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## Homegrown Bar & Grill Sues Government Over Hemp Seizure, Cites Fifth Amendment Violations

The federal lawsuit claims an April 2025 raid seized approximately \$18,000 in hemp products without a warrant or statutory authority, and now challenges Act 9072's surrender requirement for an additional \$60,000 in inventory.

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Hemp products. By. GETTY IMAGES.

A St. Croix business has filed suit in federal court against the Government of the Virgin Islands, alleging that the unlawful seizure of its hemp inventory violated constitutional protections and seeking compensation for products confiscated during a 2025 raid.

On Thursday, Homegrown Bar and Grill initiated an action for declaratory and injunctive relief against the Government of the Virgin Islands, naming the Commissioners of the Department of Health and the Department of Licensing and Consumer Affairs as defendants, along with the Office of Cannabis Regulation.

According to the complaint, Homegrown Bar and Grill is “a licensed hemp products retailer” that “lawfully purchased and stocked both non-intoxicating and intoxicating hemp-derived products at a time when such products were and still are federally legal.” The lawsuit states that in April 2025, the Department of Health, DLCA, OCR, and the Virgin Islands Police Department conducted a raid at the establishment and seized its hemp inventory “without any lawful authority, without any statutory basis, and without paying – or offering to pay – just compensation, in clear violation of the Takings Clause of the Fifth Amendment.”

The civil complaint emphasizes that Bill 36-0105 was not signed into law until January 2026. Now codified as Act 9072, the statute requires retailers to immediately surrender intoxicating hemp products in their inventory to the Department of Health for storage and eventual disposition. The complaint notes that the Act does not provide for compensation to business owners for the loss of their inventory.

The lawsuit argues that the raid at Homegrown Bar and Grill occurred months before Act 9072 took effect, “rendering that seizure wholly without legal foundation.”

Central to the complaint is the Takings Clause of the Fifth Amendment to the United States Constitution, which provides that private property shall not be taken for public use without just compensation. The lawsuit asserts that the Supreme Court has clearly ruled “that the government must pay just compensation when it physically appropriates personal property – including commercial inventory.”

The complaint further argues that although amendments have been made to the 2018 Farm Bill — formally the Agriculture Improvement Act of 2018 — the federal prohibition against certain intoxicating products does not take effect until November 13, 2026, one year after the amendments were signed into law. The approximately \$18,000 worth of products seized in April 2025 were, according to the lawsuit, legal to possess and sell at that time. The business also held a Hemp Products Retailer License issued by DLCA at the time of the raid.

Additionally, the complaint alleges that the seizure occurred without a warrant, without prior notice, and without statutory authority. It states that since the seizure, the Department of Health has not tested the products to determine compliance with the 2018 Farm Bill, despite the products containing “certificates of analyses from accredited laboratories on the mainland.” Multiple requests for the return of the seized inventory have allegedly gone unanswered.

The lawsuit also highlights that the immediate surrender requirement in Act 9072 was added as an amendment to Bill 36-0105 during final passage. Earlier drafts included a 90-day window allowing retailers to sell or otherwise dispose of existing inventory. The complaint asserts that the amendment “represents a deliberate intent by the Government to make intoxicating hemp products immediately unlawful without any grace period that would allow licensed hemp products retailers to sell or otherwise dispose of their existing inventory.”

According to the complaint, Homegrown Bar and Grill still holds additional intoxicating hemp inventory with a market value of at least \$60,000. If Act 9072 is enforced as written, the business would be required to surrender and destroy that inventory without compensation, which the lawsuit contends would deprive the business of the “full value of its property.” The complaint

states that no retailer compelled to surrender intoxicating hemp products under the Act has been offered compensation.

Attorney Robert Leycock, counsel for Homegrown Bar & Grill, said the proprietor, Raheem Smith, “did not grow these products illegally. He did not import them in violation of any law. He did not sell them to minors or operate without a license.” He further stated that when the government altered the legal status of intoxicating hemp products and seized Smith’s property, “the Constitution requires it to pay.”

Mr. Leycock also argued that the government’s actions — seizing property from a licensed retailer without a warrant, without compensation, and without statutory authority — establish a troubling precedent. “No business in this Territory can rely on its license” if such actions are permitted, he said.

Filed in District Court, the lawsuit asks that Section 3 of Act 9072 be declared unconstitutional. It further seeks a preliminary and permanent injunction barring enforcement of the surrender requirement until a framework is established that provides “just compensation equal to the fair market value of the property required to be surrendered.” The complaint also asks the court to declare the April 2025 seizure unlawful and unconstitutional, and to order that the seized products be returned or compensated at fair market value.

The matter now proceeds before the federal court.