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Cannabis Advisory Board Sets Lower Fees for Sacramental Use, Establishes Commercial Cultivation Tiers

Amid technical issues, the board voted to set a \$500 annual fee for sacramental cannabis organizations and approved tiered licensing fees for commercial growers. A temporary licensing process will be used to start issuing licenses in 2025

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Despite Monday's meeting of the Cannabis Advisory Board being interrupted by technical issues, members were still able to vote on fees for organizations that wish to grow cannabis for sacramental use, as well as cultivation license fees for different levels of commercial cannabis growers.

The fee for sacramental organizations, which must have at least 10 members to qualify for registration, was initially bruited as \$1,000, the same as a micro cultivation permit. However, board member Positive Nelson pointed out that for the same license fee, sacramental organizations would not be able to generate revenue from the sale of cannabis, while micro cultivators would be able to recoup their fee and earn revenue. At first, the suggestion was to reduce the proposed fee for sacramental organizations to \$750. However, Mr. Nelson moved that it be lowered to \$500 because “the Rasta community has been the main victims of the inequitable persecution of cannabis laws....This is, in our way, our giving some level of reparations,” he argued.

Board members agreed, voting unanimously to establish the fee for sacramental organizations at \$500 per year. As Office of Cannabis Regulation Director Joanne Moorehead explained, a sacramental organization wishing to make cannabis sales is always welcome to apply for – and receive – a micro cultivation permit in addition to their permit for sacramental use.

Board members also established a tiered system for those who wish to apply for annual cultivation licenses, depending on the number of plants they intend to grow. Tier 1, which allows for up to 350 flowering plants and 1000 immature plants, would attract a fee of \$2500. In order to cultivate up to 650 flowering and 2000 immature plants, applicants would need to pay a fee of \$5000 for a Tier 2 cultivation license. Tier 3, which allows for up to 1000 flowering plants and 4000 immature plants, will cost \$7,500 for a cultivation license.

Board members also discussed an initial licensing process that will be used only until a software program to manage that process can be deployed. “What we would like to do is be able to fold the business license application process into the technology that we already have,” Ms. Moorehead said. “That will take about a year.” In the interim, “we have been tasked with coming up with a temporary, one time process to be able to get us some dispensary and cultivation licenses processed and issued” in time for businesses to begin operating in 2025, she continued.

The temporary system, Ms. Moorehead explained, would utilize the Department of Property and Procurement's framework. “So using that process we would then be able to advertise and open the RFQ process with our specific requirements for the application,” she told board members. “It is a unique process for this one time and for this particular purpose.”

After the RFQ/RFP deadline has passed, OCR is expected to review the packages to ensure they are complete, and then prepare them for a blind review by an evaluation committee. “In this first run, we would issue up to three dispensary licenses and up to seven cultivation licenses for St. Thomas and St. Croix, and then in St. John one dispensary license and up to three cultivation licenses,” Ms. Moorehead said, noting that these numbers are well under the statutory limits set by Act 8680. These licenses could be issued as soon as January, Ms. Moorehead disclosed.

Before adjourning for the day, board members agreed to meet again next month, at a date yet to be determined.