

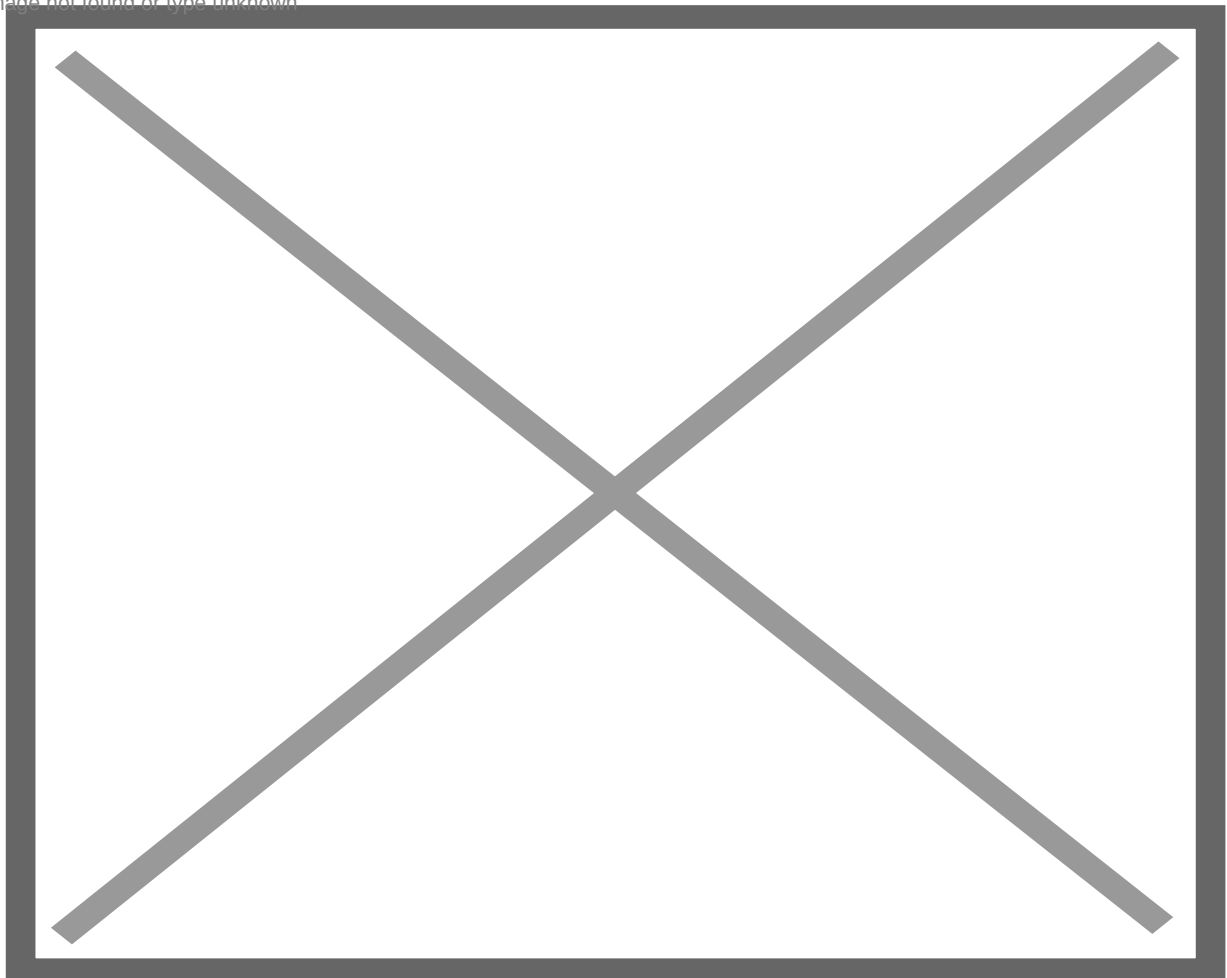
Hemp Rules Still Unsettled as Cannabis Cultivation Nears; Board Approves Event Fee Cuts and Tracking Requirements

With commercial cultivation expected within four to six weeks, regulators say intoxicating hemp tracking methods remain unresolved, while the Cannabis Board lowers single-event permit fees, mandates QR-code product IDs, and adopts 250-foot setback rules.

Business / **Published On February 13, 2026 05:44 AM /**

Janeka Simon **February 13, 2026**

Image not found or type unknown



With commercial cannabis cultivation expected to begin within weeks and new hemp regulations taking effect, the Office of Cannabis Regulation is racing to finalize key oversight measures — even as officials acknowledge that some aspects of the framework remain unsettled.

During Thursday's Cannabis Advisory Board meeting, OCR Director Joanne Moorehead said the agency is "still trying to figure out" how best to comply with Act 9072, which requires the establishment of a licensing and permitting regime for the sale of intoxicating hemp products.

"We still have 90 days, minus two weeks, to try to wrap our heads around how and what method – and who– might be able to help us do that easily, without being overly costly or burdensome to us or to the retailers," Ms. Moorehead said, referring specifically to the tracking and testing of intoxicating hemp products imported into the territory.

While cannabis, set to be commercially cultivated within the next four to six weeks, can be monitored "from seed to sale," hemp presents different regulatory challenges. Because hemp is not grown locally, "the intoxicating hemp products are a little bit different," Ms. Moorehead said. "We haven't nailed that down yet."

When asked whether growers would be permitted to cultivate both cannabis and hemp in the same operation, Ms. Moorehead expressed reservations. "Growing both of them together, sort of in the same location, I think, is going to be problematic and you're going to have cross-pollination issues." She predicted such cross-pollination "are going to interfere with the ability of either to test to levels that they're supposed to be testing." Hemp grown for agricultural use, she explained, must contain intoxicating cannabinoid levels below a specified threshold.

Acknowledging that definitive guidance has not yet been finalized, Ms. Moorehead said, "my best guess would be that they would have to grow separately for lots of reasons." She also noted that industrial hemp production falls under the authority of the V.I. Department of Agriculture, meaning any operator seeking to grow both cannabis and hemp would require licensure from both agencies.

Beyond hemp oversight, the board addressed temporary event permitting requirements under Act 8680, which mandates that cannabis consumption at public events be permitted by the OCR. Last year, event permits were introduced at a cost of \$1,500. However, Ms. Moorehead said the fee proved burdensome for single-event organizers. "We looked at that and thought that that was really cost prohibitive, I think, for folks who are having a single event," she said.

She proposed reducing the fee to \$250 for a single event, or maintaining the \$1,500 rate for a multi-event permit allowing up to 12 events within a 12-month period. "If you are having more than 12 events in a year, we would suggest that you then go ahead and get an adult use lounge permit, and the you can have as many events as you like," Ms. Moorehead said. The board agreed with the proposal and approved the adjustments to the temporary use permit regime.

Ms. Moorehead emphasized that sales of cannabis products remain strictly prohibited at such events. "The event host, or the event holder, the event promoter is liable if they are allowing prohibited sales," she warned.

The board also approved a requirement that all packaged cannabis products in dispensaries display a METRC Retail ID in the form of a QR code. The code provides testing, batch, and harvest information, allowing consumers to verify details about the products they purchase. Ms. Moorehead noted that this identification system is already used in all but four jurisdictions across the United States that rely on the METRC compliance tracking platform. "It's sort of becoming the standard across the country."

Additionally, board members adopted a rule requiring that any area involving cannabis activity, including cultivation, be located at least 250 feet away from "sensitive areas." Ms. Moorehead

defined those areas as places of worship, schools and daycares, and other “active places where our children are congregating or tend to congregate.” Waivers to the setback requirement may be sought only in the territory’s historic towns.

As regulators work to finalize hemp tracking requirements and prepare for the rollout of commercial cultivation, the Cannabis Advisory Board continues refining permit structures, compliance standards, and consumer safeguards in advance of the territory’s expanding cannabis market.