

Medical Cannabis Application Review Checklist



*This checklist will be used by the department to review medical cannabis establishment applications. Applications missing items on this checklist will be considered deficient and/or incomplete. Applicants must submit the missing and incomplete information within the specified time frame for continued review.

All Applicants

Application Form

- All fields completed
- Date of birth of all required applicants

Allowable Location

- Not within 1,000 feet of a public or private school

Proof of Property Owner Consent

- Deed to property
OR
- Either of the following:
 - Current lease *OR*
 - Letter from landlord specifically referencing type of cannabis activity

Local Licenses, Permits, or Registration

- Form E (Local Government Compliance Certification) from local government stating that no local licensing, permitting, or registration requirements apply
OR
- Form E from local government stating that local licensing, permitting, or registration requirements apply and if the applicant has met those requirements

Principal Officers/Board Members

- Copy of driver's license/non-driver ID for each principal officer or board member (refer to org chart)
- All principal officers/board members are 21 years of age or older
- At least one principal officer is a resident of South Dakota

Organizational Documents (if available)

- Copy of articles of incorporation, partnership agreement, or equivalent
- Copy of bylaws
- Copy of operating agreement *OR* signed statement that no agreement exists
- Copy of partnership/revenue sharing agreement *OR* signed statement that no agreement exists

Submission of Fee

- Application Fee Paid

Cultivation Facility – Operating Procedures

Management Plan

- Management plan submitted
- People in charge of day-to-day operations are identified
- Specific roles for each key person are described
- Organizational chart provided
- Each person with a significant role in financial or business decisions is listed on application form (cross reference)

Site Plan

- Site plan submitted
- Site plan identifies access from public right of way
- Site plan does not indicate access from any business or residence, except another medical establishment with common ownership
- Scale drawing of premises is provided
- Each area includes a description of activities to take place (e.g., clones/seedlings, vegetative plants, flowering plants, drying/curing, trimming)
- Diagram or written plans indicate the approximate number/canopy size of seedlings, vegetative plants, and flowering plants)
- For indoor cultivation*, diagram/description identifies lights to be used, their approximate power requirements, and whether they are listed by UL or another nationally recognized testing laboratory (NRTL)
- For indoor cultivation*, diagram/description identifies ventilation, filtration, and humidity control systems, their approximate power requirements, and whether they are listed by an NRTL
- Irrigation systems, including their NRTL listing, are identified.
- Electrical service to the site must support all necessary equipment.
- Applicant must be able to demonstrate legal access to water from a municipal or other source
- Secure storage for cannabis awaiting test results must be provided.
- Scales used for determining sale prices must have a certificate of conformance from a National Type Evaluation Program approved laboratory (DPS requirement).
- No pesticides are to be applied in same structure as a dispensary.

Operating Days and Hours

- Days and hours of normal operation are specified
- Site will have personnel present during normal business hours for purposes of inspections
- Any anticipated deviations (e.g., extended hours at harvest) are explained

Cultivation Procedures

- Applicant lists pesticides (including insecticides, fungicides, and rodenticides) and other chemicals to be used
- Applicant does not list any pesticides not approved for use on cannabis
- Applicant describes how pesticides will be applied, including that a person with a current pesticide applicator license will apply pesticides

- Applicant specifies what will be done when cannabis fails a mandatory test
- Applicant specifies plans to remediate batches that fail for microbial testing
- Applicant specifies plans to retest and/or destroy batches that fail for mycotoxins, metals, or pesticides

Workplace Safety Plan

- *If ladders are used*, a description of precautions to be taken, including monitoring weight limits, avoiding electrical hazards, and ensuring stability
- *If any potentially hazardous chemicals or power tools are used or dust will be created*, a description of training to be provided on the use of personal protective equipment (PPE) and evidence that the applicant will provide gloves, eye protection, or respirators
- *If any potentially hazardous chemicals are used*, a description of training to be provided on safe use of chemicals and the communication and reporting of safety hazards
- *If any potentially hazardous chemicals are used*, assurances that all required labels and signs will be in place and safety data sheets will be maintained

Security Plan

- Security plan submitted
- Alarm company responsible for installing and monitoring alarms is named
- Illustrates all windows and doors have alarm sensors present
- *If site plan includes outdoor cultivation or storage of cannabis waste*, fences are shown and gates indicate alarm sensors
- Diagram illustrates placement of all security cameras, including:
 - At exterior doors
 - Positioned to provide coverage of all activities involving cannabis
- Storage of security footage is identified as onsite or on third-party server
- *If security footage is onsite*, storage device is protected by locks and sensors
- All persons with access to security footage are listed
- Written procedures for protecting footage are listed
- The alarm system must give an audible warning.
- The alarm system must be capable of being disabled remotely.
- The alarm system must notify the security company if power fails.
- Battery backup for the alarm system must provide four hours minimum run time.
- Security camera resolution must be 720 pixel minimum.
- Cameras must record 15 or more frames per second.
- The camera system must be IP compatible and support live viewing by department.
- The camera system must provide date and time stamps.
- Battery backup for video recording must be two hours minimum.
- Video storage capability must be minimum of 90 days.

Additional Precautions/Prevention of Diversion

- Applicant specifies how dried cannabis and cannabis products will be secured when site is unoccupied
- Applicant specifies procedures to prevent employee theft (e.g., working in pairs, searching bags)
- Applicant specifies how cash will be stored and removed from the site

Waste Management Plan

- ❑ Waste management plan submitted
- ❑ Applicant identifies types of cannabis waste that will be produced
- ❑ Applicant specifies how cannabis waste will be protected from diversion
- ❑ Applicant identifies the type(s) of non-cannabis materials to be mixed with cannabis waste
- ❑ Applicant identifies what will be done with cannabis waste (either composting or use of a specific hauler)

Wastewater Plan

- ❑ Wastewater plan submitted
- ❑ Applicant specifies whether it will connect to a public wastewater system, use an onsite wastewater system (septic system), or have wastewater hauled
- ❑ *Unless an onsite (septic) system or hauling is specified, a pretreatment industrial use permit OR exemption letter/form from Department of Agriculture and Natural Resources*
- ❑ *If an onsite (septic) system is used, a signed statement that the system complies with ARSD chapter 74:53:01*

Pre-Employment Screening Procedures

- ❑ Pre-employment screening procedures are specified
- ❑ At minimum, screening includes a state criminal background check
- ❑ Written policy prohibits, at minimum, hiring of anyone with disqualifying felony

Control of Access to Site

- ❑ Applicant has written procedures prohibiting unauthorized access to nonpublic areas, including a prohibition of anyone under 21 years of age
- ❑ Applicant has procedures for allowing authorized access, including a visitor log, checking of identification, issuing of visitor badges, and accompanying visitors while onsite
- ❑ Applicant specifies who has keys/codes for entry

Testing Facility – Operating Procedures

Management Plan

- ❑ Management plan submitted
- ❑ People in charge of day-to-day operations are identified
- ❑ Specific roles for each key person are described
- ❑ Organizational chart provided
- ❑ Each person with a significant role in financial or business decisions is listed on application form

Conflict of Interest and Confidentiality Policies

- ❑ Operating plan provides sufficient detail to determine that no principal officer, board member, or person with an ownership interest has an ownership interest in any type of cannabis establishment other than another cannabis testing facility
- ❑ Each owner, manager, or other employee is required to sign a conflict of interest statement
- ❑ Conflict of interest statement covers financial or ownership interests, management interests, investments, gifts or other incentives, leases, and loans
- ❑ Operating plan specifies confidentiality requirements for staff, including:
 - Non-disclosure of test results, except to client, the department, or law enforcement
 - Non-disclosure of proprietary information
 - Prevention of access to computer systems by unauthorized persons

Testing to Be Performed

- ❑ Operating plan lists tests to be performed, specifying:
 - The analyte to be tested for
 - The matrix (dried cannabis, liquids, etc.)
 - The instrumentation and method to be used
- ❑ Copies of standard operating procedures for each test that identify:
 - How the sample will be prepared
 - How the sample will be analyzed
 - How the results will be determined and reported
- ❑ A description, for each test, of how the testing facility will validate its own results to ensure that its methods are appropriate, including ensuring consistent test results across multiple samples

Sample Collection

- ❑ Operating plan specifies procedures for
 - Collection of samples for each matrix
 - Ensuring that sample represents the batch (e.g., mixing beforehand, taking sample increments from throughout the batch)
 - Storing, labeling, and transporting samples, including protection from heat, light, and humidity
 - Preventing contamination, including use of gloves and protective clothing, sterilization of instruments and use of clean containers
- ❑ Chain of custody form supplied

- Chain of custody procedures specify the use of forms to document that sample was tested as collected without mix-up or contamination

Accreditation and Quality Assurance

- Copy of current ISO/IEC scope of accreditation *OR*
- Signed statement that applicant will begin work with an accrediting body within 6 months of licensing
- *If licensed less than 18 months*, each of the following:
 - Agreement to submit quarterly reports of progress toward accreditation
 - Agreement to comply with departmental confirmation testing requirements
- A description of external proficiency testing, including:
 - Identification of the vendor that will prepare samples for proficiency testing
 - The frequency of testing
 - The standards for passage or failure of testing
 - Who is required to perform the tests
 - What is done if any tests are failed
- A description of internal staff competency evaluations, including:
 - Quality assurance testing required in addition to external proficiency testing
 - The frequency of competency evaluations of staff (at least annually)
 - The standards for passage or failure of testing (typically passage is within 2–3 standard deviations)
 - Who has to participate (all persons performing sample preparation or analysis)
 - What is done if performance is unacceptable

Site Plan

- Site plan submitted
- Site plan does not indicate access from any business or residence
- Scale drawing of premises is provided
- Each area includes a description of activities to take place
 - Instruments and their listing
 - Where samples are stored prior to testing
 - Where samples are prepared
 - Where microbiological samples are incubated, if applicable
 - Where waste is disposed
- Site plan identifies access from public right of way
- Instruments' listing by UL or another NRTL

Operating Days and Hours

- Days and hours of normal operation are specified
- Site will have personnel present during normal business hours for purposes of inspections
- Any anticipated deviations (e.g., extended holiday closures) are explained

Workplace Safety Plan

- *If ladders are used*, a description of precautions to be taken, including monitoring weight limits, avoiding electrical hazards, and ensuring stability

- A description of training to be provided on the use of personal protective equipment (PPE)
- Evidence that the applicant will provide gloves, eye protection, or respirators
- A description of training to be provided on safe use of chemicals and the communication and reporting of safety hazards
- Assurances that all required labels and signs will be in place and safety data sheets will be maintained

Security Plan

- Security plan submitted
- Alarm company responsible for installing and monitoring alarms is named
- Illustrates all windows and doors have alarm sensors present
- If site plan includes outdoor storage of cannabis waste*, fences are shown and gates indicate alarm sensors
- Diagram illustrates placement of all security cameras
- Security cameras at all exterior doors and gates
- Security cameras positioned to provide coverage of all activities involving cannabis
- Storage of security footage is identified as onsite or on third-party server
- If security footage is onsite*, storage device is protected by locks and sensors
- All persons with access to security footage are listed
- Written procedures for protecting footage are listed
- The alarm system must give an audible warning.
- The alarm system must be capable of being disabled remotely.
- The alarm system must notify the security company if power fails.
- Battery backup for the alarm system must provide four hours minimum run time.
- Security camera resolution must be 720 pixel minimum.
- Cameras must record 15 or more frames per second.
- The camera system must be IP compatible and support live viewing by department.
- The camera system must provide date and time stamps.
- Battery backup for video recording must be two hours minimum.
- Video storage capability must be minimum of 90 days.

Additional Precautions/Prevention of Diversion

- Applicant specifies how dried cannabis and cannabis products will be secured when site is unoccupied
- Applicant specifies procedures to prevent employee theft (e.g., working in pairs, searching bags)

Waste Management Plan

- Waste management plan submitted
- Applicant identifies types of cannabis waste that will be produced
- Applicant specifies how cannabis waste will be protected from diversion
- Applicant identifies the type(s) of non-cannabis materials to be mixed with cannabis waste
- Applicant identifies what will be done with cannabis waste (e.g., use of a specific hauler)

Wastewater Plan

- Wastewater plan submitted

- Applicant specifies whether it will connect to a public wastewater system, use an onsite wastewater system (septic system), or have wastewater hauled
- *Unless an onsite (septic) system or hauling is specified*, a pretreatment industrial use permit *OR* exemption letter/form from Department of Agriculture and Natural Resources
- *If an onsite (septic) system is used*, a signed statement that the system complies with ARSD chapter 74:53:01

Pre-Employment Screening Procedures

- Pre-employment screening procedures are specified
- At minimum, screening includes a state criminal background check
- Written policy prohibits, at minimum, hiring of anyone with disqualifying felony

Control of Access to Site

- Applicant has written procedures prohibiting unauthorized access to nonpublic areas, including a prohibition of anyone under 21 years of age
- Applicant has procedures for allowing authorized access, including a visitor log, checking of identification, issuing of visitor badges, and accompanying visitors while onsite
- Applicant specifies who has keys/codes for entry

Product Manufacturing Facility – Operating Procedures

Management Plan

- ❑ Management plan submitted
- ❑ People in charge of day-to-day operations are identified
- ❑ Specific roles for each key person are described
- ❑ Organizational chart provided
- ❑ Each person with a significant role in financial or business decisions is listed on application form
- ❑ *If edibles will be manufactured*: certified food service manager is listed

Site Plan

- ❑ Site plan submitted
- ❑ Site plan does not indicate access from any business or residence, except another medical establishment with common ownership
- ❑ Scale drawing of premises is provided
- ❑ Site plan identifies access from public right of way
- ❑ Each area includes a description of activities to take place, (e.g., extraction, storage of solvents, edibles preparation, refrigerated storage, cooking or heating, and packaging)
- ❑ Secure storage for cannabis product awaiting test results must be provided
- ❑ No ethanol, inherently hazardous substances, or compressed gas may be used in same structure as a dispensary

Operating Days and Hours

- ❑ Days and hours of normal operation are specified
- ❑ Site will have personnel present during normal business hours for purposes of inspections
- ❑ Any anticipated deviations (e.g., extended holiday closures) are explained

Manufacturing Processes

- ❑ Applicant provides a clear list of the types of products that will be manufactured onsite, including intermediate products such as extracts
- ❑ *If extraction/concentration will take place*, the applicant describes:
 - The methods to be used (solvent extraction, CO₂ extraction, alcohol infusion, heat infusion in oils, ice water extraction, sieving, etc.)
 - The solvents to be used
 - The equipment to be used
- ❑ *If extraction using volatile solvents or CO₂ will take place*:
 - A list of extraction equipment
 - For each piece of extraction equipment, either its listing by UL or another NRTL *OR* an assessment by a licensed engineer or local fire official that the equipment is safe for its intended use

- An assessment by a licensed engineer or the equipment manufacturer that the equipment is a closed-loop system capable of recovering unused solvent
- Ventilation equipment (fume hood) will be in place
- *If edibles will be manufactured*, food establishment licensed obtained
- Applicant indicates whether it will remediate cannabis or cannabis products that fail testing
- Applicant indicates how it will remediate cannabis or cannabis products, specifying the specific item, the types of failures, and the manufacturing process to be used
- Scales used for determining sale prices must have a certificate of conformance from a National Type Evaluation Program approved laboratory (DPS requirement).
- *If extraction using volatile solvents or CO₂ will take place*:
 - Extraction equipment must have an emergency cutoff switch
 - A gas detection system must be used

Workplace Safety Plan

- *If ladders are used*, a description of precautions to be taken, including monitoring weight limits, avoiding electrical hazards, and ensuring stability
- *If any potentially hazardous chemicals or power tools are used or dust will be created*, a description of training to be provided on the use of personal protective equipment (PPE) and evidence that the applicant will provide gloves, eye protection, or respirators
- *If any potentially hazardous chemicals are used*, a description of training to be provided on safe use of chemicals and the communication and reporting of safety hazards
- *If any potentially hazardous chemicals are used*, assurances that all required labels and signs will be in place and safety data sheets will be maintained

Security Plan

- Security plan submitted
- Alarm company responsible for installing and monitoring alarms is named
- Illustrates all windows and doors have alarm sensors present
- *If site plan includes outdoor cultivation or storage of cannabis waste*, fences are shown and gates indicate alarm sensors
- Diagram illustrates placement of all security cameras
- Security cameras at all exterior doors and gates
- Security cameras positioned to provide coverage of all activities involving cannabis
- Storage of security footage is identified as onsite or on third-party server
- *If security footage is onsite*, storage device is protected by locks and sensors
- All persons with access to security footage are listed
- Written procedures for protecting footage are listed
- The alarm system must give an audible warning.
- The alarm system must be capable of being disabled remotely.
- The alarm system must notify the security company if power fails.
- Battery backup for the alarm system must provide four hours minimum run time.
- Security camera resolution must be 720 pixel minimum.
- Cameras must record 15 or more frames per second.
- The camera system must be IP compatible and support live viewing by department.
- The camera system must provide date and time stamps.

- Battery backup for video recording must be two hours minimum.
- Video storage capability must be minimum of 90 days.

Additional Precautions/Prevention of Diversion

- Applicant specifies how dried cannabis and cannabis products will be secured when site is unoccupied
- Applicant specifies procedures to prevent employee theft (e.g., working in pairs, searching bags)

Waste Management Plan

- Waste management plan submitted
- Applicant identifies types of cannabis waste that will be produced
- Applicant specifies how cannabis waste will be protected from diversion
- Applicant identifies the type(s) of non-cannabis materials to be mixed with cannabis waste
- Applicant identifies what will be done with cannabis waste (either composting or use of a specific hauler)

Wastewater Plan

- Wastewater plan submitted
- Applicant specifies whether it will connect to a public wastewater system, use an onsite wastewater system (septic system), or have wastewater hauled
- *Unless an onsite (septic) system or hauling is specified, a pretreatment industrial use permit OR exemption letter/form from Department of Agriculture and Natural Resources*
- *If an onsite (septic) system is used, a signed statement that the system complies with ARSD chapter 74:53:01*

Pre-Employment Screening Procedures

- Pre-employment screening procedures are specified
- At minimum, screening includes a state criminal background check
- Written policy prohibits, at minimum, hiring of anyone with disqualifying felony

Control of Access to Site

- Applicant has written procedures prohibiting unauthorized access to nonpublic areas, including a prohibition of anyone under 21 years of age
- Applicant has procedures for allowing authorized access, including a visitor log, checking of identification, issuing of visitor badges, and accompanying visitors while onsite
- Applicant specifies who has keys/codes for entry

Dispensary – Operating Procedures

Management Plan

- Management plan submitted
- People in charge of day-to-day operations are identified
- Specific roles for each key person are described
- Organizational chart provided

Site Plan

- Site plan submitted
- Site plan does not indicate access from any business or residence, except another medical establishment with common ownership
- Scale drawing of premises is provided
- Each area includes a description of activities to take place (sales floor, receiving area, storage of cannabis, storage of cash)
- Site plan identifies access from public right of way
- Site plan indicates one of the following methods for verification of patient/caregiver status:
 - Cashier window
 - Vestibule with locked or monitored door
 - Outdoor ID check area
- If co-located*, no pesticide applicator or use of ethanol, inherently hazardous substances, or compressed gas in the same structure
- If co-located*, lockable door prevents public access to other licensed activities
- Site plan indicates entrances and restrooms
- Site plan identifies where patients/caregivers can park

Operating Days and Hours

- Days and hours of normal operation are specified
- Site will have personnel present during normal business hours for purposes of inspections
- Any anticipated deviations (e.g., holidays) are explained

Marketing Practices

- Applicant identifies the types of products to be dispensed
- Applicant identifies whether it will package bulk cannabis or cannabis products at the point of sale
- If packaging at point of sale*, applicant describes tamper-evident, child-resistant, opaque packaging
- Applicant identifies a licensed source of cannabis and cannabis products
- Applicant identifies the size and content of signs to be placed onsite
- Applicant specifies procedures for verifying identification
- Applicant specifies procedures for limiting purchases to legal amounts
- Applicant identifies point-of-sale software
- Applicant describes how location promotes patient access (e.g., easy to get to)

- Dispensary signs may not appeal to persons under 21 years of age, make specific medical claims, or depict cannabis consumption
- Point-of-sale software must be interoperable with tracking system
- *If packaging at point of sale*, scales used for determining sale prices must have a certificate of conformance from a National Type Evaluation Program approved laboratory (DPS requirement)

Workplace Safety Plan

- Safety plan submitted

Security Plan

- Security plan submitted
- Alarm company responsible for installing and monitoring alarms is named
- Illustrates all windows and doors have alarm sensors present
- *If site plan includes outdoor storage of cannabis waste*, fences are shown and gates indicate alarm sensors
- *If site plan indicates public parking or outdoor cultivation*, outdoor lighting is indicated.
- Diagram illustrates placement of all security cameras
- Security cameras at all exterior doors and gates
- Security cameras at doors separating sales floor from nonpublic areas
- Security cameras at doors set to record outside normal business hours
- Security cameras positioned to provide coverage of all activities involving cannabis
- Storage of security footage is identified as onsite or on third-party server
- *If security footage is onsite*, storage device is protected by locks and sensors
- All persons with access to security footage are listed
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Wastewater Plan

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- Applicant has procedures for allowing authorized access, including a visitor log, checking of identification, issuing of visitor badges, and accompanying visitors while onsite
- Applicant specifies who has keys/codes for entry