized source, and in accordance with the Amendment and any rules promulgated under the Amendment.
- (2) “Amendment” means the Arkansas Medical Marijuana Act of 2016.
- (3) “Approved Laboratory” means a laboratory that is accredited by the National Institute on Drug Abuse (NIDA), the National Environmental Laboratory Accreditation Conference (NELAC), and the International Organization for Standardization (ISO) or similar accrediting entity as determined by the Department, and that has been approved by the Department specifically for the testing of usable marijuana.

- (4) “Batch” means, with regard to usable marijuana, a homogenous, identified quantity of usable marijuana, no greater than five (5) pounds, that is harvested during a specified time period from a specified cultivation area, and with regard to oils, vapors, and waxes derived from usable marijuana, means an identified quantity that is uniform, that is intended to meet specifications for identity, strength, and composition, and that is manufactured, packaged and labeled during a specified time period according to a single manufacturing, packaging and labeling protocol.
- (5) “Biannual” means every six (6) months.
- (6) “Cannabinoid” means any of the chemical compounds that are the active constituents of marijuana.
- (7) “Cannabinoid concentrate” means a substance obtained by separating cannabinoids from marijuana by:
 - a. A mechanical extraction process;
 - b. A chemical extraction process using a nonhydrocarbon-based or other solvent, such as water, vegetable glycerin, vegetable oils, animal fats, isopropyl alcohol or ethanol; or
 - c. A chemical extraction process using the hydrocarbon-based solvent carbon dioxide, provided that the process does not involve the use of high heat or pressure.
- (8) “Cannabinoid edible” means food or potable liquid into which a cannabinoid concentrate, cannabinoid extract, or dried marijuana leaves or flowers have been incorporated.
- (9) “Cannabinoid extract” means a substance obtained by separating cannabinoids from marijuana by:
 - a. A chemical extraction process using a hydrocarbon-based solvent, such as butane, hexane, or propane;
 - b. A chemical extraction process using the hydrocarbon-based solvent, carbon dioxide, if the process uses high heat or pressure; or
 - c. Any other processes identified by the Division.
- (10) “Cardholder” means a qualifying patient, a dispensary agent, a cultivation facility agent, or a designated caregiver;
- (11) “Commission” means the Medical Marijuana Commission.
- (12) “Cultivation facility” means an entity that:
 - a. Has been licensed by the Medical Marijuana Commission; and
 - b. Cultivates, prepares, manufactures, processes, packages, sells to and delivers usable marijuana to a dispensary.

- (13) “Cultivation Facility Agent” means an employee, supervisor, or agent of a cultivation facility who:
- a. Is twenty-one (21) years of age or older;
 - b. Works at the cultivation facility; and
 - c. Has registered with the Alcoholic Beverage Control Division.
- (14) “Department” means the Arkansas Department of Health.
- (15) “Deliver” means to move medical marijuana product between a licensed dispensary and a qualified patient or designated caregiver.
- (16) “Designated caregiver” means:
- a. A person who is at least twenty-one (21) years of age, has not been convicted of an excluded felony offense, has agreed to assist a physically disabled qualifying patient with the medical use of marijuana, and who has registered with the Department of Health pursuant to the requirements of the Amendment and these Rules.
 - b. Designated caregiver includes, without limitation, a parent:
 - i. Of a qualifying patient who is under the age of eighteen (18); and
 - ii. Required to register as a designated caregiver under the Amendment.
- (17) “Dispensary” means an entity that has been licensed by the Medical Marijuana Commission pursuant to the requirements of the Amendment.
- (18) “Dispensary agent” means:
- a. An employee, supervisor, volunteer, or agent of a dispensary who:
 - i. Is twenty-one (21) years of age or older;
 - ii. Works at the dispensary; and
 - iii. Has registered with the Alcoholic Beverage Control Division.
 - b. An owner, officer, or board member of a dispensary who has registered with the Division pursuant to the requirements of the Amendment.
- (19) “Division” means the Arkansas Alcoholic Beverage Control Division.
- (20) “Enclosed, locked facility” means a room, greenhouse, or other enclosed area equipped with locks or other security devices that permit access only by an authorized individual;
- (21) “Excluded felony offense” means:
- (a)(i) A felony involving violence;
 1. Murder;
 2. Manslaughter;
 3. Kidnapping;
 4. Rape;
 5. Mayhem;

6. Assault to do great bodily harm;
 7. Robbery;
 8. Burglary;
 9. Housebreaking;
 10. Breaking and entering; and
 11. Larceny;
- ii. However, an offense that has been sealed by a court or for which a pardon has been granted is not considered an excluded felony offense; or
- (b) A violation of state or federal controlled-substance law that was classified as a felony in the jurisdiction where the person was convicted, but not including:
 - i. An offense for which the sentence, including any term of probation, incarceration, or supervised release, was completed ten (10) or more years earlier; or
 - ii. An offense that has been sealed by a court or for which a pardon has been granted.
- (22) “Flowering” means the reproductive state of *Cannabis* in which the plant is in a light cycle intended to stimulate the production of flowers, trichomes, and cannabinoids characteristic of marijuana.
 - (23) “Harvest Lot” means a specifically identified quantity of marijuana that is uniform in strain, cultivated using the same growing practices, harvested at the same time at the same location and cured under uniform conditions.
 - (24) “Immature Marijuana Plant” means a nonflowering marijuana plant that is no taller than eight (8) inches.
 - (25) “Inventory Tracking System” means the required seed to sale tracking system that tracks medical marijuana from either seed or immature plant state until the usable marijuana is sold to a qualified patient or designated caregiver or is destroyed.
 - (26) “Licensed Facility” means either a cultivation facility or dispensary licensed by the Commission.
 - (27) “Lot” means an identified portion of a batch, that is uniform and that is intended to meet specifications for identity, strength, and composition; or in the case of a vapor, oil, or wax derived from usable marijuana, an identified quantity produced in a specified period of time in a manner that is uniform and that is intended to meet specifications for identity, strength, and composition.

- (28) “Manufacturing and Processing”:
- a. Means the manufacturing, processing, compounding or conversion of marijuana into cannabinoid products, cannabinoid concentrates, or cannabinoid extracts.
 - b. Does not mean the drying of marijuana.
- (29) “Mature Marijuana Plant” means a marijuana plant that is not an immature marijuana plant.
- (30) “Medical Marijuana Container” means a sealed, traceable, food compliant, child-proof packaging that cannot be opened by a child, or that prevents ready access to toxic or harmful amounts of the packaged product, and that meets the testing requirements in accordance with the method described in 16 C.F.R. § 1700.20, as existing on January 1, 2017.
- (31) “Process Lot” means
- a. Any amount of cannabinoid concentrate or extract of the same type and processed at the same time using the same extraction methods, standard operating procedures, and batches for the harvest lot; or
 - b. Any amount of cannabinoid products of the same type and processed at the same time using the same ingredients, standard operating procedures and batches from the same harvest lot or process lots of cannabinoid concentrate or extract.
- (32) “Production Area” means any area in a cultivation facility or dispensary used for the growing of medical marijuana plants.
- (33) “Qualifying medical condition” means one or more of the following:
- a. Cancer, glaucoma, positive status for human immunodeficiency virus/acquired immune deficiency syndrome, hepatitis C, amyotrophic lateral sclerosis, Tourette’s syndrome, Crohn’s disease, ulcerative colitis, post-traumatic stress disorder, severe arthritis, fibromyalgia, Alzheimer’s disease, or the treatment of these conditions;
 - b. A chronic or debilitating disease or medical condition or its treatment that produces one (1) or more of the following: cachexia or wasting syndrome; peripheral neuropathy; intractable pain, which is pain that has not responded to ordinary medications, treatment or surgical measures for more than six (6) months; severe nausea; seizures, including without limitation those characteristic of epilepsy; or severe and persistent muscle spasms, including, without limitation those characteristic of multiple sclerosis; and
 - c. Any other medical condition or its treatment approved by the Department pursuant to its Rules and the Amendment.

- (34) “Qualifying patient” means a person who has been diagnosed by a physician as having a qualifying medical condition and who has registered with the Department in accordance with these Rules and the Amendment.
- (35) “Registry identification card” means a document issued by the Department that identifies a person as a qualifying patient or a designated caregiver.
- (36) “Sealed” means expunge, remove, sequester, and treat as confidential the record or records of a felony offense;
- (37) “Shipping Container” means a sealable, tamper-evident container used for the transport of medical marijuana between licensed facilities.
- (38) “Testing” means the process and procedures provided by an approved laboratory for testing of usable marijuana, consistent with provisions of this rule.
- (39) “Transport” means to move medical marijuana between licensed facilities or between a licensed facility and approved laboratory.
- (40) “Usable marijuana” means the stalks, seeds, roots, dried leaves, flowers, oils, vapors, waxes, and other portions of the marijuana plant and any mixture or preparation thereof. Usable marijuana includes cannabinoid edibles, cannabinoid concentrates, and cannabinoid extracts. Usable marijuana does not include the weight of any ingredients other than marijuana that are combined with marijuana and prepared for consumption as food and drink.
- (41) “Unique Identification Number” (“UIN”) means a unique number generated by the Inventory Tracking System and assigned to all usable marijuana for the purpose of tracking the marijuana from its seed form to ultimate sale to a qualified patient/designated caregiver or destruction.
- (42) “Visiting qualifying patient” means a patient with a qualifying medical condition who is not a resident of Arkansas or who has been a resident of Arkansas for less than thirty (30) days and who is in actual possession of a registry identification card or its equivalent that is issued under the laws of another state, district, territory, commonwealth, or insular possession of the United States and pertains to a qualifying medical condition under the Amendment.

SECTION 4. OVERSIGHT AND INSPECTION REQUIREMENTS

RR 4.1. *Inspection and Investigation* - Dispensaries and cultivation facilities shall be subject to reasonable inspection by the Alcoholic Beverage Control Division.

- a. The Director of the Alcoholic Beverage Control Administration, or the Director of Alcoholic Beverage Control Enforcement, or an enforcement agent, may:
 - i. Inspect, without the need for a search warrant, the licensed premises of a dispensary or cultivation facility, including any marijuana and marijuana product on the premises, equipment used in cultivating, processing, testing, or storing marijuana, the marijuana establishment's records required by these rules and computers, at any time;
 - ii. Issue a written report or notice of his or her findings;
 - iii. Exercise law enforcement powers, if authorized, and take any other action the Director of Alcoholic Beverage Control Administration or Director of Alcoholic Beverage Control Enforcement determines is necessary; and
 - iv. Enlist the assistance of any law enforcement officer not directly employed by Alcoholic Beverage Control Enforcement toward performance of these enforcement duties.
- b. A dispensary or cultivation facility, and any licensee, employee, or agent shall cooperate with the Director of Alcoholic Beverage Control Administration, the Director of Alcoholic Beverage Control Enforcement, an enforcement agent, an employee of the board, or assisting law enforcement officer, acting in an official capacity to enforce the laws related to marijuana, including but not limited to:
 - i. Permitting entry upon and inspection of the licensed premises; and
 - ii. Providing access to records required by these rules and computers, when requested by the Director of Alcoholic Beverage Control Administration, or the Director of Alcoholic Beverage Control Enforcement, or an enforcement agent, or an assisting law enforcement officer.

RR 4.2. ***Inspection required prior to operation.*** All licensed dispensaries and cultivation facilities shall notify the Alcoholic Beverage Control Division of their intent to commence operations. The Alcoholic Beverage Control Division shall conduct a thorough inspection of the premises for the following:

- a. Verify possession and accuracy of detailed plans and elevation drawings required in RR 6.2 and RR 7.2;
- b. Verify connection and accessibility to the Inventory Tracking System;
- c. Verification of operational alarm and video surveillance systems;
- d. Verification of secure locks throughout the facility;
- e. Verification of controls to limited access areas;
- f. Verification of compliance with perimeter restrictions;
- g. Any existing personnel records as required by RR 19.4; and
- h. Review initial inventory required by RR 10.1, and verify for accuracy.

RR 4.3. ***Biannual Inspections Required.*** The Alcoholic Beverage Control Division shall conduct, at minimum, one (1) inspection every six (6) months, of all dispensaries and cultivation facilities. The biannual inspections shall include:

- a. Verify possession and accuracy of detailed plans and elevation drawings required in RR 6.2 and RR 7.2;
- b. Verify connection and accessibility to the Inventory Tracking System;
- c. Verification of operational alarm and video surveillance systems;
- d. Verification of secure locks throughout the facility;
- e. Verification of controls to limited access areas;
- f. Verification of compliance with perimeter restrictions;
- g. Verification of current, complete, and accurate personnel records; and
- h. Review biannual inventory reports required by RR 10.1, and verify for accuracy.

RR 4.4. ***Closure of Business***

- a. The Alcoholic Beverage Control Division may issue an order providing for the manner and condition under which usable marijuana may be transferred or sold to another licensed facility or must otherwise be disposed of under the following circumstances:
 - i. Revocation of a license;
 - ii. Surrender of a license; or
 - iii. Expiration of a license.

SECTION 5. RECORD KEEPING REQUIREMENTS FOR DISPENSARIES AND CULTIVATION FACILITIES.

RR 5.1. *Records required to be kept for current year and three (3) proceeding calendar years.*

- a. Records regarding the disposal of medical marijuana.
- b. General Business Records. Dispensaries and cultivation facilities shall keep all books and records necessary to fully account for each business transaction conducted under its license.
- c. Records of all required inventory reports.
- d. Records of pesticide and chemical applications as required by RR 11.3.
- e. Medical Marijuana Product Transactions
 - i. Dispensaries shall keep of a record of each transaction, including the amount of marijuana dispensed, the amount of compensation received, and the registry identification number of the qualifying patient or designated caregiver.
 - ii. Cultivation facilities shall keep a record of all transactions for medical marijuana to dispensaries or another marijuana cultivation facility.
- f. Personnel Records

SECTION 6. CONSTRUCTION SPECIFICATIONS AND SECURITY REQUIREMENTS FOR CULTIVATION FACILITIES.

RR 6.1. *General Security Requirements for Cultivation Facilities*

- a. Duty to Operate a Secure Premises
 - i. All Cultivation Facilities shall implement appropriate security measures to deter and prevent the unauthorized entrance into areas containing marijuana and the theft and diversion of marijuana.
 - ii. A licensee is responsible for the security of all marijuana items on the licensed premises or in transit from the facility.
 - iii. Cultivation Facilities shall comply with all applicable security requirements set forth in these rules.

RR 6.2. *Construction of Premises*

- a. Enclosed and Secure Facility – All cultivation of medical marijuana shall take place within a building, greenhouse or other structure which

has a complete roof enclosure supported by connecting walls, constructed of solid materials, extending from the ground to the roof, which is secure against unauthorized entry, provides complete visual screening, and which is accessible only through one or more lockable doors.

- b. Commercial grade, non-residential door locks shall be installed on every external door, and gate if applicable. All locks shall be equipped with biometric access controls. Only authorized personnel shall have access to locked and secured areas. Facilities shall maintain detailed records of employees with access to locked and secured areas. Records shall be made available to the Division upon request.
- c. All cultivation facilities shall maintain detailed plans and elevation drawings of all operational areas involved with the production, processing, and manufacturing of medical marijuana. The plan shall identify the following:
 - i. All storage areas, ventilation systems, and equipment used for production, processing, and manufacturing;
 - ii. All entrances and exits to the facility;
 - iii. All windows, skylights, and retractable mechanisms built into the roof;
 - iv. The location of all required security cameras;
 - v. The location of all alarm inputs, detectors, and sirens;
 - vi. All video and alarm system surveillance areas;
 - vii. All production, processing, and manufacturing areas shall be labeled according to the specific activity occurring within the area;
 - viii. All restricted and limited access areas shall be identified; and
 - ix. All non-production areas shall be labeled according to their purpose.
- d. Floor plans and elevation drawings shall be kept current and on the premises of the cultivation facility. Plans and elevation drawings shall be made available to the Division upon request.
- e. Floors, walls, and ceilings shall be constructed in such a manner that they may be adequately cleaned and kept clean and in good repair.
- f. Cultivation facilities shall have adequate lighting in all areas where Medical Marijuana is stored and where equipment and utensils are cleaned.

- g. Plumbing shall be of adequate size and design and adequately installed and maintained to carry sufficient quantities of water to required locations throughout the facility and to properly convey sewage and liquid disposable waste from the facility. There shall be no cross-connections between the potable and waste water lines.
- h. All facilities shall be constructed to meet the standards of any applicable state and local electrical, fire, plumbing, and building specification codes.

RR 6.3. *Alarm System*

- a. All cultivation facilities shall be equipped with an alarm system which, upon attempted unauthorized entry, shall transmit a signal directly to a central protection company or a local or State police agency which has a legal duty to respond. A designated agent of the cultivation facility shall also receive notification of any such signal.
- b. Alarm systems shall provide coverage for all points of ingress and egress to the facility, including, but not limited to, doorways, windows, loading bays, skylights, and retractable roof mechanisms.
- c. Alarm systems shall provide coverage of any room with an exterior wall, any room containing a safe, and any room used to grow or store medical marijuana.
- d. Alarm systems shall be equipped with a “panic device” that upon activation will not only sound any audible alarm components, but will also notify law enforcement.
- e. Alarm systems shall have “duress” and “hold up” features to enable an agent to activate a silent alarm notifying law enforcement of an emergency.
- f. Alarms system must be equipped with failure notification systems to notify cultivation facilities and law enforcement of any failure in the alarm system.
- g. Alarm systems shall have the ability to remain operational during a power outage.

RR 6.4. *Video Surveillance System*

- a. All cultivation facilities shall be equipped with video surveillance systems consisting of the following:
 - i. Digital video cameras;
 - ii. 24 hour per day, 7 day per week recording capabilities;
 - iii. The ability to remain operational during a power outage;
 - iv. Digital archiving capabilities;

- v. On-site and off-site monitoring capabilities; and
 - vi. All facilities must maintain at least one on-site display monitor connected to the surveillance system at all times. The monitor shall have a screen size of at least 12 inches.
- b. All cultivation facilities shall maintain camera coverage of the following areas:
 - i. All points of ingress and egress to the facility, including, but not limited to, doorways, windows, loading bays, skylights, and retractable roof mechanisms;
 - ii. Any room with an exterior wall, except restrooms, any room containing a safe, and any room or area used to grow, process, manufacture, or store medical marijuana;
 - iii. All areas in which any part of the disposal process of marijuana occurs; and
 - iv. All parking areas and any alley areas immediately adjacent to the building.
- c. All recording devices shall display a date and time stamp on all recorded video.
- d. All recording devices shall have the capability to produce a still image from the video recording, and each facility shall maintain, on site, a video printer capable of immediately producing a clear still image from any video camera image.
- e. Access to on-site surveillance system controls and monitoring shall be limited to authorized personnel. Cultivation facilities shall identify individuals with access to surveillance system controls and monitoring upon request by the Division.
- f. All surveillance recordings shall be maintained for a minimum of 90 days.

RR 6.5. *Perimeter Requirements*

- a. The perimeter of all cultivation facilities shall be maintained in such a way to discourage theft and diversion of marijuana. All cultivation facilities shall maintain the following:
 - i. Adequate lighting to facilitate surveillance; and
 - ii. Foliage and landscaping that does not allow for a person or persons to conceal themselves from sight.
- b. All stages of medical marijuana production and the disposal of unusable medical marijuana on the premises of a cultivation facility shall not be visible or accessible to the public.

- c. The cultivation facility shall maintain any walls or fencing necessary to shield the operations of the facility from public access and view.
- d. The cultivation facility shall ensure any odors that may arise from any stage of marijuana production or the disposal of marijuana are not detectable by the public from outside the cultivation facility.

SECTION 7. CONSTRUCTION SPECIFICATIONS SECURITY REQUIREMENTS FOR DISPENSARIES.

RR 7.1. *General Security Requirements for Dispensaries*

- a. Duty to Operate a Secure Premises
 - i. All dispensaries shall implement appropriate security measures to deter and prevent the theft and diversion of marijuana.
 - ii. A licensee is responsible for the security of all marijuana items on the licensed premises or in transit from the facility.
 - iii. Dispensaries shall comply with all applicable security requirements set forth in these rules.

RR 7.2. *Construction of Premises*

- a. Enclosed and Secure Facility
 - i. Dispensaries shall be enclosed on all sides by permanent walls and doors.
 - ii. All cultivation of medical marijuana on the premises of a dispensary shall take place within a building, greenhouse or other structure which has a complete roof enclosure supported by connecting walls, constructed of solid materials, extending from the ground to the roof, which is secure against unauthorized entry, provides complete visual screening, and which is accessible only through one or more lockable doors.
- b. Commercial grade, non-residential door locks shall be installed on every external door, and gate if applicable. All locks shall be equipped with biometric access controls. Only authorized personnel shall have access to locked and secured areas. Facilities shall maintain detailed records of employees with access to locked and secured areas. Records shall be made available to the Division upon request.
- c. All cultivation facilities shall maintain detailed plans and elevation drawings of all operational areas involved with the dispensing and production of medical marijuana. The plan shall identify the following:
 - i. All entrances and exits to the facility;

- ii. All windows, skylights, and retractable mechanisms built into the roof;
 - iii. All designated areas for qualified patients and designated care givers;
 - iv. All limited access areas;
 - v. All storage areas, ventilation systems, and equipment used for production, processing, and manufacturing;
 - vi. The location of all required security cameras;
 - vii. The location of all alarm inputs, detectors, and sirens;
 - viii. All video and alarm system surveillance areas;
 - ix. All production, processing, and manufacturing areas shall be labeled according to the specific activity occurring within the area;
 - x. All restricted and limited access areas shall be identified; and
 - xi. All areas shall be labeled according to their purpose.
- d. Floor plans and elevation drawings shall be kept current and on the premises of the dispensary. Plans and elevation drawings shall be made available to the Division upon request.
 - e. Floors, walls, and ceilings shall be constructed in such a manner that they may be adequately cleaned and kept clean and in good repair.
 - f. Dispensaries shall have adequate lighting in all areas where Medical Marijuana is stored and where equipment and utensils are cleaned.
 - g. Plumbing shall be of adequate size and design and adequately installed and maintained to carry sufficient quantities of water to required locations throughout the facility and to properly convey sewage and liquid disposable waste from the facility. There shall be no cross-connections between the potable and waste water lines.
 - h. All facilities shall be constructed to meet the standards of any applicable state and local electrical, fire, plumbing, and building specification codes.

RR 7.3. *Alarm System*

- a. All dispensaries shall be equipped with an alarm system which, upon attempted unauthorized entry, shall transmit a signal directly to a central protection company or a local or State police agency which has a legal duty to respond. A designated agent of the dispensary shall also receive notification of any such signal.

- b. Alarm systems shall provide coverage for all points of ingress and egress to the facility, including, but not limited to, doorways, windows, loading bays, skylights, and retractable roof mechanisms.
- c. Alarm systems shall provide coverage of any room with an exterior wall, any room containing a safe, and any room used to grow or store medical marijuana.
- d. Alarm systems shall be equipped with a “panic device” that upon activation will not only sound any audible alarm components, but will also notify law enforcement.
- e. Alarm systems shall have “duress” and “hold up” features to enable an agent to activate a silent alarm notifying law enforcement of an emergency.
- f. Alarms system must be equipped with failure notification systems to notify dispensaries and law enforcement of any failure in the alarm system.
- g. Alarm systems shall have the ability to remain operational during a power outage.

RR 7.4. *Video Surveillance System*

- a. All dispensaries shall be equipped with video surveillance systems consisting of the following:
 - i. Digital video cameras;
 - ii. 24 hour per day, 7 day per week recording capabilities;
 - iii. The ability to remain operational during a power outage;
 - iv. Digital archiving capabilities;
 - v. On-site and off-site monitoring capabilities; and
 - vi. All facilities must maintain at least one on-site display monitor connected to the surveillance system at all times. The monitor shall have a screen size of at least 12 inches.
- b. All dispensaries shall maintain camera coverage of the following areas:
 - i. All points of ingress and egress to the facility, including, but not limited to, doorways, windows, loading bays, skylights, and retractable roof mechanisms;
 - ii. Any room with an exterior wall, except restrooms, any room containing a safe, and any room or area used to grow, process, manufacture, or store medical marijuana;
 - iii. All areas in which any part of the disposal process of marijuana occurs;
 - iv. All point of sale areas.

- v. All areas for qualified patients and designated caregivers, except restrooms; and
 - vi. All parking areas and any alley areas immediately adjacent to the building.
 - c. All recording devices shall display a date and time stamp on all recorded video.
 - d. All recording devices shall have the capability to produce a still image from the video recording, and each facility shall maintain, on site, a video printer capable of immediately producing a clear still image from any video camera image.
 - e. Access to on-site surveillance system controls and monitoring shall be limited to authorized personnel. Dispensaries shall identify individuals with access to surveillance system controls and monitoring upon request by the Division.
 - f. All surveillance recordings shall be maintained for a minimum of 90 days.
- RR 7.5. *Perimeter Requirements***
- a. The perimeter of all dispensaries shall be maintained in such a way to discourage theft and diversion of marijuana. All dispensaries shall maintain the following:
 - i. Adequate lighting to facilitate surveillance; and
 - ii. Foliage and landscaping that does not allow for a person or persons to conceal themselves from sight.
 - b. All stages of medical marijuana production and the disposal of unusable medical marijuana on the premises of a dispensary shall not be visible or accessible to the public from outside the premises of the facility.
 - c. The dispensary shall ensure any odors, which may arise from any stage of marijuana production or the disposal of marijuana, are not detectable by the public from outside the dispensary.

SECTION 8. OPERATIONAL REQUIREMENTS FOR CULTIVATION FACILITIES

RR 8.1. *Hours of Operation*

- a. A cultivation facility may operate 24 hours a day.
- b. Cultivation facilities shall not be open to the public. Visitors and contractors shall only be present on the property pursuant to RR 8.3.

- c. A cultivation facility may transport medical marijuana to another cultivation facility, dispensary, or approved laboratory between the hours of 7 a.m. and 9 p.m.
- RR 8.2. ***Registry Identification Card Required.*** Any employee, supervisor, or agent employed by a cultivation facility must have a current Registry Identification Card issued by the Alcoholic Beverage Control Division on their person at all times while present at a cultivation facility.
- RR 8.3. ***Visitor Policy***
- a. All cultivation facilities shall prepare and keep written policies regarding any visitors to the premises who are not in possession of a registry identification card.
 - b. All cultivation facilities shall maintain a log of visitors to the premises. The log shall consist of the visitor's name, name of agent assigned to escort the visitor, purpose of visit, time of arrival, and time of departure.
 - c. Visitor logs shall be maintained for a minimum of three (3) years.
 - d. All visitors shall be issued a visitor identification tag. The tag shall bear the individual's name and be worn by the visitor for the duration of the individual's time on the premises.
 - e. All visitors shall be escorted by a cultivation facility agent at all times while present on the property.
 - f. Contractors conducting repairs, maintenance or other specific duties on the property may be escorted to their work site and left unaccompanied while completing a job. If left unattended, cultivation facility personnel shall insure the contractor and area under repair are under video surveillance for the duration of the contractor's time spent on the premises.
 - g. If a contractor is required on the premises for more than two (2) consecutive days, the cultivation facility shall notify the division of the contractor's identity and purpose for being on the premises.
 - h. Visitors and contractors shall only be allowed on the premises between the hours of 8 a.m. and 8 p.m.
- RR 8.4. ***Limited Access Areas***
- a. Cultivation Facilities shall limit access to areas where marijuana is grown, harvested, processed, and stored to authorized personnel.
 - i. Signage
 - 1. Limited Access areas shall be clearly marked.
 - ii. Controlled Access

1. Limited Access areas shall be locked and accessible only by authorized personnel.
2. Cultivation facilities shall keep current rosters of employees authorized to enter limited access areas.

RR 8.5. *General Sanitation Requirements for Cultivation Facilities.*

- a. Any person who, by medical examination or supervisory observation, is shown to have, or appears to have, an illness, open lesion, including boils, sores, or infected wounds, or any other abnormal source of microbial contamination for whom there is a reasonable possibility of contact with Medical Marijuana shall be excluded from any operations which may be expected to result in such contamination until the condition is corrected.
- b. Cultivation Facilities shall maintain hand-washing areas that are adequate and convenient to agents. Hand washing or sanitizing areas shall include running water at a suitable temperature and a sanitary towel service or suitable drying device.
- c. Any person working in direct contact with Medical Marijuana shall:
 - i. Maintain adequate personal cleanliness;
 - ii. Wash hands thoroughly in an adequate hand-washing area before starting work and at any other time when the hands may have become soiled or contaminated.
- d. Litter and waste shall be properly removed and waste disposal systems shall be maintained so that they do not constitute a source of contamination in areas where medical marijuana is exposed.
- e. Cultivation facilities shall provide adequate screening against the entry of pests. Rubbish shall be disposed of so as to minimize the development of odor and minimize the potential for the waste becoming an attractant or breeding place for pests.
- f. Toxic cleaning compounds, sanitizing agents, solvents used in the production of medical marijuana concentrates, and pesticide chemicals shall be identified, held and stored in a manner that protects against contamination of medical marijuana, and in a manner that is in accordance with any applicable local, state or federal law, rule, regulation, or ordinance.

RR 8.6. *Material Safety Data Sheet Required.* All cultivation facilities shall maintain a material safety data sheet for any toxic cleaning compounds, sanitizing agents, solvents used in the production of medical marijuana extracts and concentrates, pesticide chemicals, and any other agricultural

chemical used or stored on the premises. A copy of the Material Safety Data Sheet shall be kept in any area of the facility where the products are used or stored. Material Safety Data Sheets shall be kept for the period of time required by any applicable state or federal regulation. If a state or federal regulation does not apply to a particular material, the material data sheet shall be kept for a minimum of three (3) years.

SECTION 9. OPERATIONAL REQUIREMENTS FOR DISPENSARIES

RR 9.1. *Hours of Operation*

- a. A dispensary may only operate between the hours of 7:00 a.m. and 10:00 p.m.
- b. A dispensary may transport medical marijuana to another dispensary, cultivation facility, or approved laboratory between the hours of 7:00 a.m. and 9:00 p.m.
- c. A dispensary may deliver medical marijuana to a qualified patient or designated caregiver between the hours of 9:00 a.m. and 7:00 p.m.

RR 9.2. *Registry Identification Card Required.* Any employee, supervisor, or agent employed by a dispensary must have a current Registry Identification Card issued by the Alcoholic Beverage Control Division on their person at all times while present at cultivation facility.

RR 9.3. *Qualified Patient/Designated Caregiver Areas*

- a. Dispensaries shall identify and clearly define areas where medical marijuana will be dispensed to qualified patients and designated caregivers.

RR 9.4. *Limited Access Areas*

- a. Dispensaries shall limit access to areas where marijuana is grown, harvested, processed, and stored to authorized personnel.
 - i. Signage
 1. Limited Access areas shall be clearly marked.
 2. Any doorways separating qualified patient/designated caregiver areas and limited access areas shall be posted and equipped with controls to restrict entry.
 - ii. Controlled Access
 1. Limited Access areas shall be locked and accessible only by authorized personnel.
 2. Dispensaries shall keep current rosters of employees authorized to enter limited access areas.

- b. If it is necessary for a contractor to enter a limited access area to conduct repairs, maintenance or other specific duties on the property, the contractor may be escorted to their work site and left unaccompanied while completing a job. If left unattended, dispensary personnel shall insure the contractor and area under repair are under video surveillance for the duration of the contractor's time spent on the premises. If a contractor is required on the premises for more than two (2) consecutive days, the cultivation facility shall notify the division of the contractor's identity and purpose for being on the premises.

RR 9.5. *General Sanitation Requirements for Dispensaries Facilities.*

- a. Any person who, by medical examination or supervisory observation, is shown to have, or appears to have, an illness, open lesion, including boils, sores, or infected wounds, or any other abnormal source of microbial contamination for whom there is a reasonable possibility of contact with Medical Marijuana shall be excluded from any operations which may be expected to result in such contamination until the condition is corrected.
- b. Dispensaries shall maintain hand-washing areas that are adequate and convenient to agents. Hand washing or sanitizing areas shall include running water at a suitable temperature and a sanitary towel service or suitable drying device.
- c. Any person working in direct contact with Medical Marijuana shall:
 - i. Maintain adequate personal cleanliness;
 - ii. Wash hands thoroughly in an adequate hand-washing area before starting work and at any other time when the hands may have become soiled or contaminated.
- d. Litter and waste shall be properly removed and waste disposal systems shall be maintained so that they do not constitute a source of contamination in areas where medical marijuana is exposed.
- e. Dispensaries shall provide adequate screening against the entry of pests. Rubbish shall be disposed of so as to minimize the development of odor and minimize the potential for the waste becoming an attractant or breeding place for pests.
- f. Toxic cleaning compounds, sanitizing agents, solvents used in the production of medical marijuana concentrates, and pesticide chemicals shall be identified, held and stored in a manner that protects against contamination of medical marijuana, and in a manner that is in

accordance with any applicable local, state or federal law, rule, regulation, or ordinance.

RR 9.6. *Material Safety Data Sheet Required.* All dispensaries shall maintain a material safety data sheet for any toxic cleaning compounds, sanitizing agents, solvents used in the production of medical marijuana concentrates and extracts, pesticide chemicals, and any other agricultural chemical used or stored on the premises. A copy of the Material Safety Data Sheet shall be kept in any area of the facility where the products are used or stored. Material Safety Data Sheets shall be kept for the period of time required by any applicable state or federal regulation. If a state or federal regulation does not apply to a particular material, the material data sheet shall be kept for a minimum of three (3) years.

SECTION 10. INVENTORY AND TRACKING REQUIREMENTS

RR 10.1 *Minimum Inventory Requirements*

- a. Each dispensary and cultivation facility shall:
 - i. Conduct an initial comprehensive inventory of all marijuana, including without limitation usable marijuana available for dispensing, mature marijuana plants, and seedlings at each authorized location prior to the first date the dispensary first dispenses usable marijuana or the cultivation facility cultivates, prepares, manufactures, processes, or packages usable marijuana;
 - ii. Conduct a biannual comprehensive inventory of all marijuana, including without limitation usable marijuana available for dispensing, mature marijuana plants, and seedlings at each authorized location.
 1. Biannual inventories shall be conducted every six (6) months.
 2. The first inventory required under section a.ii. shall be conducted six (6) months after the initial comprehensive inventory described in section a.i.

RR 10.2 *Inventory Tracking System.* All medical marijuana cultivation facilities and dispensaries shall utilize the Inventory Tracking System implemented by the State of Arkansas to track medical marijuana from seed to distribution to qualified patients and designated caregivers.

- a. Cultivation facilities and dispensaries shall tag either the seed or immature plant with a unique identification number.
- b. All usable marijuana shall be tagged or labeled with a unique identification number and entered into the Inventory Tracking System.
- c. The cultivation facility and dispensary shall bear the cost of the labels and tags.
- d. Cultivation facilities and dispensaries shall acquire and maintain all software, hardware, and communications infrastructures to insure connectivity to the Inventory Tracking System.

RR 10.3 ***Batching Required.*** At the time of planting, all plants shall be accounted for as a batch with a unique batch number that shall remain with the batch through final packaging.

RR 10.4 ***Plant Identification.*** When a plant reaches eight (8) inches in height, it shall be assigned a specific number and so tagged with an individual tag with a unique identification number that will be recorded electronically or kept in an electronic file until harvest or destruction. All plants, regardless of accounting strategy, shall be physically inventoried on a weekly basis and records of the inventory shall be kept at the facility for at least three (3) years.

RR 10.5 ***Cultivation Facility Tracking Requirements.***

- a. Cultivation facilities shall ensure the following events are logged into the Inventory Tracking System:
 - i. The sale or transfer of medical marijuana to a cultivation facility or dispensary;
 - ii. The transport of medical marijuana to a cultivation facility or dispensary; and
 - iii. Disposal of medical marijuana
- b. The following information, without limitation, shall be provided for each transaction described in (a):
 - i. Date of transaction or event;
 - ii. Agent identification number responsible for data entry;
 - iii. Identification number of receiving cultivation facility or dispensary;
 - iv. Batch identification number; and
 - v. Plant identification number, if applicable.

RR 10.6 ***Dispensary Tracking Requirements.***

- a. Dispensaries shall ensure the following events are logged into the Inventory Tracking System:
 - i. The sale or transfer of medical marijuana to a cultivation facility or dispensary;
 - ii. The transport of medical marijuana to a cultivation facility or dispensary;
 - iii. Disposal of medical marijuana; and
 - iv. Sale of medical marijuana to a qualified patient, visiting qualified patient, or designated caregiver.
- b. The following information, without limitation, shall be provided for each transaction described in (a):
 - i. Date of transaction or event;
 - ii. Agent identification number responsible for data entry;
 - iii. Identification number of receiving cultivation facility or dispensary;
 - iv. Batch identification number;
 - v. Plant identification number, if applicable; and
 - vi. Sales to a qualified patient, visiting qualified patient, or designated care giver shall include the following in addition to any applicable information required above:
 - 1. The registry identification number of the patient or caregiver; and
 - 2. The quantity of medical marijuana dispensed.

SECTION 11. CULTIVATION OF MEDICAL MARIJUANA

RR 11.1 *Operations Plan Required.*

- a. All cultivation facilities and any dispensary cultivating medical marijuana shall establish and maintain a written Operations Plan for the production of marijuana in the facility. The plan shall include:
 - i. Standard operating procedures for the cultivation of marijuana in each production area of the facility; and
 - ii. Information regarding chemicals and pesticides applied during the production process, including but not limited to, when and the manner in which they are applied.

RR 11.2 *Limitation on Plants in a Dispensary*

- a. A dispensary may grow or possess:
 - i. Fifty (50) mature marijuana plants at any one (1) time, plus seedlings; and
 - ii. All usable marijuana derived from the plants under section i. of this section or predecessor plants.
- b. A dispensary may contract with a cultivation facility to cultivate one (1) or more mature marijuana plants the dispensary is permitted to grow.

RR 11.3 *Limitation on Plants in a Cultivation Facility*

- a. A cultivation facility may grow and possess usable marijuana in an amount reasonably necessary to meet the demand for and needs of qualifying patients as determined by the Commission with the assistance of the Department of Health.
- b. A cultivation facility may also possess marijuana seeds.

RR 11.4 *Production Areas*

- a. The size and canopy of production areas shall be maintained in accordance with the plans provided to the Commission in the application for cultivation facility or dispensary licenses.
- b. Each production area shall maintain an open aisle on all sides of each plant group to allow for unobstructed travel, observation and inventory.
- c. Hygiene and sanitation requirements in RR 8.5 and RR 9.5 shall be observed at all times in production areas.

RR 11.5 *Pesticides and Chemicals*

- a. All pesticides and chemicals shall only be applied to medical marijuana pursuant to the Operations Plan.
- b. All facilities cultivating medical marijuana shall maintain the following:
 - i. The material safety data sheet required of all cultivation facilities and dispensaries; and
 - ii. The original label or a copy thereof for all pesticides and other agricultural chemicals used during cultivation.
- c. All facilities cultivating medical marijuana and applying any pesticide or agricultural chemical during any stage of cultivation of

medical marijuana shall document and maintain a record of the following:

- i. The date and time of application;
- ii. The name of the individual(s) who applied the pesticide or chemical;
- iii. The batch number(s) of all plants receiving the application;
- iv. The name of the product applied;
- v. The EPA registration number of the pesticide or chemical; and
- vi. The amount of product applied.

SECTION 12. MANUFACTURING AND PROCESSING OF MEDICAL MARIJUANA

RR 12.1. *General Requirements for Manufacturing and Processing Medical Marijuana.*

- a. Medical marijuana and medical marijuana products shall only be manufactured and processed in accordance with these rules and regulations.
- b. All equipment, counters, and surfaces used for processing shall be food-grade and shall not react adversely with any solvent being used;
- c. All counters and surfaces shall be constructed in a manner that reduce the potential for development of microbials, molds and mildews and that can be easily cleaned;
- d. Every process lot shall be assigned a unique identification number that shall be entered into the Inventory Tracking System.

RR 12.2. *General Prohibitions for Manufacturing and Processing Medical Marijuana.*

- a. A cultivation facility or dispensary shall not process or manufacture a medical marijuana item:
 - i. That by its shape or design is likely to appeal to minors, including but not limited to:

1. Products that are modeled after non-cannabis products primarily consumed by and marketed to children;
 2. Products in the shape of an animal, vehicle, person, or character; and
 3. Products that closely resemble familiar food and drink items, including candy.
- ii. That is made by applying cannabinoid concentrates or extracts to commercially available candy, food, or beverage items.
- b. A cultivation facility or dispensary shall not treat or otherwise adulterate a cannabinoid product, concentrate, or extract with any non-cannabinoid additive that would increase potency, toxicity or addictive potential, or that would create an unsafe combination, with caffeine or other chemical that may increase carcinogenicity or cardiac effects.

RR 12.3. *Manufacturing and Processing Policies and Procedures*

- a. Cultivation Facilities and Dispensaries shall create and maintain written policies and procedures for the following:
 - i. Instructions for making each cannabinoid concentrate, extract, or product produced on the premises;
 - ii. Ingredients and amount of each ingredient used for each process lot;
 - iii. Process for making each product;
 - iv. Number of servings in a process lot;
 - v. Intended amount of THC per serving and in a unit of sale of the product; and
 - vi. Process for making each process lot homogenous.
- b. Processors of cannabinoid concentrates or extracts shall also include the following:
 - i. Procedures for conducting necessary safety checks prior to processing;
 - ii. Process for purging any solvent or other unwanted components from a cannabinoid concentrate or extract;
 - iii. Sanitization procedures for working surfaces and equipment;

- iv. Procedures for handling or storage of any solvent, gas, or other chemical used in processing;
- v. Quality control procedures; and
- vi. Emergency procedures in case of a fire, chemical spill, or other emergency.

RR 12.4. ***Manufacturing and Processing of Cannabinoid Edibles.*** Cultivation facilities and dispensaries manufacturing and processing cannabinoid edibles shall comply:

- a. With the requirements of this section, the requirements of RR 8.5 and RR 9.5; and
- b. With any state and local kitchen-related health and safety standards for retail food establishments.

RR 12.5. ***Manufacturing and Processing of Cannabinoid Concentrates and Extracts.***

- a. Licensed facilities producing cannabinoid concentrates and extracts shall:
 - i. Not use solvent classified as “Class 1” by the Federal Drug Administration Guidance, Table 1, published in the Federal Register on December 24, 1997 (62 FR 67377);
 - ii. Only use a hydrocarbon-based solvent that is at least 99 percent purity;
 - iii. Only use a non-hydrocarbon-based solvent that is food-grade;
 - iv. Work in an environment with proper ventilation, controlling all sources of ignition where a flammable atmosphere is or may be present; and
 - v. Use only potable water and ice made from potable water in processing.
- b. Licensed facilities producing cannabinoid extracts shall:
 - i. Not use pressurized canned flammable fuel, including but not limited to butane and other fuels intended for use in camp stoves, handheld torch devices, refillable cigarette lighters and similar consumer products;
 - ii. Process only in a fully enclosed room clearly designated on the floor plan of the licensed facility;

- iii. Ensure that all processing rooms and equipment, including all electrical installations, comply with applicable electrical codes and fire codes;
- iv. Use a professional grade closed loop extraction system designed to recover the solvents and built to recognized codes and generally accepted engineering standards, such as those of:
 - 1. American National Standards Institute (ANSI);
 - 2. Underwriters Laboratories (UL); or
 - 3. The American Society for Testing and Materials (ASTM).
- v. If using carbon dioxide in processing, use a professional grade closed loop carbon dioxide gas extraction system where every vessel is rated to a minimum of six hundred pounds per square inch;
- vi. Have equipment and facilities used in processing approved for use by the local fire code official;
- vii. Have a licensed engineer certify that the closed-loop system was commercially manufactured, and is safe for its intended purposes;
- viii. Have an emergency eye-wash station in any room in which cannabinoid extract is being processed; and
- ix. Have all applicable material safety data sheets readily available in processing areas.
- c. Licensed facilities producing cannabinoid concentrates may:
 - i. Use a mechanical extraction process;
 - ii. Use a chemical extraction process using a nonhydrocarbon-based or other solvent, such as water, vegetable glycerin, vegetable oils, animal fats, isopropyl alcohol or ethanol; and
 - iii. Use a chemical extraction process using the hydrocarbon-based solvent carbon dioxide, provided that the process does not involve the use of pressure or heat over 180 degrees.
- d. Licensed facilities producing cannabinoid concentrates shall:
 - i. Not use denatured alcohol;

- ii. Not apply pressure or heat over 180 degrees if using carbon dioxide; and
- iii. Only use or store dry ice in a well-ventilated room to prevent against the accumulation of dangerous levels of carbon dioxide.

SECTION 13. PACKAGING OF MEDICAL MARIJUANA

RR 13.1. *Medical Marijuana Packaging.* Cultivation facilities and dispensaries shall:

- a. Package usable medical marijuana that is intended for transport to another licensed facility, and not intended for sale to qualified patients and designated caregivers without repackaging in a shipping container affixed with a UIN generated by the Inventory Tracking System.
- b. Package usable medical marijuana that is intended for sale to a qualified patient or designated caregiver without re-packaging in a medical marijuana container.
 - i. All medical marijuana containers shall:
 - 1. Be sealed, traceable, and food compliant.
 - 2. Be child-proof:
 - a. So that it cannot be opened by a child; or
 - b. So that it prevents ready access to toxic or harmful amounts of the packaged product; and
 - c. So that it meets the testing requirements in accordance with the method described in 16 C.F.R. § 1700.20, as existing on January 1, 2017.
 - ii. Medical marijuana packages shall not be shaped or designed in a manner that is likely to appeal to minors, including but not limited to:
 - 1. Packaging that is modeled after non-cannabis products primarily consumed by and marketed to children;
 - 2. Packaging that is in the shape of or that depicts an animal, vehicle, person, or character; and
 - 3. Packaging that closely resembles that of familiar food and drink items, including candy.

- iii. All medical marijuana containers shall be labeled according to the standards established by the Arkansas Department of Health.

SECTION 14. DISTRIBUTION OF MEDICAL MARIJUANA

RR 14.1. *Dispensaries*

- a. A dispensary may:
 - i. Accept marijuana seedlings, plants, or usable marijuana from:
 - 1. Cultivation facilities; and
 - 2. Other dispensaries in Arkansas;
 - ii. Accept marijuana seeds from any individual lawfully entitled to possess marijuana seeds, seedlings, and plants under the laws of the state in which the individual resides;
 - iii. Transfer or sell marijuana seedlings, plants, or usable marijuana to:
 - 1. Cultivation facilities;
 - 2. Other dispensaries in Arkansas; and
 - iv. Sell usable marijuana to qualified patients and designated caregivers within the parameters set forth by the Medical Marijuana Commission, Arkansas Department of Health, and Arkansas Alcoholic Beverage Control.

RR 14.2. *Cultivation Facilities*

- a. A cultivation facility may sell marijuana plants, seeds, and usable marijuana only to a dispensary or other cultivation facility.

SECTION 15. DISPENSING OF MEDICAL MARIJUANA

RR 15.1. *Dispensing Medical Marijuana*

- a. Prior to dispensing medical marijuana to a qualified patient or designated caregiver, a dispensary agent shall:
 - i. Verify the identity of the qualifying patient or the designated caregiver;
 - ii. Verify the validity of the qualifying patient or designated caregiver's registry identification card;
 - iii. Enter the qualifying patient or designated caregiver's registry identification number listed on the registry identification card into the Inventory Tracking System;

- iv. Verify that the qualified patient or designated caregiver has a current authorization by the Arkansas Department of Health to purchase medical marijuana;
- v. Verify that the amount of medical marijuana the qualifying patient or designated caregiver is requesting would not cause the qualifying patient to exceed the limit on obtaining no more than two and one-half (2 ½ oz.) ounces of usable medical marijuana during any fourteen-day period;
- vi. Enter the following information into the Inventory Tracking System:
 - 1. The dispensary agent's registry identification number;
 - 2. The dispensing organization's registry identification number;
 - 3. The amount, type and strain of medical marijuana dispensed;
 - 4. Any UIN associated with the medical marijuana;
 - 5. Purchase price of the medical marijuana;
 - 6. Identity of the individual to whom the medical marijuana was dispensed, whether the qualifying patient or the qualifying patient's designated caregiver; and
 - 7. The date and time the medical marijuana was dispensed.
 - 8. If an order is placed for delivery, the following information shall also be recorded:
 - a. Registry identification numbers for the agents assigned to deliver the medical marijuana;
 - b. Address for delivery;
 - c. Estimated time of delivery; and
 - d. Actual time of delivery.
- b. Dispensaries may sell medical marijuana to a visiting qualifying patient if the patient produces evidence of his or her registry identification card or its equivalent that is issued under the laws of another state, district, or territory, commonwealth, or insular possession of the United States.
 - i. The dispensary shall retain a copy of the registry identification card or its equivalent and his or her proper identification in a manner described by the Arkansas Department of Health.

- ii. The dispensary shall require the visiting patient to certify, in a form required by the Department, that they have been diagnosed by a physician to have one or more qualifying medical conditions.
- iii. For each sale to a visiting qualifying patient, the following information shall be entered into the Inventory Tracking System:
 - 1. The dispensary agent's registry identification number;
 - 2. The dispensing organization's registry identification number;
 - 3. The amount, type and strain of medical marijuana dispensed;
 - 4. Any UIN associated with the medical marijuana;
 - 5. Identity of the individual to whom the medical marijuana was dispensed; and
 - 6. The date and time the medical marijuana was dispensed.

RR 15.2. Recall Policy

- a. All dispensaries shall establish a policy for communicating a recall for any usable marijuana that has been shown to present a reasonable probability that use of or exposure to the product will cause serious adverse health consequences. The policy shall include:
 - i. Procedure for contacting all qualifying patients, visiting qualifying patients, or designated caregivers who have, or likely have, obtained the product from the dispensary.
 - ii. Information and procedures for returning the product to the dispensary.
 - iii. Procedure for contacting the originating cultivation facility or dispensary;
 - iv. Procedure for notifying and communicating with the Alcoholic Beverage Control Division and the Arkansas Department of Health within 24 hours of the discovery of hazardous product.
- b. A dispensary shall be responsible for disposing of any recalled marijuana in the manner described in these rules.

SECTION 16. TRANSPORTATION AND DELIVERY OF MEDICAL MARIJUANA

RR 16.1. ***Authorized Transportation for Cultivation Facility.*** A cultivation facility shall only transport or deliver medical marijuana to another licensed cultivation facility, a licensed dispensary, or an approved laboratory.

RR 16.2. ***Authorized Transportation for Dispensary.*** A dispensary shall only transport medical marijuana to a licensed cultivation facility, licensed dispensary, or licensed approved laboratory.

RR 16.3. ***Inventory Manifest Required***

- a. Prior to the transport of any medical marijuana, a printed inventory manifest shall be generated from the Inventory Tracking System. The manifest shall include the following information:
 - i. The following information for the cultivation facility or dispensary originating the transport:
 1. License Number; and
 2. Name and contact information for licensee.
 - ii. The following information for the cultivation facility, dispensary, or approved laboratory receiving the medical marijuana:
 1. License Number if the destination is a licensed facility or business name if the destination is an approved laboratory;
 2. Address of the destination;
 3. Name and contact information of the licensee, or contact information for the approved laboratory.
 - iii. Quantities by weight or unit of each type of medical marijuana or medical marijuana product contained in transport, along with the UINs for every item;
 - iv. The date of transport and approximate time of departure;
 - v. Arrival date and estimated time of arrival;
 - vi. Identity of the agents accompanying the transport;
 - vii. Delivery vehicle make and model and license plate number.
- b. A separate manifest shall be prepared for each licensed facility or approved laboratory;
- c. The originating facility shall provide the receiving facility with a copy of the inventory manifest;

- d. An inventory manifest shall not be altered after departing the originating premises;
- e. Receiving cultivation facilities and dispensaries shall enter the quantities of each marijuana item received, along with the UINs for every item, into the Inventory Tracking System.
- f. A cultivation facility, dispensary, or approved laboratory shall refuse to accept any medical marijuana or medical marijuana product that is not accompanied by an inventory manifest.
- g. Originating and receiving cultivation facilities and dispensaries shall maintain copies of inventory manifests for three (3) years

RR 16.4. *Shipping Container Required.* All medical marijuana packaged for transport shall be placed inside a shipping container. Each shipping container shall be tagged with a UIN.

RR 16.5. *Secured Container Required*

- a. All medical marijuana in transport shall be shielded from public view and secured in the following manner:
 - i. In a locked, safe and secure storage compartment that is part of the motor vehicle transporting the medical marijuana; or
 - ii. In a locked storage container that has a separate key or combination pad.

RR 16.6. *Vehicle and Personnel Requirements*

- a. Vehicles used in the transport of medical marijuana shall be:
 - i. Insured at or above the legal requirements in Arkansas;
 - ii. Capable of securing medical marijuana during transport;
 - iii. Equipped with an alarm system; and
 - iv. Free of any markings that would indicate the vehicle is being used to transport medical marijuana.
- b. Individuals transporting medical marijuana shall:
 - i. Have a valid cultivation facility agent or dispensary agent registry identification card issued by the Division;
 - ii. Have a valid Arkansas Driver's License; and
 - iii. Have possession of both the registry identification card and driver's license while operating the motor vehicle used to transport medical marijuana.
- c. All transport vehicles shall be staffed with a minimum of two (2) employees when a vehicle contains medical marijuana. At least one (1)

employee shall remain with the vehicle at any time that it contains medical marijuana.

RR 16.7. *Routes and Additional Security Requirements for Transporting Medical Marijuana*

- a. Any vehicle transporting medical marijuana shall travel directly from the originating licensed facility to the receiving licensed facility or approved laboratory and shall not make any unnecessary stops in between, except to other licensed facilities or approved laboratories receiving inventory.
- b. If a vehicle transporting medical marijuana is involved in any accident or experiences any type of failure causing the vehicle to be stopped any location, other than a licensed facility or approved laboratory, for more than two (2) hours, the originating licensee shall notify the Division immediately.

RR 16.8. *Requirements for Delivery to Qualified Patients and Designated Caregivers.*

- a. A dispensary may deliver usable marijuana to a qualified patient or designated caregiver pursuant to the following:
 - i. All requirements for dispensaries set forth in RR 15.1.a. shall be completed prior to delivery;
 - ii. Deliveries may only occur on the date an order is received and processed pursuant to RR 15.1;
 - iii. Deliveries may only occur between the hours of 9:00 a.m. and 7:00 p.m.;
 - iv. A delivery manifest shall accompany each delivery or series of deliveries, and agents shall not deviate from the delivery route or make unnecessary stops;
 - v. All deliveries shall be accompanied by a delivery ticket listing the name of the qualified patient or designated caregiver and describing the products ordered;
 - vi. At the time of delivery, the dispensary agent shall check the registry identification card of the qualified patient or designated caregiver to verify the person accepting delivery is the same person who placed the order. The qualified patient or designated caregiver who placed the order shall sign the delivery ticket to confirm receipt of the product; and

- vii. Medical marijuana may only be delivered to a residence in Arkansas. “Residence” means a dwelling, such as a house or apartment. It does not include a dormitory, hotel, motel, bed and breakfast, or other commercial business.
- b. Delivery vehicle and personnel requirements
 - i. Vehicles used for the delivery of medical marijuana shall be:
 - 1. Insured at or above the legal requirements in Arkansas;
 - 2. Capable of securing medical marijuana during transport;
 - 3. Equipped with an alarm system; and
 - 4. Free of any markings that would indicate the vehicle is being used to deliver medical marijuana.
 - ii. Individuals delivering medical marijuana shall:
 - 1. Have a valid dispensary agent registry identification card issued by the Division;
 - 2. Have a valid Arkansas Driver’s License; and
 - 3. Have possession of both the registry identification card and driver’s license while operating the motor vehicle used to deliver medical marijuana.
 - iii. All delivery vehicles shall be staffed with a minimum of two (2) employees when a vehicle contains medical marijuana. At least one (1) employee shall remain with the vehicle at any time that it contains medical marijuana.
- c. Secure Container Required.
 - i. All medical marijuana in transport shall be shielded from public view and secured in the following manner:
 - 1. In a locked, safe and secure storage compartment that is part of the motor vehicle transporting the medical marijuana; or
 - 2. In a locked storage container that has a separate key or combination pad.
- d. Emergency Notification Required.
 - i. If a vehicle delivering medical marijuana is involved in any accident or experiences any type of failure rendering the vehicle immobile or requiring the use of a tow truck, the dispensary agent shall notify the Division immediately.

SECTION 17. MARKETING AND ADVERTISING

RR 17.1. Advertising and Marketing Medical Marijuana

- a. Cultivation Facility Advertising and Marketing.
 - i. Cultivation facilities shall not advertise through any public medium or means designed to market its products to the public.
 - ii. Cultivation facilities may market their products directly to dispensaries by any means directed solely to the dispensaries and not available to the public.
- b. Dispensary Advertising and Marketing.
 - i. Advertising for medical marijuana by dispensaries shall not:
 - 1. Contain statements that are deceptive, false, or misleading;
 - 2. Contain any content that can reasonably be considered to target children, including, but not limited to:
 - a. Cartoon characters;
 - b. Toys; or
 - c. Similar images and items typically marketed towards children.
 - 3. Encourage the transportation of medical marijuana across state lines;
 - 4. Display consumption of marijuana;
 - 5. Contain material that encourages or promotes marijuana for use as an intoxicant; or
 - 6. Contain material that encourages excessive or rapid use or consumption.
 - ii. Advertising and marketing for medical marijuana shall include the following statements:
 - 1. “Marijuana is for use by qualified patients only. Keep out of reach of children.”;
 - 2. “Marijuana use during pregnancy or breastfeeding poses potential harms.”;
 - 3. “Marijuana is not approved by the FDA to treat, cure, or prevent any disease.”; and
 - 4. “Do not operate a vehicle or machinery under the influence of marijuana.”

- iii. Dispensaries shall not make any deceptive, false, or misleading assertions or statement on any information material, any sign, or any document provided to a consumer.
- iv. Advertising Location Restrictions.
 - 1. A dispensary shall not place or maintain, or cause to be placed or maintained, any advertisement or marketing material for medical marijuana in the following locations:
 - a. Within 1,000 feet of the perimeter of a public or private school or daycare center.
 - b. On or in a public transit vehicle or public transit shelter; or
 - c. On or in a publicly-owned or operated property.
- v. Advertising Audience Restrictions
 - 1. A dispensary shall not utilize television, radio, print media, or the internet to advertise and market medical marijuana, unless the licensee has reliable evidence that no more than 30 percent of the audience for the program, publication, or website in or on which the advertisement is to air or appear is reasonably expected to be under the age of 18.
 - 2. Upon request by the division, a licensee shall provide the evidence relied upon to make the determination that no more than 30 percent of the audience for the advertisement is expected to be under the age of 18.
- vi. Licensed facilities shall not offer any coupons, rebates, or promotions for medical marijuana purchases.

RR 17.2. Building Signage Requirements

- a. Cultivation facilities and dispensaries may have no more than three (3) signs visible to the general public from the public right-of-way, that identify the cultivation facility or dispensary by its business name.
- b. Each sign shall not exceed thirty-six (36 sq. ft.) square feet.
- c. Signs shall be placed inside the licensed facility's window or attached to the outside of the building.
- d. Signage shall not display any of the following:

- i. Any content that can reasonably be considered to target children, including, but not limited to:
 - 1. Cartoon characters;
 - 2. Toys; or
 - 3. Similar images and items typically marketed towards children.
- ii. Any content or symbol commonly associated with the practice of medicine or the practice of pharmacy, including, but not limited to:
 - 1. A cross of any color;
 - 2. A caduceus; or
 - 3. Any other symbol that is commonly associated with the practice of medicine, the practice of pharmacy, or healthcare, in general.

SECTION 18. DISPOSAL OF MEDICAL MARIJUANA

RR 18.1. *Disposal of Marijuana by Cultivation Facilities and Dispensaries.* All medical marijuana waste shall be disposed of in accordance with this rule.

- a. All medical marijuana waste shall be stored in a secure, limited access area on the premises of the cultivation facility or dispensary.
- b. All medical marijuana shall be rendered unusable pursuant to the methods set forth in this rule prior to disposal.
- c. All steps taken to render the marijuana unusable shall be conducted under video surveillance by the licensed facility's video surveillance system.
- d. All medical marijuana waste set for disposal shall be properly weighed and recorded in the Inventory Tracking System.
- e. A cultivation facility or dispensary shall notify the Division at least three (3) business days prior to rendering the medical marijuana waste unusable and disposing of it. The notification shall include the weight of the marijuana to be rendered unusable.
- f. Medical marijuana shall be rendered unusable by grinding and incorporating the cannabis plant waste with other ground materials so the resulting mixture is at least 50% non-cannabis waste by volume. The following acceptable materials may be combined with cannabis plant waste:

- i. Compostable Mixed Waste: Cannabis waste to be disposed of as compost, feedstock, or in another organic waste method may be mixed with the following types of waste materials:
 - 1. Food waste;
 - 2. Yard waste;
 - 3. Vegetable based grease oils;
 - 4. Agricultural Materials;
 - 5. Biodegradable products and paper;
 - 6. Clean wood;
 - 7. Fruits and vegetables; or
 - 8. Plant matter.
- ii. Noncompostable Mixed Waste: Cannabis waste to be disposed of in a landfill or another disposal method, such as incineration, may be mixed with the following types of waste materials:
 - 1. Paper waste;
 - 2. Cardboard waste;
 - 3. Plastic waste;
 - 4. Soil;
 - 5. Nonrecyclable plastic; or
 - 6. Broken glass.
- g. Medical Marijuana waste rendered unusable by the methods described in section (e), may be delivered to a permitted solid waste facility for final disposition. Permitted solid waste facilities may include:
 - i. Compostable Mixed Waste: Compost, anaerobic digester, or other facility approved by the Division.
 - ii. Noncompostable Mixed Waste: Landfill, incinerator, or other facility approved by the Division.

SECTION 19. PERSONNEL REQUIREMENTS FOR DISPENSARIES AND CULTIVATION FACILITIES.

RR 19.1. *Registry Identification Card Required*

- a. Any employee, supervisor, or agent employed by a cultivation facility must have a current Registry Identification Card issued by the Alcoholic Beverage Control Division.

- b. Any employee, supervisor, or agent of a dispensary and any volunteer of a dispensary must have a current Registry Identification Card issued by the Alcoholic Beverage Control Division.
- c. The requirements and restrictions for the issuance of a Registry Identification Card are set forth in Section 20 of these Rules.

RR 19.2. *Hiring Procedure*

- a. A cultivation facility or dispensary shall provide a prospective cultivation facility agent or dispensary agent with a completed Notice of Intent to Hire form for submission to the Division.
- b. The prospective agent may not perform any duties on behalf of the cultivation facility or dispensary until such time as their Registry Identification Card has been issued by the Division.

RR 19.3. *Separation of Employment*

- a. A cultivation facility or dispensary shall notify the Division when any agent ceases to be employed by the cultivation facility or dispensary.
- b. Notice of Separation of Employment shall be on a form provided by the Division, and it shall be submitted within seven (7) days of the last date of the agent's employment.

RR 19.4. *Personnel Records*

- a. A cultivation facility or dispensary shall keep a record of all individuals employed as cultivation facility or dispensary agents, including, but not limited to the following information:
 - 1. Name of Employee;
 - 2. Detailed Job Description;
 - 3. Records of any specialized training received or acquired by the employee;
 - 4. Date(s) of Employment;
 - 5. Record of days worked and time off; and
 - 6. Any disciplinary action taken against an employee and the cause therefore.
- b. A cultivation facility or dispensary shall maintain required records for at least three (3) years after an employee ceases to work at the facility.

SECTION 20. REGISTRATION AND CERTIFICATION OF CULTIVATION FACILITY AGENTS AND DISPENSARY AGENTS

RR 20.1. *Registration and Certification Required.*

- a. Any employee, supervisor, volunteer, or agent of a cultivation facility or dispensary shall register with the Alcoholic Beverage Control Division and obtain a registry identification card prior to the commencement of any activity within the scope of employment or service at a cultivation facility or dispensary.
- b. If an individual is employed by multiple licensed facilities, he or she shall obtain a separate registry identification card for each place of employment.

RR 20.2. *Application*

- a. The following items must be submitted to the Alcoholic Beverage Control Division to apply for a Cultivation Facility or Dispensary Agent Registry Card:
 - i. An application form from the Division to include the following information:
 1. Legal name of applicant;
 2. Date of birth;
 3. Address of applicant;
 4. Current employment information, including intended position in cultivation facility or dispensary; and
 5. Criminal history information.
 - ii. A completed “Notice of Intent to Hire” form from the cultivation facility or dispensary specifying the intended job duties of the applicant.
 - iii. A signed, notarized “Authority to Release Information” form provided by the Division.
 - iv. An in-state criminal background check through the Arkansas State Police.
 - v. The applicant shall also furnish finger prints to the Arkansas State Police for transmission to the United States Federal Bureau of Investigation for investigation of the applicant’s criminal history, if any.
 - vi. The following signed forms to be provided by the Division:

1. “Agency Privacy Requirements for Noncriminal Justice Applicants” form; and
 2. “Noncriminal Justice Applicant’s Privacy Rights” form.
- vii. An applicant shall not have to submit the information in sections iv., v., and vi.:
1. If the applicant holds an existing registry identification card for another licensed facility; or
 2. If the applicant has completed the required background checks for the purpose of obtaining a registry identification card in the 2 years prior to the application, and the applicant has never had a registration card suspended or revoked.

RR 20.3. *Registry Identification Card*

- a. Any employee, supervisor, volunteer, or agent of a cultivation facility or dispensary shall maintain possession of their registry identification card during any activity within the scope of employment or service at a cultivation facility or dispensary. The card shall either be kept on the individual’s person or in an accessible location on the premises of the cultivation facility or dispensary.
- b. The registry identification card shall identify the following information:
 - i. Name of the cardholder;
 - ii. Date of birth;
 - iii. Name of cultivation facility or dispensary;
 - iv. Date of issuance;
 - v. Date of expiration;
 - vi. Registry identification number assigned by the Division.

RR 20.4. *Fee*

- a. The total fee for a registry identification card issued by the Division shall be \$50.00.
- b. The total fee shall be collected as follows:
 - i. One half of the fee shall be remitted along with the application.
 - ii. One half of the fee shall be remitted upon notification by the Division that the application has been approved.

RR 20.5. *Issuance*

- a. The Division shall not issue a registry identification card until:

- i. It has received the results of both criminal background checks required by RR 20.2; and
 - ii. It has received the fees required by RR 20.4.
- b. Registry identification cards shall be issued by the Division within ten (10) days of receipt of the entire fee as described in RR 20.4.

RR 20.6. *Replacement*

- a. The Division shall issue a replacement registry identification card to a dispensary or cultivation facility agent if the card has not expired.
- b. In order to receive a replacement registry identification card, a person must present the following to the Division:
 - i. A valid government-issued photo i.d.
 - ii. A completed “Request for Replacement Registry Identification Card” form to be provided by the Division.
 - iii. A replacement fee of \$25.00.

RR 20.7. *Expiration and Renewal*

- a. A registry identification card shall expire one (1) year after the date of issuance.
- b. A registry identification card shall expire upon notification to the Division by a dispensary or cultivation facility that the person is no longer employed by the dispensary or cultivation facility.
- c. Cardholders shall submit a renewal form to be provided by the Division and a fee of \$50.00 in order to renew their cards.
- d. Cards shall be renewed within ten (10) days of receipt of the items described in section c.
- e. Renewals received after the date of expiration shall be subject to a penalty of \$25.00, in addition to the renewal fee. If a card is not renewed within one (1) month of expiration, the card shall be considered expired.

RR 20.8. *Separation of Employment.* A dispensary or cultivation facility shall notify the Division of any separation of employment with a registered agent by filing a Notice of Separation of Employment with the Division any time a dispensary agent or cultivation agent ceases to be employed by the dispensary or cultivation facility. The Notice of Separation of Employment shall be filed within 7 days following an agent’s last day of employment at the dispensary or cultivation facility.

RR 20.9. *Persons Disqualified*

- a. The Division shall not issue a registry identification card to the following individuals:
 - i. Any person under twenty one (21) years of age;
 - ii. Any person who has been convicted of an excluded felony offense;
 - iii. Any person who has had a registry identification card revoked by the Division within five (5) years of application; or
 - iv. Any person who has not paid the fees required by RR 20.4.
- b. The Division shall not issue a registry identification card to any person who fails to provide the information required in RR 20.2.

RR 20.10. *Suspension and Revocation*

- a. The Division may revoke the registry identification card of a dispensary or cultivation facility agent who knowingly violates any provision set forth in Section 21 of these Rules and Regulations.
- b. The Division may revoke or suspend the dispensary license or cultivation facility license of a dispensary or cultivation facility that the Division determines knowingly aided or facilitated a violation of any provision set forth in Section 21 of these Rules and Regulations.

SECTION 21. PROHIBITED ACTIVITIES; GROUNDS FOR SUSPENSION, REVOCATION, OR LEVY OF FINE AGAINST ANY LICENSE OR REGISTRY IDENTIFICATION CARD.

RR 21.1. *Grounds for Suspension or Revocation of a Registry Identification Card.* The Division may suspend or revoke the registry identification card of any cultivation facility agent or dispensary agent who knowingly violates any provision of the Amendment or the rules promulgated by the Commission, Department, or Division.

RR 21.2. *Grounds for Suspension, Revocation, or Placing of Monetary Fine against a Dispensary or Cultivation Facility License.* Any dispensary or cultivation license may be suspended, revoked, or assessed a monetary fine of up to five thousand (\$5000) dollars for any violation of the Arkansas Medical Marijuana Act by any licensee or any employee, agent or servant of the licensee, including the following violations:

- a. False material statements made by a licensee to the Arkansas Medical Marijuana Commission during the application process;
- b. Failure to pay taxes owed to the State of Arkansas or to any political subdivision of the State of Arkansas;
- c. Failure to prevent diversion or theft of medical marijuana;
- d. Allowing any employee, supervisor, volunteer, or agent who has not obtained or had suspended or revoked, a registry identification card from the Alcoholic Beverage Control Division to work on a licensed premises or perform any duty on behalf of the dispensary or cultivation facility;
- e. Failure to allow entry to the licensed premises to Alcoholic Beverage Control Enforcement agents or duly authorized police officers in the course and scope of their employment;
- f. Failure to maintain operational alarm systems and video surveillance systems;
- g. Failure to maintain or keep any record required by these rules or Arkansas law;
- h. Failure to comply with advertising and marketing restrictions;
- i. Failure to properly package or secure medical marijuana on the licensed premises or during transport;
- j. Failure to properly dispose of medical marijuana;
- k. Operating a cultivation facility or dispensary when a license has been suspended;
- l. Failure to comply with any rule or regulation promulgated by the Arkansas Department of Health regarding medical marijuana;
- m. Failure to comply with any rule or regulation promulgated by the Arkansas Medical Marijuana Commission;
- n. Failure to comply with any law of the State of Arkansas concerning medical marijuana;
- o. Failure to comply with an local regulation regarding medical marijuana;
- p. Failure to comply with any rule or regulation of the Alcoholic Beverage Control Division.
- q. Knowingly aiding or facilitating in a violation of the Amendment, rules promulgated by the Commission, Department, or Division, or any other law of the State of Arkansas.

RR 21.3. *Grounds for Suspension, Revocation, or Placing of Monetary Fine against a Cultivation Facility License.* Any cultivation license may be suspended, revoked, or assessed a monetary fine of up to five thousand (\$5000) dollars for any violation of the Arkansas Medical Marijuana Act by any licensee or any employee, agent or servant of the licensee, including the following violations:

- a. Possession of usable marijuana in excess of the amount reasonably necessary to meet the demand for and needs of qualifying patients as determined by the Arkansas Medical Marijuana Commission and the Arkansas Department of Health;
- b. Selling, delivering, or transporting marijuana in any form to any person or entity without a dispensary or cultivation facility license issued by the Arkansas Medical Marijuana Commission or an approved laboratory for testing purposes;
- c. Giving marijuana to any person or entity;
- d. Selling marijuana to any dispensary or cultivation facility that has a license under suspension, revocation, or that has not been renewed;
- e. Failure to properly label and package marijuana that is moved between the cultivation facility and a dispensary or other cultivation facility.
- f. Failure to utilize the Inventory Tracking System for reporting and inventory control.

RR 21.4. *Grounds for Suspension, Revocation, or Placing of Monetary Fine against a Dispensary License.* Any dispensary license may be suspended, revoked, or assessed a monetary fine of up to five thousand (\$5000) dollars for any violation of the Arkansas Medical Marijuana Act by any licensee or any employee, agent or servant of the licensee, including the following violations:

- a. Accepting marijuana seeds, seedlings, plants, or usable marijuana from an unauthorized source;
- b. Transferring, selling, or delivering marijuana seedlings, plants, or usable marijuana to any entity or person, except dispensaries and cultivation facilities licensed by the Arkansas Medical Marijuana Commission, qualifying patients, visiting qualifying patients, designated caregivers, and approved laboratories for testing purposes;
- c. Dispensing more than a total of two and one-half ounces (2 ½ oz.) of usable marijuana to either a qualifying patient or designated caregiver

acting on behalf of a qualifying patient during a fourteen (14) day period. A dispensary shall not dispense more than a total of two and one-half ounces (2 ½ oz.) of usable marijuana to a visiting qualifying patient during a fourteen (14) day period;

- d. Failure to record and report required information for all transactions for the dispensing of usable marijuana;
- e. Giving samples of marijuana or marijuana products.
- f. Failure to utilize the Inventory Control Tracking System for reporting and inventory control.

SECTION 22. PROCEDURE FOR LEVYING MONETARY PENALTIES AGAINST LICENSES AND FOR THE SUSPENSION AND REVOCATION OF LICENSES AND REGISTRY IDENTIFICATION CARDS; NOTICE REQUIREMENTS; HEARING PROCEDURES; AND APPEALS.

RR 22.1. Violation Reports and Notices.

- a. The Director of Alcoholic Beverage Control Administration, the Director of Alcoholic Beverage Control Enforcement, an enforcement agent, an employee of the board, or assisting law enforcement officer, may issue an inspection report, an advisory report, or a notice of violation before taking action to fine, suspend, or revoke a dispensary license, cultivation facility license, or agent registry identification card.
- b. An inspection report documents an inspection of a licensed premises. An inspection report must be prepared on a form prescribed by the Alcoholic Beverage Control Board.
- c. The Director of Alcoholic Beverage Control Administration may issue a notice of violation if an inspection report or other credible information shows a marijuana establishment or its agent is in violation of the Arkansas Medical Marijuana Amendment; any Rule promulgated by the Alcoholic Beverage Control Division, the Medical Marijuana Commission, or the Arkansas Department of Health; any Order of the Alcoholic Beverage Control Division, the Medical Marijuana Commission, or the Arkansas Department of Health; or any law relating to marijuana; or any law relating to taxation.

- d. A notice of violation shall be delivered to the marijuana establishment at its licensed premises.
 - e. A notice of violation regarding cultivation facility agent or dispensary agent shall be delivered to the agent at his or her place of employment. A copy of the notice shall be provided to the licensee of the cultivation facility or dispensary.
 - f. The notice shall describe any violation, and cite the applicable Constitutional Amendment provision, statute, Rule, order of the board, or other law. A violation report or notice may be the basis of a proceeding to fine, suspend, revoke, or otherwise penalize a marijuana establishment's license. The notice shall include the Director's proposed fine, as well as, any proposed penalty to be imposed. A marijuana establishment, cultivation facility agent, or dispensary agent that receives a notice of violation shall respond to the notice in writing, and may, not later than 10 days after receiving the notice, either consent to the proposed penalty set forth in the notice and waive the right to a hearing, or request an opportunity to appear before the Director of Alcoholic Beverage Control Administration or an authorized hearing officer.
 - g. If the licensee or agent consents to the penalty and waives the right to a hearing, the licensee or agent shall fulfill the terms set forth in the notice of violation.
 - h. If a hearing is requested, a hearing shall be scheduled and the licensee or agent shall receive a notice of hearing in compliance with these rules.
 - i. If the licensee or agent fails to respond to the notice of violation, the Director shall enter an order in compliance with these rules.
- RR 22.2. *All Hearings for Suspension, Revocation, or Money Fine of Licenses to be Before Director or Designated Hearing Officer Upon Notice of Hearing; Emergency Exception.***
- a. All hearings for the suspension, revocation, or money fine of licenses or registry identification cards of dispensary agents and cultivation facility agents shall initially be before the Alcoholic Beverage Control Director or a Hearing Officer designated as provided in these regulations pursuant to the notice required by these Regulations, with an opportunity for interested parties to respond and present evidence and argument on all issues involved.

- b. If the Director finds, pursuant to ACA § 25-15-211(c), that the public health, safety or welfare imperatively requires emergency action, and incorporates a finding to that effect in his Order, summary suspension of the license or registry identification card may be ordered pending proceedings for revocation or other action, which proceedings shall be promptly instituted and determined.
- c. If the Director makes the determination set out in (b), the provisions of RR 22.1 shall not apply.

RR 22.3. *Contents of Notice Required.*

- a. In every case in which a hearing is required by these Regulations or by any law of the State of Arkansas pursuant to notice, such notice shall include the following:
 - i. A statement of the time, place and nature of the hearing;
 - ii. A statement of the legal authority and jurisdiction under which the hearing is to be held;
 - iii. A short and plain statement of the matters of fact and law asserted; and
 - iv. A statement advising the licensee or agent that the license or registry identification card may be suspended or revoked.

RR 22.4. *Conduct of Hearing by Director or Hearing Officer.* In the conduct of any hearing held by the Director or the Hearing Officer designated as provided in these Regulations, the Director or such Hearing Officer shall be authorized to examine or cause to be examined under oath any person, and to examine or cause to be examined books and records of any licensee or agent; to hear testimony, to take proof material for his information and for the purposes of the hearing; to administer or cause to be administered oaths; and for such purposes to issue subpoenas to require the appearance of witnesses and the production of books and records, which subpoenas shall be effective in any part of this state. Any Circuit Court may by order duly entered require the attendance of witnesses or the production of relevant books and records subpoenaed by the Director and the Court may compel obedience to its orders by proceedings for contempt. Any licensee or agent involved in a hearing before the Director shall be entitled, on request, to a subpoena for the compulsory attendance of witnesses desired by him.

RR 22.5. *Order Denying, Suspending, Revoking or Imposing a Money Fine Against Licensee or Agent.* Whenever the Director shall deny, suspend,

revoke any license or application, or impose a money fine against any licensee or agent, he shall prepare an Order so providing, which shall be signed by the Director or some person designated by him or her. Said Order shall include findings of fact and conclusions of law, separately stated. Findings of fact, if set forth in statutory language, shall be accompanied by a concise and explicit statement of the underlying facts supporting the findings. Said Order shall be mailed by certified mail by the Director to the licensee or agent to the address provided by the licensee or the agent. Said Order shall be final and binding on all parties until such Order has been appealed as provided in these Regulations and a decision rendered by the Alcoholic Beverage Control Board.

RR 22.6. *Appeal by Person Aggrieved by Order of Director.* Any licensee or agent aggrieved by an Order of denial, suspension, revocation, or the imposition of a money fine by the Director may appeal from such Order to the Alcoholic Beverage Control Board by filing a notice of appeal with the Board. The notice of appeal must be mailed or delivered to the offices of the Alcoholic Beverage Control Division within fifteen (15) days after the Order to be appealed from was received by the recipient, as shown by the Certified Mail Return Receipt card returned to the Alcoholic Beverage Control Division. The notice of appeal shall designate the name of the licensee or agent. At least ten (10) days before the time set for the hearing the Alcoholic Beverage Control Division shall notify the licensee or agent of the time and place where said appeal shall be heard by the Board or by a Hearing Officer designated as provided in these regulations. Such notice to the licensee or agent shall be mailed by regular first class mail. Said hearing shall be held within at least sixty (60) days after the date of the filing of the notice of appeal unless the person appealing shall consent to a later hearing.

RR 22.7. *Conduct of Hearing by Board.* For the purpose of hearing or conducting any appeal authorized to be heard by it, the Board or any Hearing Officer designated as provided in this Regulations, shall have the power to examine or cause to be examined under oath any licensee or agent, or any other person, and to examine or cause to be examined the books and records of any such licensee or agent; to hear testimony and to take proof material for its information or the information of such Hearing Officer in hearing such appeal; to administer or cause to be administered oaths; and for such purposes to issue subpoenas requiring the attendance of witnesses and the production

of books and records, such subpoenas to be effective in any part of this State; and any Circuit Court may by order duly entered require the attendance of witnesses and the production of relevant books and records subpoenaed by the Board and the Court may compel obedience to its orders by proceedings for contempt. A licensee or agent involved in a hearing before the Board shall be entitled, on request, to a subpoena for the compulsory attendance of witnesses desired by him.

RR 22.8. *Order by Board.* Within five (5) days after a hearing is concluded by the Board, the Board shall render its written decision or Order. Such written Order shall include findings of facts and conclusions of law, separately stated. Findings of fact, if set forth in statutory language shall be accompanied by a concise and explicit statement of the underlying facts supporting the findings. A copy of such Order shall be mailed by the Board by certified mail to the licensee or agent. Said Order shall be final and binding on the licensee or agent. Provided, however, that an appeal may be taken from any Order against a licensee or agent as provided for in these Regulations.

RR 22.9. *Appeal from Board to Courts.* Any licensee or agent aggrieved by an Order of the Board may appeal to the Circuit Court system in accordance with the Arkansas Administrative Procedure Act. An appeal from the judgment of the Circuit Court may be taken to the Arkansas Court of Appeals or the Supreme Court of Arkansas in the manner provided for the appeal of civil matters from the Circuit Court.

RR 22.10. *Appellant to Pay Costs of Preparing Transcript of Board Hearings.* Pursuant to the provisions of the Arkansas Administrative Procedure Act, the Alcoholic Beverage Control Division shall prepare the certified copy of the agency record for filing in any appeal filed under the Arkansas Administrative Procedure Act. However, the Alcoholic Beverage Control Division will recover \$1.50 per page for each page of the transcript of the Alcoholic Beverage Control proceedings filed with the Circuit Court, if the Alcoholic Beverage Control Division is determined to be the prevailing party in the Administrative Procedure Act review. In the event any parties request that the Alcoholic Beverage Control Division provide a copy of the agency record, the Alcoholic Beverage Control Division shall be entitled to recover forty cents (\$.40) per page for each copy of the transcript. Any copies of Alcoholic Beverage Control files, records, or transcripts shall be paid for at the rates noted above. All monies received by the Alcoholic Beverage Control Division

pursuant to the above provisions shall be deposited to the General Revenues of the State of Arkansas.

RR 22.11.***Admissibility of Evidence in Hearings.*** In any hearing provided for by these Regulations or by any law of the State of Arkansas, the Director, the Board and any Hearing Officer designated pursuant to these Regulations to conduct such hearing, shall not be bound by the legal rules of evidence in conducting any hearing and in making any decision, and may take into consideration any testimony, papers or documents which may be deemed relevant to the issues involved.

RR 22.12.***Designation of Hearing Officer.*** Pursuant to the power granted to the Alcoholic Beverage Control Division, in part by ACA § 25-15-213 and pursuant to other powers granted to the Director and the Board, the Director or the Board may designate any member of the Alcoholic Beverage Control Division to conduct any hearing authorized by this Article or by any Medical Marijuana law of the State of Arkansas.

RR 22.13.***Right to Counsel and to Cross-Examine Witnesses for Any Person Compelled to Appear at Hearing.*** Any person compelled to appear at any hearing provided by these Regulations or by any Arkansas Medical Marijuana law of the State of Arkansas shall have the right to be accompanied and advised by counsel and to cross-examine witnesses.

RR 22.14.***Suspended or Revoked License or Registry Identification Card to be Surrendered.*** After a license or registry identification card has been suspended or revoked by Order of the ABC Director, the ABC Board, or any Court Order which has become final, notice thereof shall be given by the ABC Director to any authorized agent of the Alcoholic Beverage Control Enforcement Division and said agent shall immediately take possession of the license or registry identification card and return it to the Director.