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## Exempt Action: Final Regulation Agency Background Document

<b>Agency name</b>	Virginia Cannabis Control Authority
<b>Virginia Administrative Code (VAC) Chapter citation(s)</b>	3 VAC 10-40
<b>VAC Chapter title(s)</b>	Regulated Operations
<b>Action title</b>	Chapter 40 promulgation
<b>Final agency action date</b>	October 25, 2023
<b>Date this document prepared</b>	December 26, 2023

This information is required for executive branch review pursuant to Executive Order 19 (2022) (EO 19), any instructions or procedures issued by the Office of Regulatory Management (ORM) or the Department of Planning and Budget (DPB) pursuant to EO 19. In addition, this information is required by the Virginia Registrar of Regulations pursuant to the Virginia Register Act (§ 2.2-4100 et seq. of the Code of Virginia). Regulations must conform to the Regulations for Filing and Publishing Agency Regulations (1 VAC 7-10), and the *Form and Style Requirements for the Virginia Register of Regulations and Virginia Administrative Code*.

### Brief Summary

*Provide a brief summary (preferably no more than 2 or 3 paragraphs) of this regulatory change (i.e., new regulation, amendments to an existing regulation, or repeal of an existing regulation). Alert the reader to all substantive matters. If applicable, generally describe the existing regulation.*

This action adds 3 VAC 10-40 Regulated Operations to comport with Chapters 740 and 773 of the 2023 Acts of Assembly.

During the 2023 General Assembly Session, Chapter 740 (SB 788) and Chapter 773 (HB 1598) of the 2023 Acts of Assembly mandated oversight of the Medical Cannabis Program be transferred to the Cannabis Control Authority (CCA) by January 1, 2024. The transfer required the CCA to promulgate regulations to implement provisions of the act and that those regulations “shall model, to the greatest extent practicable, the Regulations Governing Pharmaceutical Processors (18VAC110-60) promulgated by the Board of Pharmacy.”

On September 7, 2023, the CCA Board of Directors voted to approve regulations modeled on those promulgated by the Board of Pharmacy. Technical, non-substantive amendments were subsequently approved at the October 25, 2023 board meeting.

**Mandate and Impetus**

*Identify the mandate for this regulatory change and any other impetus that specifically prompted its initiation (e.g., new or modified mandate, internal staff review, petition for rulemaking, periodic review, or board decision). For purposes of executive branch review, “mandate” has the same meaning as defined in the ORM procedures, “a directive from the General Assembly, the federal government, or a court that requires that a regulation be promulgated, amended, or repealed in whole or part.”*

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These changes were mandated by Ch. 740 and Ch. 773 of the 2023 Acts of Assembly including an enactment clause stating, in part, “[w]ith the exception of § 2.2-4031 of the Code of Virginia, neither the provisions of the Administrative Process Act (§ 2.2-4000 et seq. of the Code of Virginia) nor public participation guidelines adopted pursuant thereto shall apply to the Board’s initial adoption of regulations to implement the provisions of this act.”

**Statement of Final Agency Action**

*Provide a statement of the final action taken by the agency including: 1) the date the action was taken; 2) the name of the agency taking the action; and 3) the title of the regulation.*

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On October 25, 2023, the Board of Directors of the Virginia Cannabis Control Authority approved the promulgation of regulations, including 3 VAC 10-40 Regulated Operations, pursuant to Chapters 740 and 773 of the 2023 Acts of Assembly.