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Opinion | The Reality of the Virgin Islands Cannabis Bill

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The 33rd Legislature of the Virgin Islands recently met during a Special Session to debate the passage of an Adult Use Medical Cannabis Bill. Senators voted to send the Bill to the 'Committee of the Whole', where it will be improved through a process of modifications and amendments. A lot of progress was made at this Special Session but there is still confusion around key issues. To be clear, this Bill is about jobs, local wealth creation, and socio-economic benefits – most Virgin Islands' residents that want cannabis already have a way to get it, and local residents are not the primary targets for the tax revenue generation that will fund many community programs.

Let us try to set the to set the record straight.

1. Strict residency requirements have been designed to protect VI residents and discourage mainland intervention in the proposed regulated VI cannabis industry. This is an industry that will be owned by VI residents, will employ hundreds of VI residents, and will sell to visitors who come to the Virgin Islands – the majority of which come from States that have already legalized Medical and/or Adult Use.

- a. Licensed businesses must be no-less than 51% locally owned, whether by one local resident or a group of residents working in partnership. Investment capital from outside the VI is permitted, but the companies must be majority owned and managed by long-term VI residents. Full transparency is required.
- b. The Bill discourages people that have parachuted in recently, registered to vote and are now “residents for cannabis purposes”. We have even heard complaints that the Bill goes too far in protecting the local community.
- c. Licensed businesses are required to be a safe distance from cruise ship docks, schools and places of worship. Advertising will be strictly regulated and regulated “safe zones” will be established for smokers, such that people will not be permitted to smoke in public.

2. Vertical Integration is significantly limited. Vertical integration allows retail dispensaries to grow all their product, essentially blocking out local farmers. This Bill requires Dispensaries and Processors to purchase a minimum of 70% from independent, local farmers. This guarantees that business opportunities are spread throughout the Territory, allowing local farmers to contract with Dispensaries and Processors to develop consistent, legal and reliable markets for their products. As with any product, prices will vary based on quality, consistency, supply and demand.

3. Micro-Cultivation is a category of cultivation licenses designed for small farmers to enter the legal supply chain in an economically empowering manner. It will be a way for smaller producers to become larger over time, while encouraging black-market growers to enter the supply chain, to become legal and to be properly compensated for their skill.

4. The Government Employees Retirement System (GERS) and other community programs for seniors will directly benefit. Whether this Bill results in \$15, \$20, or \$30 million in tax revenue per year for GERS, it’s a move in the right direction with direct cannabis sales and revenue from spin-off industries generating additional tax revenues that will further benefit the Territory. As Commissioner Richard T. Evangelista clearly and appropriately stated during the Session: “This is just the beginning”.

5. The long-term socio-economic objectives are the most important aspect of this initiative. We believe this Bill will result in significant, long-term social benefits. Yes, hundreds of jobs will be created in a clean and sustainable local industry. And yes, strict residency requirements ensure that licensed businesses will be majority owned by long-term VI residents. And yes, all product will be independently tested for dangerous chemicals and potency. But more importantly, outside tourist dollars spent on local agricultural products will largely remain in the VI economy, paid out as salaries and services that stay in the VI, are recirculated and used to build or fix homes, finance education and medical care, support other local businesses and improve the quality of life overall. It is also our hope that this Bill will help serve as a WAKE-UP call for the many benefits of agriculture as a local industry. And while we hope to see more local food crops coming soon, few are as potentially profitable and broadly used as cannabis –

as the customers arrive by air and sea, daily.

Governor Albert Bryan, Jr. should be applauded for taking the initiative to further the development of the legal cannabis industry in the Virgin Islands. It is time for progressive and responsible action. We should not let perfect stand in the way of good, and this Bill is well on its way to being very good for the people of the Virgin Islands. As one Senator said last week, it's easier to criticize than to create. We firmly believe in the creation of economic opportunities for all Virgin Islanders and believe this Bill reflects those goals. This Bill, as it is improved through the legislative process, will also be supported through detailed rules and regulations to be drafted, adopted, and subject to expert and public vetting. Once the process is complete the Virgin Islands will have a safe, regulated cannabis industry that will benefit all Virgin Islanders for generations to come.

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