



# Federal Cannabis and Hemp Policy Actions and Implications for States

Presentation for the Virginia Joint Commission to Oversee  
the Transition of the Commonwealth into a Cannabis Retail  
Market  
June 2, 2026





# Federal Cannabis Rescheduling

Nicole Ezeh, Legislative Director, NCSL

---

# Federal cannabis rescheduling

(an abridged timeline)

Cannabis has been a substance covered by the Controlled Substances Act (CSA) since its ratification in 1970.

Until April 2026, most forms of THC were subject to Schedule I control (exceptions for certain cannabis derived medications and cultivation for federally approved studies.)



## October 2022

President Biden directs Health and Human Services and the Drug Enforcement Administration to reexamine cannabis scheduling

## August 2023

HHS recommends rescheduling cannabis to Schedule II

## April 2024

Department of Justice issues an opinion affirming HHS's recommendation

## April 2024 – late 2025

Rescheduling efforts in administrative limbo between administrations

## December 2025

President Trump issues executive order instructing AG to expedite the rescheduling process

## April 2026

DOJ issues order placing FDA approved cannabis products and medical cannabis products in Schedule III

# What the DOJ final order on cannabis rescheduling...

## DOES

- Move certain cannabis products from Schedule I to Schedule III
  - FDA approved drugs containing Delta 9 THC from the cannabis sativa plant
  - Cannabis products subject to a state medical cannabis scheme
- Impose regulatory requirements on FDA approved cannabis products
- Establish a new registration pathway for state-licensed medical cannabis entities seeking federal DEA registration
- Allow state-licensed medical cannabis businesses to deduct business expenses on federal tax filings under Internal Revenue Code Section 280E

## DOES NOT

- Authorize or decriminalize adult cannabis use or recreational cannabis sales
- Violate the Single Convention Treaty and Convention on Psychotropic Substances
- Solve banking issues for cannabis businesses
- Detail the effects of rescheduling on interstate travel with cannabis products
- Change the appropriations rider barring DOJ from using taxpayer funds to impede state medical cannabis regulation and sales (but may make it redundant)

# Changes to the Federal Definitions of Hemp

Megan Bland, Associate Legislative Director, NCSL



# Federal Hemp Legislative Changes

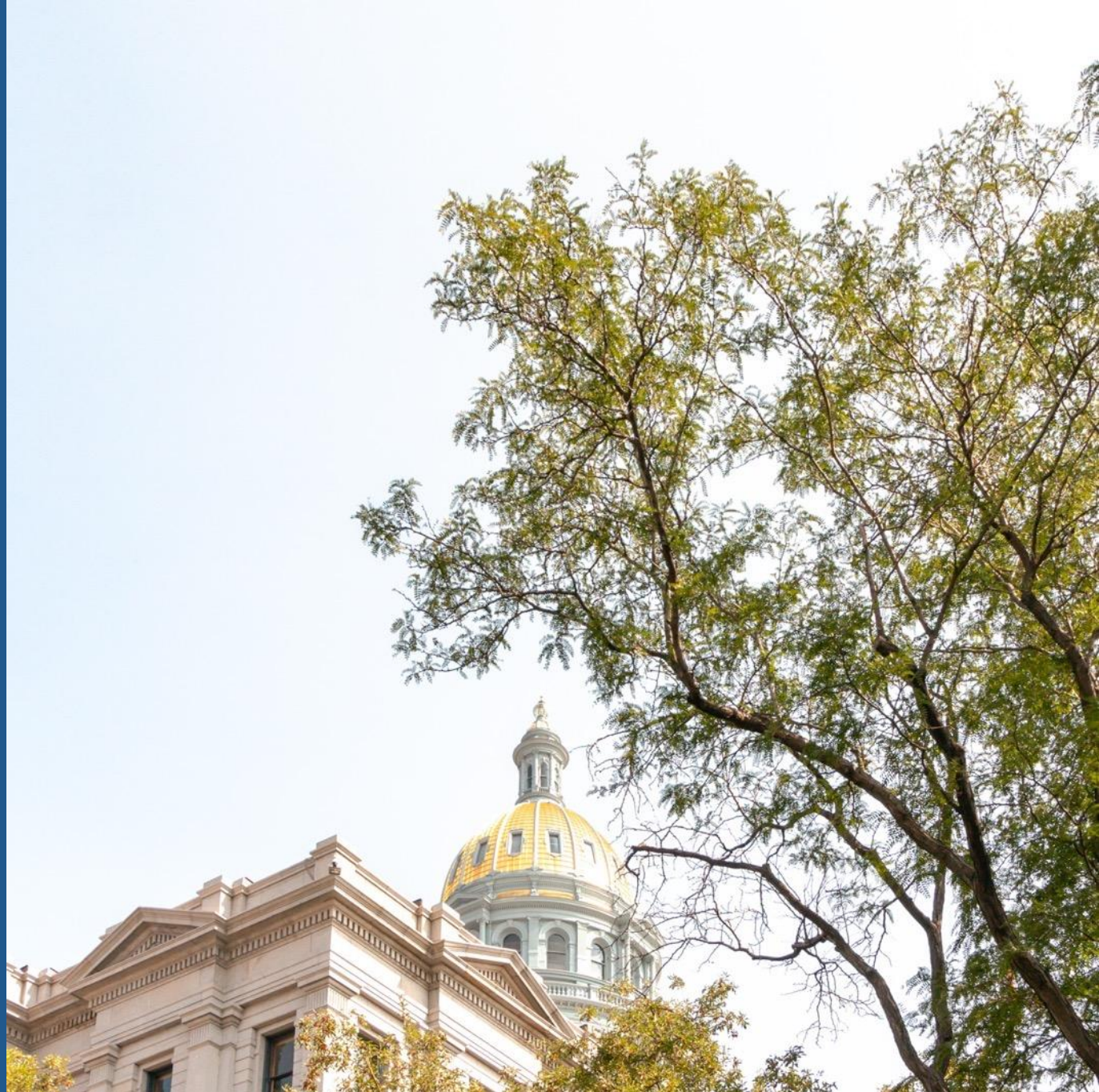
Where we were and where we are now

- **Then:** Agriculture Improvement Act of 2018 (a.k.a. 2018 Farm Bill)
  - Legalized hemp under the Controlled Substances Act by changing its federal definition
    - “The plant *Cannabis sativa* L. and any part of that plant, including the seeds thereof and all derivatives, extracts, cannabinoids, isomers, acids, salts, and salts of isomers, whether growing or not, with a **delta-9 tetrahydrocannabinol concentration** of not more than 0.3% on a dry weight basis.” ([U.S.C. § 1639o](#))
- **Now:** Continuing Appropriations and Extensions Act of 2026 ([P.L. No. 119-37](#))
  - Closed the hemp “loophole” (Section 781) by narrowing the federal definition
    - “The plant *Cannabis sativa* L. and any part of that plant, including the seeds thereof and all derivatives, extracts, cannabinoids, isomers, acids, salts, and salts of isomers, whether growing or not, with a **total tetrahydrocannabinols concentration (including tetrahydrocannabinolic acid [THCa])** of not more than 0.3 percent on a dry weight basis.”
  - Kept legalization for non-cannabinoid purposes (e.g., hemp rope) and created several specific legalization exclusions
- **Next:** Questions remain about actual impacts on the hemp industry and federal enforcement, once the hemp related provisions go into effect on Nov. 12, 2026, as well as potential conflicts between state and federal laws



# Federal Cannabis and Hemp Changes: Implications for States

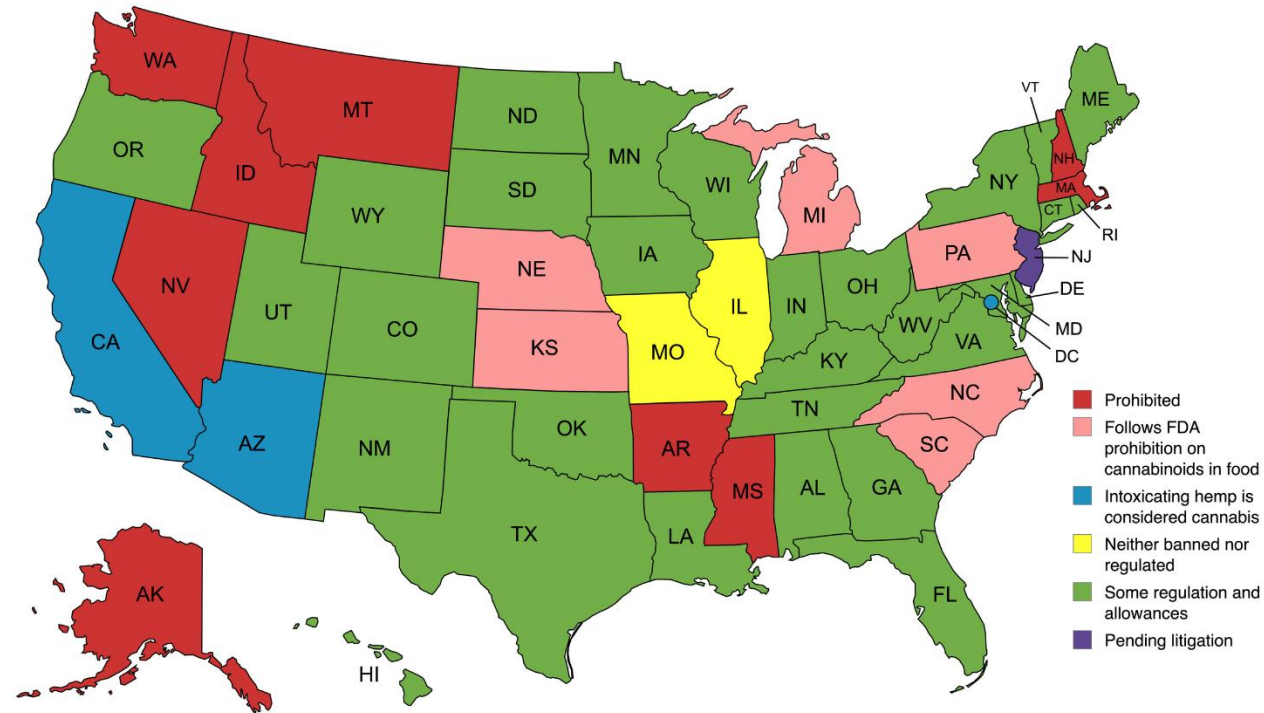
Karmen Hanson, Senior Fellow, NCSL





# State Regulatory Policies for Hemp-Derived THC Beverages

.... it's also complicated



Source: Cannabis Regulators Association (CANNRA), October 2025

# What do these changes mean for states?

Some knowns and unknowns

## CANNABIS RESCHEDULING:

- Final federal regulations may require policy action(s) from states and/or businesses.
  - This may vary by state
- States with regulated medical use programs may align with federal scheduling, but final details will matter.
- Medical cannabis-related businesses may register with the DEA to become federally legal.
- States with regulated adult use remain non-compliant with federal scheduling (federally illegal).
- Interstate commerce/coordination still unknown.
- For now, rescheduling does not apply to cannabis products sold as foods, supplements, or unapproved drugs regulated by the FDA= STAY TUNED!

## DEFINITION OF HEMP:

- If Congress doesn't enact a delay or additional legislation:
  - States may choose to move currently-allowed hemp products into regulated medical or adult-use programs, regardless of intoxication or product origin.
  - States may choose to follow federal hemp product definitions which would make most hemp-based products federally illegal, and potentially negatively impact hemp-product producers in their states.
- State actions will depend on final federal regulations and details.
- Potentially more changes.

# It's a pleasure to be here today!

Please reach out with any follow up questions.



Karmen Hanson, MA  
Senior Fellow, Health Program  
[karmen.hanson@ncsl.org](mailto:karmen.hanson@ncsl.org)

State Cannabis Enactment Database:  
<https://www.ncsl.org/health/state-cannabis-legislation-database>