

Cannabis in the Commonwealth

An Overview of Retail Marijuana Laws in Virginia and the 2026 Work Plan of the Joint Commission

Presented to the Joint Commission to Oversee the Transition of the
Commonwealth into a Retail Cannabis Market
on August 17, 2026

Stephen Kindermann, Lead Senior Legislative Counsel - *Finance & Appropriations*
Troy Hatcher, Legislative Counsel - *Courts of Justice - Criminal*



Resources

- Cannabis Control Act - Subtitle II of Title 4.1 of the Code of Virginia
 - <https://law.lis.virginia.gov/vacodefull/title4.1/subtitleII/>
 - Contains statutory provisions related to marijuana regulation in the Commonwealth
- Additional Enactments of HB 30 / Chapter 1 (2026, Special Session I)
 - <https://budget.lis.virginia.gov/item/2026/2/HB30/Chapter/4/4-14.00/>
 - The marketplace was established through the appropriation act
 - Most retail marijuana market provisions were codified; however, there were many other enactments setting out procedures and deadlines related to the Cannabis Control Authority and this Joint Commission.



A photograph of the Illinois State Capitol building, a large white neoclassical structure with a prominent portico supported by columns. A wide set of stone steps leads up to the entrance. The building is set on a green lawn with red flower beds in the foreground. Two tall, dark green lampposts with white globe lights stand on either side of the steps. The sky is blue with some light clouds. The text "Legislative History" is overlaid in the center in a large, black, serif font.

Legislative History

The Long Legislative Journey

●2020

- HB 972 (Herring) and SB 2 (Ebbin): decriminalized simple possession of marijuana and transitioned the penalty from a misdemeanor to a \$25 civil penalty.
- JLARC study: <https://jlarc.virginia.gov/landing-2020-marijuana-legalization.asp>

●2021

- HB 2312 (Herring) and SB 1406 (Ebbin and Lucas):
 - Allowed persons 21+ to (a) possess up to one ounce of marijuana and (b) cultivate up to four marijuana plants at their residence for personal consumption
 - Included regulatory and licensing framework to govern the cultivation, manufacture, testing, and sale of marijuana in VA, to be administered by the newly created Virginia Cannabis Control Authority
- However, many of the provisions of the legislation, including the necessary regulatory and licensing framework, were subject to reenactment (requiring passage by 2022 General Assembly to become law).



The Long Legislative Journey



- 2022
 - 2022 General Assembly failed to reenact = the licensing and regulatory framework for recreational retail sales provisions never became law
- 2024
 - HB 698 (Krizek) and SB 448 (Rouse) established a framework for creation of a retail marijuana market in the Commonwealth, administered by Cannabis Control Authority; **Vetoed** by Governor Youngkin.
- 2025
 - HB 2485 (Krizek) and SB 970 (Rouse): very similar to the 2024 cannabis retail market bills - both passed GA, but were again **vetoed** by Governor Youngkin.
 - **2025 Regular Session: HJR 497 (Krizek) established this Joint Commission**
- 2021-2026 Session:
 - CCA up and running, much of the law is in place or parts of Code are wholly reserved for retail regulatory framework.
 - Have had the skeleton of a retail framework, but still needed to enact the meat on those bones if the GA wished to establish a retail market.



The Long Legislative Journey of the 2026 Sessions

- 2026 Regular Session

- HB 642 (Del. Krizek) and SB 542 (Sen. Aird) - updated framework for retail marijuana market, administered by the Cannabis Control Authority, based upon:
 - (i) information presented to and lessons learned by this Joint Commission during the 2025 interim and
 - (ii) changes/ negotiations during the 2026 Regular Session.
- Governor Spanberger recommended an Amendment in the Nature of a Substitute with significant changes.
 - See differences in the [DLS Governor's Amendment and Veto Publication \(Pages 17-23; 61-66\)](#).
- Reconvene: General Assembly returns enrolled (as passed) versions of both bills to the Governor.
- Governor Spanberger VETOED the bills on May 19th: [Governor's Veto Explanation](#).

- 2026 Special Session I

- Budget compromise bill enrolled on 6/25/2026; updated marijuana legislation in additional enactments.
- Governor Spanberger returned minor amendments; the General Assembly accepted those amendments.

- **Chapter 1 Budget ENACTED on 6/29/2026.**

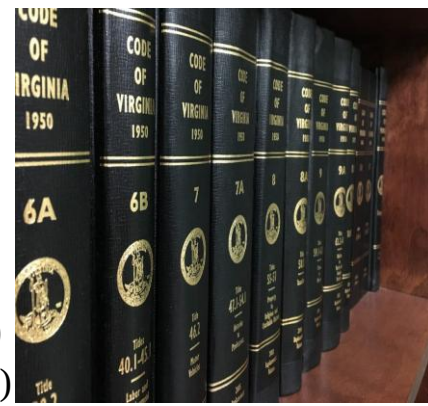




Marijuana Updates in the 2026 Special Session I Budget

Breakdown of Cannabis Control Act

Subtitle II of Title 4.1 of the Code of Virginia



- Chapter 6 - General Provisions (§§ [4.1-600](#) through [4.1-630](#))
- Chapter 7 - Administration of Licenses; General Provisions (§§ [4.1-700](#) through [4.1-703](#))
- Chapter 8 - Admin. of Licenses; Licenses Granted by Board (§§ [4.1-800](#) through [4.1-811](#))
- Chapter 9 - Admin. of Licenses; Denial, Suspension, and Revocation (§§ [4.1-900](#) through [4.1-904](#))
- Chapter 10 - Admin. of Licenses; Applications for Licenses; Fees; Taxes (§§ [4.1-1000](#) through [4.1-1010](#))
- Chapter 11 - Possession of Retail Marijuana/ Marijuana Products; Prohibited Practices Generally (§§ [4.1-1100](#) through [4.1-1121](#))
- Chapter 12 - Prohibited Practices by Licensees (§§ [4.1-1200](#) through [4.1-1207](#))
- Chapter 13 - Prohibited Practices; Procedural Matters (§§ [4.1-1300](#) through [4.1-1310](#))
- Chapter 14 - Cannabis Control; Testing; Advertising (§§ [4.1-1400](#) through [4.1-1407](#))
- Chapter 15 - Virginia Cannabis Equity Business Loan Program and Fund (§§ [4.1-1500](#) through [4.1-1503](#))
- Chapter 16 - Medical Cannabis Program (§§ [4.1-1600](#) through [4.1-1606](#))
- Chapter 17 - Regulated Hemp Products (§§ [4.1-1700](#) through [4.1-1704](#))



CCA Powers, Duties, and Regulations

- The Cannabis Control Authority (CCA) was established in 2021 when original marijuana legalization bills passed. (§ 4.1-601)
 - The CCA Board is vested with control of the possession, sale, transportation, distribution, and delivery of **marijuana, marijuana products, and regulated hemp products** in the Commonwealth.
- Updates to CCA Board's Powers and Duties (§ 4.1-604):
 - Changes related to impact licensees and microbusinesses (discussed later)
 - Inspection access to facilities during business hours; records preservation and inspection (§ 4.1-703)
 - Develop/ provide responsible consumer education
 - Semi-annual report w/ info on licenses issued, public education/community engagement initiatives, sales and tax revenues, programs funded, types of licensees, denials/ penalties imposed
 - Annual report on performance/ health of retail marijuana market on and after 7/1/2029
 - Searchable, public info database available online
 - Auditing license ownership + financial relationships; investigative authority of ownership structures
 - Coordination with DCJS on info exchange for Community Policing Reporting Database
 - Tip Line on illicit retail marijuana practices
 - Decal requirements of retail stores/microbusinesses/pharma processors/ dispensing facilities



CCA Powers, Duties, and Regulations

- Updates to CCA Board Regulatory Authority (§ 4.1-606):
 - Shall promulgate regs that:
 - Establish **regs for in-person deliveries** from retail stores/ microbusinesses (age verify)
 - Establish **maximum THC level for edible marijuana products/equivalent**
 - Increased: *5 mg to 10 mg per serving/ 50 mg to 100 mg per package*
 - Establish standards and reqs for **impact license advantages/ preference** (discussed more later)
 - **Flexibility for certain licensees**: Impact licensees and microbusinesses may enter into cooperative agreements, joint leasing/ space/ marijuana processing agreements
 - Establish an **approval and investigatory process** for ownership/financing/ management/ brand agreements; compliance w/ restrictions on multiple licenses (+ certain presumptions)
 - **Ownership disclosures**: Procedures for ownership disclosures and prior written Board approval for ownership or license assignment/ sale/transfers
 - **Age verification**: All licensees/employees shall require bona fide evidence of legal age (21)
 - **Penalizing illicit sales**: Fix escalating penalties for licensees/ employees engaged in sales to those underage or intoxicated (up to and including license revocation)



License Regulation Updates (§ 4.1-606)

- The CCA Board ***generally*** may promulgate regulations that set the number of licenses issued by type or class to ensure a stable and healthy legal retail market.
- Restrictions:
 - Retail marijuana stores: **350 licenses max**
 - Square footage: **2,500 sq. feet of retail floor space max**
 - Tier V Cultivation Facilities:
 - **5 licenses allowed before 1/1/2028**;
 - **CCA Board determines more after** (# of licenses available to impact licensees equal or greater to amount available to all others)
 - All other licenses (Processing facilities; Tier I through Tier IV Cultivation Facilities)
 - **CCA Board sets maximum for each** (# of licenses available to impact licensees equal or greater to amount available to all others).
 - Ensure even license distribution across all of VA accounting for pop. density
 - Establish threshold levels for # of licenses to preempt undue market concentration



Licenses - Note: All licenses subject to seed to sale tracking requirements (§ in 4.1-611)

• Types:

- 1. Cultivation facility license (§ 4.1-800)
 - Tier I - indoor OR outdoor - not more than 5,000 sq ft canopy
 - Tier II - indoor OR outdoor - not more than 10,000 sq ft canopy
 - Tier III - *indoor only* - not more than 15,000 sq ft canopy
 - Tier IV - *indoor only* - not more than 25,000 sq ft canopy
 - Tier V - *indoor only* - not more than 30,000 sq ft canopy
 - CCA Board may, considering certain data,
 - Adjust canopy levels;
 - Increase canopy if determined that such increase will assist or encourage industry participation by impact licensees
- 2. Processing facility license (§ 4.1-801)
- 3. Retail marijuana store license (§ 4.1-802)
- 4. Microbusiness license (§ 4.1-803)
 - May conduct activities of marijuana cultivation facility/ marijuana processing facility/ retail marijuana store as determined by CCA Board
 - If cultivating: indoors up to 5,000 sq. ft. canopy/ outdoors up to 10,000, or such other comparable limits Board may establish
 - Shall not hold or control any other license; generally may operate only one licensed premises
- 5. Transporter license (§ 4.1-804)
- 6. Delivery operator license (§ 4.1-805)
- 7. Testing facility license (§ 4.1-806)
- 8. Impact license [§ 4.1-606(B)(13)]



Licenses

- Retail marijuana store license (§ 4.1-802)
 - Sales only permitted to 21 or older in (i) direct, face to face exchanges; (ii) via licensed delivery operator, or (iii) in-person delivery to consumer residence/ business.

- **Prohibited deliveries:**

- Military base, child day center, school, or correctional facility;
- State Capitol;
- Hospital; and
- Public gathering spaces (sporting events, festivals, concerts, transit)

- No vending machine sales
- No drive-through sales
- No sales/marketing/order fulfillment through online 3rd party operated sales platform
- No sales if know/ reason to know purchaser is intoxicated/ attempting to buy for child



Licenses

- More on Retail marijuana store licenses (§ 4.1-802)
 - Single Transaction **Max Purchase Amount = 2 ounces of marijuana/ equivalent in marijuana products**
 - Required to post human trafficking hotline notice
 - Prominently display and make available info on potential risks of marijuana use
 - Board approved training/ education for employees on how to discuss risks with consumers
- Marijuana Transporter License (§ 4.1-804) v. Marijuana Delivery Operator Licenses (§ 4.1-805):
 - Marijuana Transporter: regulated transportation of marijuana and products between licensees, up to retail
 - Marijuana Delivery Operator: regulated delivery from retail to the end-consumer
- Marijuana testing facility license (§ 4.1-806)
 - Prohibits conflicting interests in a testing facility and another marijuana operation



Licenses

“Impact” Licenses - § 4.1-606(B)(13):

- A business with at least 51% ownership AND direct control by a person/ persons who:
 - (i) Meet Threshold Residency Requirements:
 - Resided between 1999 to 2025 in a jurisdiction disproportionately policed for marijuana crimes OR
 - For 3 of past 5 years in a historically economically disadvantaged community.
 - (ii) Meets at least 1/6 impact criteria:
 - (1) previously convicted of certain marijuana misdemeanors or *any substantially similar offense under laws of another jurisdiction*;
 - (2) parent/child/sibling/ spouse of person previously convicted of certain marijuana misdemeanors/ *substantially similar offenses*;
 - (3) attended a public elementary/ secondary school located in a historically economically disadvantaged community;
 - (4) received Fed Pell Grant or attended college/ university for 2+ years where 30%+ of students Pell Grant eligible;
 - (5) veteran of the Armed Forces; OR
 - (6) *qualified for USDA financial assistance/ relief as a distressed farmer*.
- 5-year holding period (“No impact licensee...shall sell/assign/transfer a controlling interest...for period of 5 years” from date of license issuance)
 - Exceptions: § 4.1-702(C) - Board may by regulation allow exceptions for transfers made:
 - As part of an estate plan to a family member OR into a trust for the benefit of the licensee's immediate family.
- Advantages for Impact Licensees in § 4.1-606(B)(14):
 - Preference in the licensing process
 - Waiver for a percentage of application/ license fees for increased participation
 - Eligibility for certain grant or low-interest business loan programs
 - Waiver of certain requirements for proof of funds and premises possession/ control during licensing process
 - May enter cooperative agreements/ lease space/ equipment and cultivate, manufacture, and sell marijuana/ products on premises with other impact licensees or microbusinesses



Licenses

- License Fees Generally (§ 4.1-1002)
 - Established by Board in an amount sufficient to cover regulation (unspecified).
 - Note: Enactment redirects 75% of marijuana establishment annual license fees deposited into Cannabis Equity Business Loan Fund during first year (5/1/27-5/1/28)
- Limitations on multiple licenses awarded to one person (§ 4.1-805)
 - No more than 5 total licenses (not including transporter license)
 - Only allowed 1 Tier V cultivation facility license
 - No person who holds a cultivation facility, processing facility, transporter, delivery operator, or retail marijuana store license can be issued or hold an interest in a testing facility license (§ 4.1-806)



License Application Process Generally (§ 4.1-1000)

1. CCA “shall announce a licensing period” before accepting applications with relevant details;
2. Applications for any of the license types filed with the Board.
 - a. Includes certain requirements for publication/ notice, background checks, and application fees.
3. Qualified apps > licenses? → lottery selecting qualified apps for prelim license approval
 - a. Applicant must provide additional info regarding the establishment if selected (preliminary license approval expires after 18 months);
4. CCA receives additional info and contacts locality, schedules site inspection, collects license fees, and confirms background check results → Grant/ issue license OR rejection



Licenses



- GRANTING LICENSES (§ 4.1-810)

- **MAY refuse** when reasonable cause to believe granting license would be detrimental to the interest, morals, safety, or welfare of the public or be inconsistent with the law.
- **SHALL refuse** if reasonable cause to believe:
 - Application includes any material misrepresentations
 - The applicant is under 21 or knowingly employs/ allows volunteers under 21
 - The applicant has been convicted of a non-marijuana felony or any crime involving moral turpitude within 7 years or has not completed the sentencing and probationary terms
 - Failed to demonstrate sufficient financial responsibility
 - Defrauded/ attempted/ willfully deceived any public entity, false tax returns/ biz records
 - Violates the law while the application is pending
 - Tax/ penalties/ interests delinquency for 90+ days
 - Establishment premises do not meet certain conditions
 - Granting additional license detrimental to local public interest/ morals/ safety/ welfare



COMMONWEALTH OF VIRGINIA

DIVISION OF LEGISLATIVE SERVICES

Licenses

- SUSPENDING OR REVOKING LICENSES

- **Subject to many of the same standards as license application refusals but with added focus on operational misconduct**
- **MAY suspend or revoke (§ 4.1-900):**
 - Made misrepresentations when applying for the license that are later discovered
 - Within previous 5 years, committed certain violations of relevant law or regulations
 - Convicted of a felony or any crime involving moral turpitude
 - Is an illegitimate owner or others have undisclosed ownership interests in the business
 - Cannot demonstrate sufficient financial responsibility
 - Failed to maintain premises or allowed illicit gatherings/ activities (gangs; gambling) at the locations; allowed loiterers
 - Has been intoxicated or under the influence of some self administered drug while on premises
 - Allowed consumption of alcohol or marijuana/ marijuana products on premises
 - Allowed or committed illegal possession/sale/use of controlled substances
 - Illegal gambling devices on premises
 - Tax/ penalties/ interests delinquency for 90+ days
 - Made ownership/ control changes without prior written approval of CCA Board
- **SHALL suspend or revoke (§ 4.1-902):**
 - Illegal gambling devices *specifically* at a retail marijuana store or microbusiness
 - Defrauded/ attempted to defraud the Board
 - If not operational within 1 year of license issuance



Labor Peace Agreements Required (§ 4.1-1001)

- All marijuana establishment license applicants; renewal applicants; and those issued licenses shall have entered into, maintained, and abided by the terms of a labor peace agreement with a “bona fide labor organization”
- **The “labor peace agreement requirement is an ongoing material condition of the license”**
- CCA to schedule ongoing review of status and maintenance of the labor peace agreements



Taxes and Revenue Distribution

- **State Excise Tax on marijuana/ marijuana product sales (§ 4.1-1004):**
 - ****In addition to the existing Retail Sales and Use Tax****
 - Rate from July 1, 2027, to July 1, 2029: **6%**; on and after July 1, 2029: **8%**
- **Local Excise Taxes on marijuana/ marijuana product sales**
 - Local taxation is **mandatory in all localities**
 - By ordinance; no referendum
 - No opt-out (sales allowed in all localities and shall be taxed)
 - Rate: **Between 1% and 3.5%**
 - Chosen rate *effective for at least 3 years*
 - Towns not subject to the local marijuana tax imposed by the surrounding county.
- **Excise Taxes N/A to certain transactions:** (i) sales b/w marijuana establishments, (ii) medical sales, (iii) sales of industrial hemp by a licensed grower, processor, or handler, or (iv) to sales of hemp products generally.
- **Business expense deductibility beginning in taxable year 2026 (See § 58.1-301):**
 - Amends income tax conformity provisions to allow VA taxpayers to claim deductions for ordinary and necessary expenditures made in connection w/ carrying on a CCA licensed trade/ business for TYs beginning on and after January 1, 2026 (allows business deductions on VA return even if disallowed on a federal return).



Taxes and Revenue Distribution

- Revenue Distribution (§ 4.1-614)
 - **OLD LAW:** would have directed fixed percentages of net profits from marijuana tax revenues to:
 - 40% *Pre-K programs for at-risk 3-4 year olds*
 - 30% Cannabis Equity Reinvestment Fund
 - 25% Substance use disorder prevention and treatment programs
 - 5% Public health programs/ health awareness campaigns
 - **NEW LAW:** No longer specifies distribution percentages; generally same purposes for use of the funds
 - “all net profits shall be appropriated [in the Budget] *only* to the following sources”
 - *To support early childhood care, early childhood education, and elementary and secondary education in the Commonwealth,*
 - ****Broader than old law directing \$ to pre-K programs for at-risk 3-4 year olds****
 - To the Cannabis Equity Reinvestment Fund
 - To DBHDS for substance use disorder prevention and treatment programs
 - To public health programs/ health awareness campaigns
- **Note: Recommendations from this Commission on new distribution percentages forthcoming (discussed later)**



Taxes and Revenue Distribution

- Cannabis Equity Reinvestment Fund (§ 2.2-2499.8)
- Moneys shall be used solely for the purposes of:
 - 1. **Supporting persons, families, and communities** historically and disproportionately targeted and affected by drug enforcement;
 - 2. **Providing scholarship opportunities and educational and vocational resources** for historically marginalized persons, including persons in foster care, who have been adversely impacted by substance use individually, in families, or in communities;
 - 3. **Awarding grants to support workforce development, mentoring programs, job training** and placement services, apprenticeships, and reentry services that serve persons and communities historically and disproportionately targeted by drug enforcement.
 - 4. Contributing to the **Virginia Indigent Defense Commission**; and
 - 5. Contributing to the **Virginia Cannabis Equity Business Loan Fund**
 - **Grants, low-interest loans, zero-interest loans, conditional loans**, and other supports and services to **impact licensees** in order to foster business ownership and economic growth within communities most disproportionately impacted by marijuana prohibitions
 - ****Redirects 75% annual license fees collected 5/1/27-5/1/28 to Cannabis Equity Business Loan Fund**



Some Enforcement Provisions

- Legal:
 - Possession on person/ in public: **up to 2 ounces** (§ 4.1-1100) → **increase** from one ounce.
 - Adult sharing protection limit without exchanging anything of value: also **2 ounces** (§ 4.1-1103)
 - Home cultivation (§ 4.1-1101): 4 plants per “household”= all living in the residence
 - Plants must not be visible from a public way, shall take precautions to prevent unauthorized access by persons under 21,
 - Plants must be tagged with name, ID #, and notation that it is grown for personal use
 - Property owners/ landlords may prohibit consumption/ cultivation in rental housing agreements
- Illegal:
 - Sale or purchase of marijuana (outside of licensed retail/ medical cannabis program)
 - **Anyone unlicensed selling/ giving/ distributing/ possess w/ intent, except as allowed by law = Guilty**
 - **1st offense: Class 2 Misdemeanor → 2nd: Class 1 Misdemeanor → 3rd+: Class 6 Felony**
 - Growing more than four plants at home or manufacturing cannabis concentrate from home-cultivated cannabis (escalating penalties)
 - Illegal cultivating/ processing marijuana = **Class 6 Felony**
 - Public Consumption/ Offering to another in public:
 - 1st offense - Civil Penalty **up to \$250**
 - 2nd offense - Civil Penalty **up to \$250** AND to enter into substance treatment/education
 - 3rd and subsequent offenses - Class 4 Misdemeanor
 - Purchasing for intoxicated individual = **Class 1 Misdemeanor**
 - Purchasing for someone under 21 = **Class 1 Misdemeanor**
 - Purchase, possession, and consumption of marijuana by a person under 21
 - Possessing or consuming marijuana on public school grounds during school hours/activities
 - Driving under the influence of marijuana
 - Using or consuming marijuana while driving or while being a passenger
 - Carrying cannabis while providing transportation services, like driving a cab or for Uber or Lyft
 - Certain advertising and specific outdoor advertising practices



Consumer Safety



WEED CONTROL

- Outdoor signs shall not display marijuana imagery, target/ appeal to the youth, **no cartoons**, no drawing undue attention to the facility
- Testing
 - Board to establish a testing program
 - Licensee required to submit a sample for testing for contaminants to a licensed testing facility prior to any sale
 - Mandatory testing requirements
 - Substances tested, recordkeeping of testing, and the process for when additional testing is required.
- Labeling and packaging
 - Specifics required to be on labeling
 - Type of marijuana, license #s, net weight, information on all ingredients, servings, instructions on usage, certain warning statements, universal symbol stamped or embossed, certificate of analysis, expiration date
 - Packaging requirements
 - Prepackaged in child-resistant, tamper-evident, and resealable packaging that is opaque
 - Cannot be packaged in a manner that appeals to under 21s, in way that obscures identifying info, is misleading, or depicts/ in the shape of a human, animal, vehicle, or fruit, etc.
- Other health and safety requirements for edible marijuana and other approved marijuana products
 - Shall not contain more than 10 mg of THC per serving and not more than 100 mg of THC per package.



Local Authority



- Shall tax marijuana sales by ordinance between 1%-3.5%
 - Rate effective for at least three years.
 - No opt-out; No referendum.
- Local regulatory authority (§ 4.1-629 and 4.1-630):
 - Shall not regulate or prohibit the retail market/ operations/ use generally
 - Public Consumption Authority = May prohibit and penalize marijuana consumption in:
 - Parks
 - Playgrounds
 - Public streets and adjoining sidewalks.
 - Distance Flexibility for local needs - May *decrease* minimum distance requirements set by CCA:
 - b/w retail marijuana stores and microbusinesses OR
 - b/w retail marijuana stores/ microbusinesses and any hospital/school/child day program
 - May still impose local business regs - zoning, land use requirements, business licenses
 - May regulate hours during which marijuana may be sold by ordinance



Medical Cannabis - changes aligned w/ HB 391 (Askew) plus...

- Medical Cannabis Program - Chapter 16 (§§ 4.1-1600 - 4.1-1606)
- Virginia residents can use and purchase medical cannabis to treat or alleviate the symptoms of any diagnosed condition or disease with a written certification from their medical practitioner.
- Pharmaceutical processors cultivate, process, dispense, sell, and deliver medical cannabis products under one license.
 - Effective June 1, 2027 - pharma processors required to receive dual-use privileges from CCA to maintain medical permit validity
 - See § 4.1-1602(A).
 - Existing pharmaceutical processors (i) operating under the medical program, (ii) meeting certain conditions, and (iii) paying a one-time conversion fee may exercise dual-use privileges = effectively converts into a dual medical program/ retail marijuana license (cultivation facility; processing facility; retail store).
 - See § 4.1-1602.1.
- There are five pharmaceutical processors in Virginia (one in each of the five HSA's established by Board of Health).
 - Each pharmaceutical processor can have (i) up to five *additional* cannabis dispensing facilities for dispensing of cannabis products that have been cultivated and produced on premises of permitted pharmaceutical processor and (ii) one authorized additional cultivation location.
 - Pharma processor only allowed to cultivate indoors, may include a secure agricultural greenhouse, w/ canopy not exceeding 70,000 ft in aggregate across all cultivation. See § 4.1-1602(J).



Hemp Highlights and Other Notes

- Authorization for provision of financial services to licensed marijuana establishments (§ 6.2-108);
- Authorization for provision of accounting services to licensed marijuana establishments (§ 54.1-4426);
- Regulated Hemp Products (§ 4.1-1700 et seq.):
 - Among the changes to hemp laws, the legislation amended civil penalties (not to exceed \$10,000/ day each violation occurs) for any person that sells/offers to sell a product that:
 - “(a) Contains a total THC concentration that is greater than 0.3% OR
 - (b) Contains more than 2 mg of total THC per package”
 - = Eliminates current law allowing a hemp product to exceed 2 mg of total THC if the product contains 25-parts CBD for every one-part THC (the 25:1 ratio).
 - VA businesses in hemp product industry challenged the statutory changes rendering previously compliant hemp products illegal w/ 25:1 ratio elimination
 - Latest Update:
 - USDC WDVA: 8/14/2026: Denied both the preliminary injunction + temporary restraining order
 - “But it is not the role of this Court to second-guess the Virginia legislature in setting an effective date for the new law. The Court is limited to determining whether the law violates Plaintiffs’ constitutional rights and whether Plaintiffs are entitled to the extraordinary remedy of enjoining its effective date.”
 - “Because Plaintiffs have not demonstrated either a likelihood of success on the merits or irreparable injury if HB 30 becomes effective, and because the balance of equities and the public interest weigh in favor of Defendants, the Motions for Preliminary Injunction and Temporary Restraining Order are **DENIED.**”
- **NOTE: Federal** regulation to take effect November 12, 2026, unless delayed.



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More Enactments?!

Directives, Effective Dates, Repeals, and Timelines

- Repeals obsolete laws as appropriate w/ effective dates
- Hemp products:
 - **Effective August 15, 2026:**
 - 25:1 CBD/THC exception eliminated; certain hemp extract products limited to 2 mg of total THC per package.
- Retail marketplace regulatory and sales provisions generally:
 - **Effective July 1, 2027**
- Initial Microbusiness Licenses:
 - **SHALL Accept applications on or before February 1, 2027;**
 - **MAY Issue up to 100 microbusiness licenses on or before May 1, 2027, to one any of the following:**
 - (i) Industrial hemp processors/ growers that are:
 - (a) registered w/ VDACS before 1/1/2021 and in good standing as of 9/1/2026;
 - (b) previously registered w/ VDACS before 1/1/2021, was in good standing, and establishes reason for lapse/ forfeiture;
 - (ii) Impact license qualifying applicants; OR
 - (iii) Farmers (qualifying under USDA qualifications).



More Enactments?!

Directives, Effective Dates, Repeals, and Timelines

- Industrial Hemp Processors or Growers:
 - **By February 1, 2027:** Industrial hemp processors or growers license application process created
 - **By May 1, 2027:** CCA SHALL issue up to 10 marijuana cultivation facility licenses and up to 10 marijuana processing facility licenses (up to 20):
 - (1)(a) registered w/ VDACS before 1/1/2021 and in good standing as of 9/1/2026; OR
 - (1)(b) previously registered w/ VDACS before 1/1/2021, was in good standing, and reason for lapse; AND
 - (2) Pays one-time **\$500,000 fee** (lump sum or installments w/in 3 yrs)
- Pharmaceutical Processors and Dual-Use Privileges:
 - **By February 1, 2027:** Dual-use privileges application process created (“*shall apply*”)
 - **By May 1, 2027:** Pharma processor pays **\$10 million, one-time conversion fee** (lump sum or installments w/in 3 yrs)
 - If licensing reqs met and fee paid/ installment set up → Pharma Processor may exercise dual use privileges
- General Retail Marijuana Licensing:
 - **On and after February 1, 2027:** CCA MAY begin accepting license applications
 - **On and after May 1, 2027:** CCA MAY begin issuing all licenses
 - **On or before July 1, 2027:** CCA SHALL issue **at least 55 additional licenses** distributed among impact licensees/ other types.
 - Anyone issued a license or a pharma processor w/ verified dual-use privileges **MAY operate in accordance w/ new law before July 1, 2027.**
 - **HOWEVER - No retail sales (marijuana/ products/ immature plants/ seeds) before July 1, 2027.**
 - No arrest or prosecutions for certain acts involving marijuana corporations conducted in small time period between license issuance and July 1, 2027, if committed within scope of license/ dual-use privileges and within the Cannabis Control Act.



More Enactments?!

Directives, Effective Dates, Repeals, and Timelines

- CCA
 - Outdoor Growth Regulations shall be promulgated by CCA **by February 1, 2027.**
 - Seed to Sale Tracking System shall be established by CCA **by February 1, 2027.**
 - Board of the CCA shall promulgate regs to implement the new laws **by February 1, 2027.**
 - Analysis of (i) whether to limit marijuana licenses and (ii) canopy limits, and identifying any necessary adjustments:
 - **Report due to GA by November 1, 2026; updated report due in 2 years.**
- Enforcement Plan Report from ABC + CCA, in coordination w/ the Secretary of Public Safety and Homeland Security
 - Plan for ***organizational structures and enforcement roles of ABC and CCA for the retail marijuana market***
 - (i) the current organizational structures of ABC and CCA as they relate to marijuana regulation and enforcement;
 - (ii) the delineation of enforcement and regulatory responsibilities between ABC and CCA;
 - (iii) ID any areas of overlapping or shared authority;
 - (iv) analysis of fiscal and operational implications of any such overlap;
 - (v) opportunities for coordination, efficiencies, or cost savings;
 - (vi) estimated staffing levels, personnel classifications, and other associated resource needs; and
 - (vii) and any recommendations for statutory, regulatory, or organizational changes to improve enforcement and coordination between ABC and CCA.
 - **Due July 1, 2027**, to Governor and Chairs of House General Laws, HAC, SFAC, Senate Rehab & Social Services



More Enactments?!

Directives, Effective Dates, Repeals, and Timelines

- ABC and CCA Temporary Enforcement Memorandum of Understanding - Up to Two Years
 - ABC to support and assist CCA in developing enforcement capabilities
 - Includes temporary assignment/ use of ABC Special Agents until CCA is fully operational
 - Only support and assist CCA to extent requested; still overseen by Secretary of Public Safety & Homel. Sec.
 - **MOU shall be executed by March 1, 2027, and shall expire by March 1, 2029.**
- VDACS Transition
 - CCA vested w/ all powers and duties held by VDACS pre 7/1/2027 in administering certain hemp laws repealed by bill
 - Any valid, active registration issued by VDACS under repealed laws prior to July 1, 2027, remain valid until expiration date and shall be considered to have been issued by the CCA
 - Regs for manufacturing/sale of industrial hemp extract products intended for human consumption shall remain in full force and effect until CCA promulgates regs for regulated hemp product sales (then old regs repealed).
 - Hiring preference at CCA for VDACS employees; severance benefits for those not transitioning to CCA
 - Provisions authorizing continued health plan and retirement plan membership if reemployed (as if no transfer occurred)



COMMONWEALTH OF VIRGINIA

DIVISION OF LEGISLATIVE SERVICES

More Enactments?!

Directives, Effective Dates, Repeals, and Timelines

- Education

- Dept. of Education: Plan for providing teachers w/ info/resources/lessons on harms of marijuana/ substance abuse
 - Check current resources for updates; develop any more necessary resources; **make available by July 1, 2027,**
- Sec. of Education and Dept. of Education to develop plan for introducing teachers (esp. Health teachers) to the info and resources available to them to assist in teaching Health Standards of Learning relating to marijuana use; any costs/ funds?
 - **Due by November 1, 2026.**
- Sec. of Education + SCHEV + VA Higher Education Substance Use Advisory Committee + DBHDS
 - Work w/ existing collegiate recovery programs to determine what efforts should be undertaken for college-aged individuals to promote marijuana education and prevention strategies; any costs/ funds?
 - **Due by November 1, 2026.**

- Directives to this Joint Commission (discussed momentarily)



Timeline

- August 15, 2026:
 - CBD/THC 25:1 exception eliminated for certain hemp products
- February 1, 2027:
 - CCA may begin accepting license applications;
 - CCA regulations promulgated (retail, seed to sale tracking, outdoor growth)
- Between February 1, 2027, and July 1, 2027:
 - Those granted licenses may prepare operations but NO RETAIL SALES
- **July 1, 2027:**
 - **Retail marijuana sales begin.**



A photograph of the United States Capitol building in Washington, D.C. The image shows the neoclassical architecture with its prominent portico and columns. A wide set of stone steps leads up to the entrance. The foreground is a green lawn with red flower beds on either side of the steps. Two tall, dark green lampposts with white globe lights stand on the far left and right. The sky is blue with some light clouds. The text "Joint Commission Duties" is overlaid in the center in a large, black, serif font.

Joint Commission Duties

Duties Generally

- The Joint Commission to Oversee the Transition of the Commonwealth into a Retail Cannabis Market
 - The joint commission shall
 - Oversee the administration of responsibilities assigned to the Authority under the Cannabis Control Act (§ 4.1-600 et seq.);
 - Oversee the implementation and enforcement of cannabis-related laws and regs;
 - Monitor issues, trends, and impacts related to cannabis; and
 - Examine, with the Authority, necessary legislative changes to medical cannabis program to enhance competitiveness, accessibility, and economically inclusiveness.
 - Chairman shall submit annual executive summary of the interim activity and work to the General Assembly and the Governor by first day of each Regular Session
 - HJR 497 (2025): <https://lis.blob.core.windows.net/files/1070569.PDF>



Duties from Appropriations Act (HB 30, 2026 Special Session I)

- Enactment 22

- The Joint Commission **shall consider and make recommendations** on
 - (i) the establishment and implementation of
 - (a) on-site consumption licenses allowing adults to use cannabis on the premises of a licensed marijuana establishment and
 - (b) microbusiness cannabis event permits allowing microbusiness licensees to hold temporary age-restricted sales events at approved venues such as farmers markets or pop-up locations where such licensees may sell marijuana or marijuana products directly to consumers outside of their licensed premises; and
 - (ii) the benefits, limitations, and feasibility of the Virginia Alcoholic Beverage Control Authority's involvement in enforcement of laws and regulations related to cannabis retail market in Virginia
- Report findings and recommendations to the Chairs of the House Committee on General Laws and the Senate Committee on Rehabilitation and Social Services **by November 1, 2027.**



Duties from Appropriations Act (HB 30, 2026 Special Session I)

- Enactment 33

- The Joint Commission **shall consider and make recommendations** on
 - (i) **the best distribution of net profits collected pursuant to § 4.1-614 of the Code of Virginia**, as amended by this act, that shall only be used
 - (a) to support early childhood care, early childhood education, and elementary and secondary education in the Commonwealth,
 - (b) for the Cannabis Equity Reinvestment Fund established pursuant to § 2.2-2499.8 of the Code of Virginia,
 - (c) for the Department of Behavioral Health and Developmental Services, which shall distribute such appropriated funds to community services boards for the purpose of administering substance use disorder prevention and treatment programs, and
 - (d) for public health programs, including public awareness campaigns that are designed to prevent drugged driving and discourage consumption by persons younger than 21 years of age,
 - and (ii) **ways to inform the public of other potential risks.**
- Report findings and recommendations for relevant changes to the Secretary of Finance and the Chairs of the House Committee on Appropriations and the Senate Committee on Finance and Appropriations **by November 1, 2026.**



Duties from Appropriations Act (HB 30, 2026 Special Session I)

- Enactment 34
 - The Joint Commission shall consider and make recommendations on the benefits, limitations, and feasibility of creating, operating, and maintaining a testing facility, operated by the Commonwealth, for marijuana and marijuana products.
 - Report its findings and recommendations to the Chairs of the House Committee on General Laws and the Senate Committee on Rehabilitation and Social Services **by November 1, 2027.**



A photograph of the Alabama State Capitol building, a large white neoclassical structure with a prominent portico supported by columns. A wide set of stone steps leads up to the entrance. The building is set on a green lawn with red flower beds in the foreground. Two tall, dark green lampposts with white globe lights stand on either side of the steps. The sky is blue with some light clouds. The text "Interim Road Map and Deadlines" is overlaid in a large, black, serif font across the center of the image.

Interim Road Map and Deadlines

Deadlines

- HJR 29 (2026) - Joint Commission Interim Interim Work Deadline
 - Rule 26. Interim meetings of any standing committee, joint committee, joint subcommittee, legislative commission, or any other interim study subcommittee or study commission shall be held on Monday, Tuesday, Wednesday, or Thursday during the first and third full weeks of the month, unless otherwise authorized by the Speaker of the House of Delegates or the Chairman of the Senate Committee on Rules, as may be appropriate for the house in which the chairman serves. *The interim work of any such committee, subcommittee, or commission shall be completed no later than **Monday, November 30, 2026.***
- HJR 497 (2025) - Annual Executive Summary
 - The chairman shall submit to the General Assembly and the Governor an annual executive summary of the interim activity and work of the joint commission **no later than the first day of each regular session of the General Assembly.**
- HB 30 (2026, Special Session I) - Enactment 33 Revenue Distribution Recs
 - Report findings and recommendations for relevant changes on the best distribution of net profits collected pursuant to § 4.1-614 to the Secretary of Finance and the Chairs of the House Committee on Appropriations and the Senate Committee on Finance and Appropriations **by November 1, 2026.**



2026 Interim Discussion Topics

- Enactment 33 - distribution of net profit recommendations
- Health and Safety; Public Health Awareness
- Enforcement
 - Penalties
 - MOU with ABC
 - Tip Line
 - Hemp Enforcement/Transition
- Enactment 22 - on-site consumption licenses; microbusiness cannabis event permitting;
- Voting on recommendations for legislative proposals for the 2027 Session prior to the launch of the marketplace on July 1, 2027.



A photograph of the United States Capitol building in Washington, D.C. The image shows the neoclassical architecture with its prominent portico and columns. A wide set of stone steps leads up to the entrance. In the foreground, there are green lawns and red flowering bushes. Two tall, dark green lampposts with white globe lights stand on either side of the steps. The sky is blue with some light clouds. The word "Questions?" is written in a large, black, serif font across the center of the image, partially obscuring the building's facade.

Questions?

Resources

- Cannabis Control Act - Subtitle II of Title 4.1 of the Code of Virginia
 - <https://law.lis.virginia.gov/vacodefull/title4.1/subtitleII/>
 - Contains statutory provisions related to marijuana regulation in the Commonwealth
- Additional Enactments of HB 30/ Chapter 1 (2026, Special Session I)
 - <https://budget.lis.virginia.gov/item/2026/2/HB30/Chapter/4/4-14.00/>
 - The marketplace was established through the appropriation act
 - Most retail marijuana market provisions were codified; however, there were many other enactments setting out procedures and deadlines related to the Cannabis Control Authority and this Joint Commission.

