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Exempt Action: Final Regulation Agency Background Document

Agency name	Virginia Cannabis Control Authority (CCA)
Virginia Administrative Code (VAC) Chapter citation(s)	3 VAC10-40
VAC Chapter title(s)	Regulated Operations
Action title	Chapter 40 updates
Final agency action date	January 29, 2025
Date this document prepared	January 30, 2025

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 amends 3VAC10-40 Regulated Operations to advance public health and safety, provide additional clarity and transparency, codify existing practices, adopt accepted industry best practices, and comport with Chapter 732 of the 2024 Acts of Assembly.

This action adds and amends definitions to provide clarity for terminology such as cartoon, immediate container, and packaging. This action also reinforces and implements the statutory requirements of § 4.1-1601 by prohibiting permittees from endorsing practitioners, codifies the current practice of permittees using electronic tracking, and establishing public health and safety standards for the transportation and delivery of medical cannabis including vehicle inspections, GPS tracking, and incident and accident protocols.

On October 9, 2024, the CCA Board of Directors voted to approve amendments to the regulations of the medical cannabis program. On January 29, 2025, the Board voted to adopt the final regulations.

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.”

The CCA Board of Directors determined it was necessary to amend the medical cannabis program regulations to clarify ambiguities that have resulted in numerous inquiries to CCA staff, properly address current practices, incorporate industry best practices for safety and accountability, and comport with Chapter 732 of the 2024 Acts of Assembly. Per § 4.1-1602 Q, “[w]ith the exception of § 2.2-4031, neither the provisions of the Administrative Process Act (§ 2.2-4000 et seq.) nor public participation guidelines adopted pursuant thereto shall apply to the adoption of any regulation pursuant to this section.”

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.

On October 9, 2024, the Board of Directors of the Virginia Cannabis Control Authority approved amendments to the regulations governing the medical cannabis program, including 3 VAC 10-40 Regulated Operations, to promote public health and safety, provide additional clarity and transparency, codify existing practices, adopt accepted industry best practices, and comport with Chapter 732 of the 2024 Acts of Assembly. On January 29, 2025, the Board voted to adopt the final regulations.