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of the United States
Department of Licensing and Consumer Affairs

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GOOD DAY THE HONORABLE TERRANCE "POSITIVE" NELSON, CHAIRMAN OF THE VIRGIN ISLANDS LEGISLATURE'S COMMITTEE ECONOMIC DEVELOPMENT, AGRICULTURE AND DEVELOPMENT AND TO THE HONORABLE MEMBERS OF THIS COMMITTEE AS WELL AS ALL OTHER DISTINGUISHED MEMBERS OF THE LEGISLATURE PRESENT HERE TODAY.

THE DEPARTMENT OF LICENSING AND CONSUMER AFFAIRS IS IN FULL SUPPORT OF BILL NO. 31-0100, AN ACT AMENDING TITLE 7 VIRGIN ISLANDS CODE, CHAPTER 1, TO ALLOW FOR THE CULTIVATION OF HEMP AND DISTRIBUTION OF INDUSTRIAL HEMP. THIS BILL, IF PASSED INTO LAW, WILL MAKE PROVISION FOR THE CULTIVATION, MANUFACTURE AND DISTRIBUTION OF INDUSTRIAL HEMP MAKING IT A VIABLE INDUSTRY IN THE VIRGIN ISLANDS.

THE PROPOSED LEGISLATION MANDATES, AMONG OTHER THINGS, THAT A PERSON OR ENTITY SEEKING TO OBTAIN A LICENSE TO PRODUCE HEMP, MUST FIRST SUBJECT HIMSELF/HERSELF TO AN EXTENSIVE BACK GROUND CHECK, INCLUDING A STATE WIDE AND NATIONAL HISTORY CRIMINAL HISTORY CHECK. THE COMMISSIONER OF THE DEPARTMENT OF AGRICULTURE MUST ENSURE THAT AN APPLICANT FOR A LICENSE MEETS AND PASS ALL APPLICABLE BACK

GROUND CHECK PRIOR TO ISSUING A LICENSE FOR THE PRODUCTION OF HEMP. IT IS RECOMMENDED THAT A BACKGROUND CHECK BE REQUIRED FOR APPLICANTS FOR A RETAIL LICENSE FOR THE SALE INDUSTRIAL HEMP AS WELL TO BE CONDUCTED BY THE DEPARTMENT OF LICENSING AND CONSUMER AFFAIRS. THE PROPOSED LEGISLATION ALSO MAKES PROVISION FOR THE ESTABLISHMENT OF A COMMISSION TO GOVERN AND REGULATE THE PRODUCTION AND MANUFACTURE OF INDUSTRIAL HEMP.

BILL NO. 31-0100 APPROPRIATELY TASKS THE DEPARTMENT OF AGRICULTURE WITH THE RESPONSIBILITY OF FACILITATING AND OVERSEEING THE GROWTH AND DEVELOPMENT OF THE HEMP INDUSTRY IN THE VIRGIN ISLANDS. AND WHILE THE DLCA IS OF THE VIEW THAT THE INTRODUCTION OF INDUSTRIAL HEMP IN THE VIRGIN ISLANDS WILL PRODUCE A MUCH NEEDED SOURCE OF REVENUE, WE WISH TO POINT OUT THAT THE DEPARTMENT OF AGRICULTURE CERTAINLY POSSESSES CREATER EXPERTISE IN THE INTRICACIES AND KNOWLEDGE ON HOW TO PRODUCE INDUSTRIAL HEMP. IT IS FOR THIS REASON THAT WE HAVE CHOSEN TO BE VERY CIRCUMSPECT IN OUR COMMENT ON THE PROPOSED LEGISLATION, THEREBY CHOOSING TO DEFER COMMENT TO THE DEPARTMENT OF AGRICULTURE.

THE PROPOSED LEGISLATION MANDATES THAT ALL ENTITIES ENGAGED IN THE GROWTH AND PRODUCTION OF INDUSTRIAL HEMP, MUST FIRST OBTAIN A LICENSE FROM THE DEPARTMENT OF AGRICULTURE AND ONE FROM THE DEPARTMENT OF LICENSING AND CONSUMER AFFAIRS. THERE IS NO SUCH PROVISION FOR THOSE ENTITIES THAT WILL BE RESPONSIBLE FOR THE RETAILING OF HEMP AND ITS RELATED PRODUCTS. MOST PRODUCERS ARE LIKELY TO DISTRIBUTE THEIR HEMP PRODUCTS THROUGH A WHOLESALE DISTRIBUTOR OR RETAIL ESTABLISHMENT. NATURALLY, ANY SUCH ESTABLISHMENT OR ENTITY WISHING TO ENGAGE IN THE SALE OF HEMP AND HEMP PRODUCTS MUST FIRST OBTAIN A BUSINESS LICENSE FROM THE DEPARTMENT OF LICENSING AND CONSUMER AFFAIRS SPECIFICALLY FOR THIS PRODUCT, AS A PRE-REQUISITE TO ENGAGING IN THE SALE OF SAID PRODUCT. THE LICENSING STATUTE CODIFIED AT VI CODE ANN TIT. 27, § 301 ET SEQ. WILL GOVERN THE LICENSURE OF THESE RETAIL ESTABLISHMENTS THAT WILL ENGAGE IN THE SALE OF HEMP AND HEMP PRODUCTS.

THIS WILL BE SIMILAR TO THE SALE OF ALCOHOL AND TOBACCO PRODUCTS WHICH REQUIRE THEIR OWN SEPARATE LICENSE, IN ORDER TO ENGAGE IN THEIR SALE. THIS REQUIREMENT WILL NOT ONLY HELP TO CREATE A MUCH NEEDED REVENUE STREAM FOR THE TERRITORY, BUT WILL MAKE THE REGULATION OF THE SALE OF HEMP PRODUCTS MUCH EASIER SINCE THE DLCA

ALREADY HAS AN ENFORCEMENT AND REGULATORY SYSTEM IN PLACE. IN CASES OF VIOLATION, THE DLCA WILL BE ABLE TO SUSPEND OR REVOKE AN ENTITY'S HEMP LICENSE WITHOUT HAVING TO NECESSARILY REVOKE THE ENTITY'S OTHER BUSINESS LICENSE(S) FOR ITS MAIN LINE OF BUSINESS OR THE SALE OF ITS OTHER PRODUCTS. SUCH AN ARRANGEMENT WILL BE MUCH MORE EFFICIENT AND COST EFFECTIVE IN THE REGULATION OF THE INDUSTRY.

WE SURE APPRECIATE THE GESTURE IN GIVING US THE OPPORTUNITY TO COMMENT ON BILL NO. 31-0100. WE COMMEND YOUR EFFORTS AT DOING EVERYTHING IN YOUR POWERS TO MAKE THE VIRGIN ISLANDS A BETTER PLACE FOR ALL.