

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 incomplete. Applicants must submit the missing and incomplete information within the specified time frame or the application will be deemed withdrawn.

The information provided in this checklist does not, and is not intended to, constitute legal advice; instead, all information, content, and materials available in this checklist are for informational purposes only. This checklist may not cover every applicable rule. Each medical cannabis establishment is responsible for reviewing and abiding by all the rules that apply to the activities being conducted by the respective establishment.

All Applicants

Application Form

Allowable Location 44:90:03:01(4) SDCL 34-20G-55(1)(b)(ii)

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

Proof of Property Owner Consent 44:90:03:01(3)

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

Local Licenses, Permits, or Registration 44:90:03:01(4)

****Form-E must be renewed annually including a signature within the last 12 months****

- Form E SIGNED by local government stating the applicant has met the requirements

Principal Officers/Board Members 44:90:03:01(6) SDCL 34-20G-55

- Copy of driver's license/non-driver ID for each principal officer or board member
- All principal officers/board members are 21 years of age or older
- At least one principal officer is a resident of South Dakota
 - The address must be a physical address, PO boxes are not accepted
- Upload a signed copy of certification of no prior revocation 44:90:03:13
- Upload a signed copy of certification for principal officers and board members background checks 44:90:03:14

Organizational Documents 44:90:03:01(7)

- For corporations:
 - Articles of Incorporation **and**
 - Bylaws *OR* signed statement that no such document exists
- For LLCs:
 - Copy of Articles of Organization **and**
 - Operating Agreement *OR* signed statement that no such agreement exists
- Partnerships, LPs, LLPs, LLLPs:
 - ⊖ Copy of Partnership agreement *OR* signed statement that no such agreement exists
 - for LLPs and LLLPs Copy of Statement of Qualification
- For all entities:
 - Copy of any management agreement outside of the documents listed above

Submission of Fee

- Application Fee Paid

Testing Facility – Operating Procedures

Management Plan

- Management plan submitted 44:90:03:05(1)
- People in charge of day-to-day operations are identified 44:90:03:05(1)
- Specific roles are described for each person identified 44:90:03:05(1)

Conflict of Interest and Confidentiality Policies

- A signed policy by each owner that ensures management, and personnel are free from any undue internal and external commercial, financial, or other influences that may adversely affect the quality of their work or diminish confidence in its competence, impartiality, judgement, or operational integrity 44:90:03:07(1)
- A signed disclosure by each owner stating that there is no financial conflict with interest in, investment in, landlord-tenant relationship with, or loan to a cannabis cultivation facility, cannabis product manufacturing facility, or cannabis dispensary 44:90:03:07(2)
- Operating plan specifies confidentiality requirements, including: 44:90:03:07(8)
 - Non-disclosure of test results, except to client, the department, or law enforcement
 - Non-disclosure of clients' proprietary information
 - Prevention of access to computer systems by unauthorized persons

Testing to Be Performed

- Standard operating procedures for all of the following processes performed by the laboratory: 44:90:03:07(4)
 - Preanalytical

- Analytical
- Post-analytical
- Copies of standard operating procedures for each test that identify: 44:90:03:07(9)
 - How the sample will be prepared
 - How the sample will be analyzed
 - How the results will be determined and reported
- A description, for each analytical 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 44:90:03:07(5)

Sample Collection

- Operating plan specifies procedures for 44:90:03:07(9) and 44:90:06:03
 - Step-by-step process for collection of samples for each matrix (e.g., mixing beforehand, taking sample increments from throughout the batch)
 - Storing, labeling, and transporting samples, including protection from temperature, light, and humidity
 - Preventing contamination, including use of protective clothing, sanitization of instruments and care of sample collection containers
- Chain of custody form (provided by lab) supplied 44:90:03:07(10)
- Detailed chain of custody protocols 44:90:03:07(10)

Accreditation and Quality Assurance

- Copy of current ISO/IEC 17025 accreditation
 - OR**
 - Signed statement that applicant will begin working with an accrediting body within 6 months of licensing 44:90:03:07(3)(a) 44:90:06:01
- *If licensed less than 18 months*, each of the following: 44:90:03:07(3)(b)
 - Written agreement to submit quarterly reports of progress toward ISO/IEC 17025 accreditation
 - Written agreement to comply with departmental requests for confirmation testing
- Participate in proficiency testing at an interval determined by the accrediting body for all methods, matrices, and analytes for which certification is sought.
- Analyze proficiency testing samples according to the instructions that accompany the proficiency test and using the same standard operating procedure(s), analyst(s), and equipment used to test cannabis and cannabis products submitted to the laboratory for analysis.
- Ensure all employees that perform the test methods participate in annual proficiency testing.
- Successful or satisfactory completion of a proficiency testing based on criteria defined by the proficiency test provider.
 - Quantitative Testing: If the proficiency test provider does not define successful or satisfactory criteria for performance, the laboratory must achieve a quantitative result $\pm 20\%$ from each true value as defined by the proficiency test provider (e.g., if true value for Delta-9-THC is defined as 20% by the proficiency test provider, the testing laboratory must achieve a Delta-9-THC value of 16-24% to be within 20% of the true value).
 - Qualitative Testing: All qualitative results (e.g., presence/absence, positive/negative) must be 100% concordant with true value(s) from the proficiency test provider.

- Perform remediation if a score of less than 100% is achieved on a proficiency test. Remediation should include a comprehensive review of the affected testing program to include preanalytical, analytical, and postanalytical processes since the last successful proficiency testing event. The requirement for remediation does not indicate unsatisfactory participation in a proficiency testing event.
- A medical cannabis testing facility may not fail more than two consecutive proficiency tests for the same analyte. Unsatisfactory performance (i.e. failed proficiency test) on more than two consecutive proficiency tests may impact laboratory accreditation and certification with the SDMCP.

Site Plan

- Site plan submitted that meets all requirements 44:90:03:05(2)
- Site plan does not allow access from any business or residence, except another medical establishment with common ownership 44:90:04:13
- Each area includes a description of activities to take place 44:90:03:05(2)(a) & (b)
 - For Example:
 - Where samples are stored
 - Where samples are prepared
 - Where cannabis waste is disposed
- Site plan identifies access from public right of way 44:90:03:05(2)(c) (Must be a diagram showing how to access the establishment) Examples of acceptable diagrams are:
 - Birdseye view using google maps
 - Blueprints/rendering of the location
- Equipment listing by UL or another NRTL 44:90:03:07(12)

Operating Days and Hours

- Days and hours of normal operation are specified 44:90:03:05(3)
 - Including any anticipated deviations (e.g., extended holiday closures)
- Site will have personnel present during normal business hours for purposes of inspections 44:90:12:01(2)

Workplace Safety Plan 44:90:04:15 and 44:90:03:05(4)

- *If ladders are used*, a description of precautions to be taken should align with OSHA regulation 29 C.F.R. § 1910.23 (November 18, 2016)
- 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
- Proof of thorough training in the safe operation of any heavy agricultural equipment, industrial equipment such as extraction and packaging equipment, and other heavy equipment such as forklifts .
- Proof of completion of OSHA-approved certification courses prior to using any heavy agricultural or industrial equipment on the premises.

Security Plan

- ❑ Security plan submitted 44:90:03:05(6)
- ❑ Company responsible for monitoring alarms is named 44:90:04:10
- ❑ All exterior doors, windows, and gates have monitored alarm sensors present 44:90:04:10(1)
- ❑ Diagram illustrates placement of all security cameras, including: 44:90:04:07
 - At exterior doors and gates to allow identification of persons entering or exiting the premises 44:90:04:07(1)
 - To allow the viewing, in its entirety, of any area where cannabis, cannabis products, or cannabis waste are stored, destroyed, or prepared for transfer, sale, or testing 44:90:04:07(3)
- ❑ All persons with access to video security footage are listed 44:90:04:09
- ❑ security footage is identified as stored securely onsite or on a secure third-party server 44:90:04:09
- ❑ *If security footage is onsite*, surveillance system storage device secured in a lockbox, cabinet, or closet and alarmed with motion and seismic sensors to protect from employee tampering or criminal theft 44:90:04:09
- ❑ Written procedures for controlling access to footage are listed 44:90:04:09
- ❑ The alarm system must give an audible warning. 44:90:04:10(3)
- ❑ The alarm system must be capable of being disabled remotely by the security company. 44:90:04:10(3)
- ❑ The alarm system must notify the security company if power fails. 44:90:04:10(4)
- ❑ Battery backup for the alarm system must provide four hours minimum run time.
 - List battery backup run time:_____ 44:90:04:10(4)
 - Include battery spec sheet
- ❑ Security camera resolution must be 720 pixel minimum.
 - List camera resolution:_____ 44:90:04:08(1)
 - Include camera spec sheet
- ❑ Cameras must record 15 or more frames per second.
 - List camera frame rate:_____ 44:90:04:08(3)
 - Include camera spec sheet
- ❑ The camera system must be IP compatible and support live viewing by department over a secure internet connection. 44:90:04:08(2)
 - Provide camera system program name:_____
 - Send invite for camera system access to McQuestions@state.sd.us, Michael.Czmowski@state.sd.us, and Stephen.Garvin@state.sd.us
 - Provide login information for live viewing:
 - Username:_____
 - Password:_____
- ❑ The camera system must provide date and time stamps with the 24/7 recordings. 44:90:04:08(4) & (5)
- ❑ Battery backup for video recording and transmission must be two hours minimum.
 - List battery backup run time:_____ 44:90:04:08(6)
 - Include battery spec sheet
- ❑ Video storage must be minimum of 90 days. 44:90:04:09

- List video storage capacity: _____

Additional Precautions/Prevention of Diversion 34-20G-64

- Applicant specifies procedures to prevent diversion or theft of product 44:90:03:05(8) 34-20G-64
 - Including how cannabis and cannabis products will be secured when site is unoccupied

Waste Management Plan

- Waste management plan submitted 44:90:03:05(9)
- Applicant specifies how cannabis waste will be protected from diversion 44:90:03:05(8)
- Applicant describes how cannabis waste will be rendered unrecognizable and unfit for use 44:90:03:05(9)(a)
- Applicant identifies what will be done with cannabis waste (e.g., use of a specific hauler) or how composted 44:90:03:05(9)(b) & (c)

Wastewater Plan

- Wastewater plan submitted 44:90:03:05(10)
- Applicant specifies which wastewater system they will be using from the following two options:
 - Public wastewater system
 - A pretreatment industrial use permit *OR* exemption letter from the Department of Agriculture and Natural Resources¹ is REQUIRED 44:90:03:05(10)(a)
 - An onsite wastewater system (septic system)
 - A signed statement from establishment owner that the system complies with ARSD chapter 74:53:01 44:90:03:05(10)(b)

Pre-Employment Screening Procedures

- Pre-employment screening procedures are specified in SOPs including 44:90:03:05(11)
 - A criminal background check 44:90:03:05(11)
 - Prohibition of hiring anyone with disqualifying felony 44:90:03:01(8); SDCL 34-20G-1(11); 34-20G-62
- Signed certification that background checks have been completed for all medical cannabis establishment agents 44:90:03:01(8)

Control of Access to Site

- Applicant has written procedures limiting access by unauthorized persons 44:90:03:05(12)
- Applicant has procedures for allowing authorized access including: 44:90:03:05(12) 44:90:04:13 44:90:04:14
 - Checking of identification
 - Issuing of visitor badges
 - Closely monitoring visitors while onsite

¹ If the establishment is located in any of the following places, please reach out to your city wastewater division in lieu of contacting DANR: Aberdeen, Brookings, Huron, Mitchell, Rapid City, Sioux Falls, and Watertown

