

Pursuant to Article V, Section 6, of the Constitution of Virginia, I veto House Bill 698/Senate Bill 448, establishing a framework for creating a retail marijuana market in the Commonwealth.

The proposed legalization of retail marijuana in the Commonwealth endangers Virginians' health and safety. States following this path have seen adverse effects on children's and adolescent's health and safety, increased gang activity and violent crime, significant deterioration in mental health, decreased road safety, and significant costs associated with retail marijuana that far exceed tax revenue. It also does not eliminate the illegal black-market sale of cannabis, nor guarantee product safety. Addressing the inconsistencies in enforcement and regulation in Virginia's current laws does not justify expanding access to cannabis, following the failed paths of other states and endangering Virginians' health and safety.

I. The Adverse Effects on Children's Health & Safety

The most concerning consequence of cannabis commercialization is its impact on adolescents and our children. As cannabis has become legalized and commercialized, calls to U.S. Poison Control for children who have overdosed on edible cannabis products have increased by 400% since 2016.

In particular, Colorado, Washington, Ohio, and Massachusetts have experienced significantly more cannabis-related calls to poison control centers and increased emergency department visits for cannabis poisonings in children following legalization and is much higher compared to nonlegal states. In Virginia, the Blue Ridge Poison Control Center reports that minors overdosing on edible cannabis products have increased by 85% since Virginia legalized cannabis possession.

Intentional youth cannabis use has also increased in states and localities with legal retail markets. In New York City, instances of controlled substances and drug paraphernalia discovered on students in schools increased by 8% compared to 2019, despite a concurrent 11% decrease in the K-12 population. Data from the Substance Abuse and Mental Health Services Administration show that the five states with the highest youth marijuana use are also all states with legal retail cannabis. Cannabis commercialization and diminished cannabis enforcement have resulted in youth cannabis use increasing by 245% between 2000 and 2022, contrasting with declines in teen alcohol and tobacco use.

Medical studies show that individuals using cannabis at younger ages have a higher chance of developing more severe cannabis use disorder and persistent and uncontrollable substance use disorders. Research indicates that 11% of juveniles who consumed cannabis in 2023 and 21% of juveniles who consistently consumed cannabis for three years have developed cannabis use disorder.

Additionally, doctors at Boston Children's Hospital have reported an increase in children developing psychosis following cannabis use. Nearly one-third of adolescents attending checkups admit to using cannabis, and one-third of children who used cannabis and sought treatment reported hallucinations or paranoia.

Data suggest that marijuana use in adolescence can lead to other addictive behaviors in adulthood by reducing dopamine reactivity in the brain's reward regions, prompting users to seek a more potent product. The widespread availability of cannabis can compound this effect. The connection between daily cannabis use among children and long-term addiction has long-term consequences, considering research indicates that an estimated 6.5% of twelfth graders are daily cannabis users.

Treating children for cannabis-related issues, including lost intelligence, psychosis, and other mental health problems, is complex due to the acute and long-term effects of cannabis consumption. Stabilization and counseling are inadequate for treating cannabis use disorder in children, as evident by the limited effectiveness of counseling, and there are no medications available for treatment, resulting in long-term adverse health outcomes.

Medical experts and health professionals provided policymakers with information regarding the consequences of cannabis commercialization on Virginians' health during the General Assembly session. They emphasized that a retail marijuana marketplace creates a misconception that cannabis use is safe for minors, even though cannabis use leads to adverse mental health outcomes, increased anxiety and depression in minors, and impaired brain development.

II. The Failures of States with Legalized Retail Marijuana

States that have attempted to regulate the black-market for cannabis have generally failed. Colorado is touted as a successful example of legalization, but a decade after legalization, the illicit cannabis market still accounts for approximately 35% of all cannabis sales. Similarly, six years after legalization, California's legal cannabis market represented only about 10% of total cannabis sales. With the black-market's persistent pressure, gang activity escalates and violent crime surges.

Legal cannabis markets also do not guarantee product safety. In New York, which has legal cannabis markets, a study conducted by the New York Medical Cannabis Industry Association found that 40% of the cannabis products failed to meet required standards, including tests for E. Coli, salmonella, accurate THC, and heavy metals. Likewise, growers consistently evade state environmental regulations, labor standards, and product testing requirements in California, as reported by PBS News Hour.

Cannabis-induced disorder rates surged by 50% in November 2023 compared to 2019, attributed to intentional breeding for higher potency, a trend seen post-legalization, according to electronic health records. In Washington, post-legalization, cannabis extracts gained 150% market share, boasting nearly triple the potency of flower, prompting a reassessment of legalization's benefits by their legislature.

Moreover, the expectation that cannabis legalization will result in a meaningful net increase in state tax revenues has not materialized in states with legal markets. States with legal retail cannabis have been challenged in transitioning their existing, robust black-markets into legal, regulated, and taxed markets. As a result, their projected revenues have fallen short of expectations and forecasts.

According to an official Colorado state study, cannabis taxes have not solved budget shortfalls, and for every dollar of additional revenue generated, Coloradans spend approximately \$4.50 to mitigate the effects of legalization. In addition to healthcare costs, the state also must contend with a lack of productivity in the economy, with research indicating that regular marijuana use increases the probability that a student will drop out of high school.

A 2023 analysis by the Federal Reserve Bank of Kansas City showed that cannabis legalization led to higher social costs without boosting tax revenue, resulting in increased consumption, substance use disorder, homelessness, and arrests, leaving state governments financially worse off.

III. Increase in Violent Crime, Psychiatric Disorders, and Decline in Safety

In 2021, cannabis use was estimated to be responsible for 10% of drug-related emergency department visits in the U.S., and it accounts for 11% of all psychosis cases in emergency rooms, totaling approximately 90,000 cases.

Cannabis contributes to a higher probability of users developing psychosis than other illicit drugs, according to the American Journal of Psychiatry. Cannabis-induced psychosis takes the form of perceptual alterations, hallucinations, and delusions.

Psychosis is a strong risk factor for violence. Schizophrenia resulting from cannabis-induced psychosis has significant public safety implications. People diagnosed with schizophrenia are five times as likely to commit violent crimes and are almost twenty times as likely to commit murder. Individuals with schizophrenia account for approximately 6% to 9% percent of murders.

Research also demonstrates that cannabis commercialization contributed to increased crime among all categories. Following cannabis legalization in Oregon, violent crime, property crime, larceny, aggravated assault, and burglary all increased significantly compared to other states that maintained laws against the commercial sale of marijuana.

The consensus from the leading medical journals, backed by extensive studies and research, indicates that cannabis is neither beneficial nor safe. The uniform experience of other states that have legalized retail cannabis is increased cannabis use, including among minors, increased THC potency, and increased crime.

In addition to increased gang and violent crime activity, there are also the effects of decreased public safety on our roads. In Colorado, after legalization, there was a 40% increase in fatal crashes where the driver tested positive only for THC. All marijuana-related traffic fatalities increased by 76.2%.

Law enforcement officials from across the Commonwealth have warned that this proposal poses a serious threat to public safety, attesting to increases in crime, arrests, and DUI incidents. Our local and state law enforcement agencies lack the necessary funding and staffing to effectively manage the emergence of a cannabis tourism industry, fueling an international drug trade dominated by organized crime.

IV. Virginia's Current Cannabis System

The current illegal cannabis market in Virginia is pervasive and dangerous.

Marijuana carries the same dangers as other drugs; the Commonwealth recognized this when it created a medical marijuana system. Opioids and other controlled substances are highly regulated and require the consultation of a medical provider to mitigate their negative consequences. Even with those protections in place, these drugs have had perverse and dangerous consequences for Virginians. The same is true for marijuana.

Attempting to rectify the error of decriminalizing marijuana by establishing a safe and regulated marketplace is an unachievable goal. The more prudent approach would be to revisit the issue of discrepancies in enforcement, not compounding the risks and endangering Virginians' health and safety with greater market availability.

Accordingly, I veto this bill.

Pursuant to Article V, Section 6, of the Constitution of Virginia, I veto House Bill 1/Senate Bill 1, which mandates an increase in the minimum wage in Virginia.

The free market for salaries and wages works. It operates dynamically, responding to the nuances of varying economic conditions and regional differences. This wage mandate imperils market freedom and economic competitiveness.

Even without my signature, current law mandates an increased minimum wage in the Commonwealth, indexing it to the Consumer Price Index for All Urban Consumers, as certified by the Commissioner of Labor and Industry, starting in October 2024. This approach is preferable, allowing wages to adjust over time in response to economic conditions. In contrast, the proposed mandate will harm Virginia's economic progress.

Implementing a \$15-per-hour wage mandate may not impact Northern Virginia, where economic conditions create a higher cost of living, but this approach is detrimental for small businesses across the rest of Virginia, especially in Southwest and Southside. A one-size-fits-all mandate ignores the vast economic and geographic differences and undermines the ability to adapt to regional cost-of-living differences and market dynamics.

This proposal is an arbitrary, mandatory 25% increase in the starting wages of all employees. Contrary to ensuring higher compensation, such a substantial increase will raise business operational costs. In response, businesses will raise prices, creating more inflation, and implement hiring freezes and layoffs, ultimately hurting the workers the proposal seeks to assist.

This proposal also harms Virginia's economic competitiveness. Neighboring states have reduced business costs and encouraged investment, resulting in thriving economies. The net out-migration of over one hundred thousand residents from Virginia between 2012 and 2021, primarily to states like North Carolina, Tennessee, Texas, and Georgia, none of which have wage mandates.

Contrary to the proponents' claims, the proposal is unlikely to attract jobs to the Commonwealth. Virginia is experiencing a population decline to states with lower minimum wages while gaining population from states with higher minimum wages. Instead of adopting the failed economic policies of states with stagnant economies and persistent fiscal distress to our northeast, Virginia should emulate states prioritizing tax relief and efficient government.

Successful states recognize that the government does not need to set labor prices; instead, they prioritize creating an economic environment conducive to wage growth. The Commonwealth should adopt this approach, reducing taxes, reducing regulations, reforming workforce programs, and investing in public education. Allowing the free market to operate is the only proven long-term path toward sustainable economic growth and prosperity.

Accordingly, I veto this bill.

Pursuant to Article V, Section 6, of the Constitution of Virginia, I veto House Bill 157 which removes the farmworker exemption from the Virginia Minimum Wage Act.

Producers who employ H-2A workers must adhere to the U.S. Department of Labor's Adverse Effect Wage Rate (AEWR), currently set at \$15.81 per hour. Even farms that do not employ H-2A workers pay the AEWR to compete with those that do.

The AEWR is determined using various domestic workers' annual average gross wage rates in a state or region, and therefore the prevailing market wage influences the AEWR.

Farmers have a unique economic environment with unpredictable weather and fluctuating production costs. Due to federal pricing systems and global market conditions, farmers often lack control over the prices they receive for their goods. Agricultural budgeting and operations are already challenging, and imposing a wage mandate without considering these factors could drive small and medium-sized farms into debt or closure.

The agricultural sector has thin margins, and this bill will significantly affect the industry. The data from the USDA Census of Agriculture and the Weldon Cooper Center for Public Policy further emphasize the importance of supporting our agriculture industry. The loss of five thousand farms and nearly five hundred thousand acres of farmland in the last five years has dramatically altered our economy and communities.

Each job created in the agriculture sector simulates 1.6 jobs elsewhere in Virginia's economy. This multiplier effect demonstrates the agriculture sector's significant effect on the overall state economy. This ripple effect helps to drive economic growth and stability across Virginia, making agriculture a crucial component of the state's prosperity.

The AEWR already materially determines the labor rates. A further wage mandate financially strains farmers, leading to farm closures, job losses, and increased consumer food prices.

Accordingly, I veto the bill.

Pursuant to Article V, Section 6, of the Constitution of Virginia, I veto Senate Bill 696, which requires a mandatory hearing to review reducing sentences for individuals currently incarcerated or on community supervision for felony marijuana convictions.

This bill grants eligibility to a significant number of violent felons who have already received a full and fair hearing.

Ninety-seven inmates convicted of a violent felony offense, such as first and second-degree murder, kidnapping, and robbery, would be eligible for a reduced sentence under this proposal.

In total, the proposal grants eligibility for approximately three hundred fifteen inmates. Of those, one hundred eighty individuals received convictions for selling, distributing, or manufacturing other illegal drugs and narcotics, including fentanyl. Other inmates received convictions for serious offenses, including felony distribution to minors.

Now is not the time to allow an imprudent resentencing process that undermines public safety.

Accordingly, I veto this bill.

Pursuant to Article V, Section 6, of the Constitution of Virginia, I veto House Bill 974, which allows certain evidence for specific injuries arising from employment related to workers' compensation.

Current law provides a balanced approach to workers' compensation with claims adjudicated by the Virginia Workers' Compensation Commission in a timely and fair manner. This proposal, however, creates a disproportionate imbalance in favor of one party.

Under current law, to prove work-relatedness, injured workers must demonstrate that the injury resulted from something related to their employment and occurred during work hours and at the workplace. This proposal reduces the burden of proof for employees to demonstrate the work-relatedness of a fall incident.

Employees seeking workers' compensation for unexplained falls may rely on circumstantial evidence and hearsay; however, employers disputing the work-related aspect must provide direct evidence, disturbing the existing balance.

Accordingly, I veto this bill.