

Joint Commission to Oversee the Transition of the Commonwealth into a Retail Cannabis Market
Proposed Changes for Consideration - 12/2/2025

NOTE: The proposed changes should be understood as modifications to the statutory language contained in HB 2485 and SB 970 from the 2025 General Assembly. The text of those bills serves as the foundation and any changes discussed are amendments to that underlying language.

	Code Section Affected	Action
1	4.1-604	Require the CCA issue an annual report on the condition and health of the cannabis retail market. Such report shall also be sent to the Joint Commission to Oversee the Transition of the Commonwealth into a Cannabis Retail Market
2	4.1-604	Require the CCA to develop and provide consumer education highlighting the ways purchasing cannabis and cannabis products from or cultivated and processed by licensees supports farmers, small businesses, and community reinvestment and consumer education about responsible marijuana consumption and health risks and other dangers associated with marijuana consumption
3	4.1-604	Require the CCA to maintain a public registry available online with information on ownership and financial disclosures for all licensees
4	4.1-604	Require the CCA to conduct at least one annual audit of ownership and financial relationships across all licenses and require an anonymized summary of the compliance findings be included in the annual report on the condition and health of the cannabis retail market
5	4.1-604	Require the CCA to investigate the ownership and control interests of all licensees, approve or deny ownership, financing, management, and brand-licensing agreements or contracts, and issue divestiture orders as deemed appropriate to ensure compliance with § 4.1-805
6	4.1-606	Require the CCA to promulgate regulations that establish an approval process for the Board to approve or deny ownership, financing, management, and brand-licensing agreements to ensure compliance with § 4.1-805 and establish objective criteria for determining whether a financial arrangement between a licensee and another party constitutes undue influence , including the consideration of factors such as price-setting authority, shelf-space control, financing dependency, or shared personnel.
7	4.1-606	Require the CCA to promulgate regulations that establish additional market-concentration thresholds, including regional or statewide market-share and Herfindahl-Hirschman Index (HHI) benchmarks, and may deny or condition the issuance of licenses or approval of transfers of licenses that would create undue market concentration.

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8	2.2-2818, 2.2-2905, 2.2-3114, 2.2-3711, 2.2-3802, 2.2-4024	Add CCA to the definition of "state employee" in the context of health and related insurance for state employees; excludes CCA from Virginia Personnel Act; adds CCA to section related to disclosure statements of personal interests; allows discussion or consideration by the CCA Board of certain information related to investigations of applicants for licenses and permits to be discussed in a closed meeting; add CCA to exceptions for government data collection/dissemination practices act; exception for CCA for APA hearings
9	4.1-600, 4.1-1405	Add definitions of "edible marijuana product," "inhalable marijuana product," and topical marijuana product" to 4.1-600; Amend clause (iv) of subdivision 4 of subsection A of 4.1-1405 related to labeling and packaging requirements to include the labeling changes included in HB 1989 (2025). Changes are made to what is required to be on the label related to THC and CBD in a product that aligns with the type of cannabis product it is.
10	4.1-1600, 4.1-1602, and 4.1-1603	Change the requirements for what is included on medical cannabis product labels affixed by pharmaceutical processors to include (i) the total milligrams of tetrahydrocannabinol and cannabidiol included in the edible cannabis product or topical cannabis product, both defined in the bill; (ii) the number of milligrams of tetrahydrocannabinol and cannabidiol in each serving of the edible cannabis product or topical cannabis product; and (iii) the total percentage of tetrahydrocannabinol and cannabidiol included in the inhalable cannabis product, defined in the bill.
11	4.1-606	Change the limitations on the number of each license type so that there is still a maximum of 350 for retail establishments and a maximum of 10 for Tier V cultivation facilities; however, the limits for the rest of the license types are left up to the Board to set by regulation (processing facilities, Tier I cultivation, Tier II cultivation, Tier III cultivation, and Tier IV cultivation)
12	4.1-606 and any cross-references to "micro business"	Change "micro business" to "impact licensee" throughout the bill

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13	4.1-606	Impact licensee criteria changes: (1) Add felony violations of 18.2-248.1 (distribution of marijuana) to the list of prior convictions that make someone eligible as an impact licensee; (2) Add language to ensure the criteria category related to past marijuana-related convictions or adjudications is not limited to convictions or adjudications within the Commonwealth; (3) Change criteria related to having resided for three of the last five years in a historically economically disadvantaged community to instead having resided in a jurisdiction determined by the Board after using U.S. census tract data to have been disproportionately policed for marijuana crimes between the years 2015 and 2025; (4) Add additional criteria for persons qualifying for financial assistance from the USDA as a distressed farmer in the last five years
14	4.1-606	Add language requiring a person meet at least four out of the seven criteria to be eligible as an impact licensee and remove the language providing that the Board shall establish a process that prioritizes such applicants based on the number of subdivision 13 criteria categories met and ensures that increased priority is provided to applicants that meet the most criteria categories
15	4.1-606	Add language requiring CCA to promulgate regulations that establish measurable ownership percentage targets for each part of the cannabis supply chain, including cultivation, processing, and retail
16	4.1-800	Add language creating a marijuana nursery cultivation facility license which authorizes the licensee to cultivate immature marijuana plants, clones, and seeds indoors or outdoors with canopy not exceeding 2,000 square feet. Can sell to other licensees, but not at retail to consumers
17	New 4.1-802.1	Add microbusiness license which authorizes the licensee to cultivate, process, and sell marijuana or marijuana products. Such licenses shall authorize the licensee to cultivate cannabis, process cannabis, and sell their own cannabis and cannabis products directly to consumers through age-verified delivery and limited on-site retail sales at their licensed premises. These licenses shall utilize the seed-to-sale tracking system established by the Authority, verify age and identity of purchasers at the point of delivery or sale, comply with all testing, labeling, and packaging requirements applicable to retail licensees; and sell only cannabis cultivated and processed by the licensee on its licensed premises. The canopy limits for such temporary licensees are 3,500 sq. ft. for indoor and 10,000 sq. ft. for outdoor. Can only hold one license and operate one licensed premises and can only sell their own products.
18	4.1-800	Set canopy limits for microbusiness: indoor 3,500 square foot and outdoor 10,000 square feet. Amend maximum canopy limit for Tier V cultivation facility licenses from 70,000 to 35,000 square feet (indoor).

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19	New 4.1-803.1, 4.1-606	Add marijuana delivery operator licenses that allow licensee to delivery marijuana from a retail marijuana stores or micro businesses to consumers and require CCA to establish requirements for securely delivering marijuana or marijuana products from retail marijuana stores or micro businesses to consumers, which shall include requirements for age verification, delivery radius, and recordkeeping
20	New section around 4.1-801	Add language providing for a shared processing hubs that would allow microbusinesses and/or other small processors to legally process cannabis products without each having to own a full processing operation themselves.
21	4.1-800, 4.1-801, 4.1-802, 4.1- 1203	Add language clarifying that licensees are authorized to transport their cannabis and cannabis products to other licensees to enable them to transport on their own OR use a transporter licensee
22	4.1-805	Add language specifying that for the purposes of the limit on multiple licenses awarded to one person, "interest" includes direct or indirect equity interest in an entity, regardless of percentage, including interests of 0.01% or less.
23	4.1-805	Prohibit any person from being granted or holding interest in more than one Tier IV marijuana cultivation facility license.
24	4.1-606, 4.1-702, and 4.1-900	Add language providing that no license shall be assigned, sold, or transferred, nor shall ownership or control be changed, without prior written approval of the Board and that any such change made without CCA approval is void and shall constitute grounds for immediate suspension or revocation of all affected licenses. Require the CCA to promulgate regulations to establish procedures governing ownership disclosure, prior written approval of the Board for the assignment, sale, or transfer or any license or any change in ownership or control, and background investigations of transferees. Such regulations shall (i) require that ownership interests be traced through all intermediary entities to the ultimate beneficial owners and (ii) include provisions specifying that a change of control occurs upon the (a) acquisition of 20 or more of equity or voting power; (b) execution of any instrument conferring appointment or removal rights over managers; or (c) cumulative transfers totaling 20 percent or more within any twenty-four-month period
25	4.1-606	Add language requiring CCA to promulgate regulations that prohibit licensees from making any loan, gift, service arrangement, marketing payment, or brand-licensing agreement with another licensee that, in the judgement of the Board, may unreasonably influence retail pricing, brand placement, or shelf allocation of cannabis products.
26	4.1-902	Add language that the Board shall suspend or revoke any license if it finds that the licensee is not operational within 24 months of the issuance of the license

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27	4.1-802	Add language that requires retail marijuana stores operated by pharmaceutical processors to offer for sale a certain amount or percentage of marijuana and marijuana products cultivated or processed by microbusinesses and impact licensees to be established by Board regulation.
28	4.1-808	Change required minimum distance between retail marijuana stores from 1,000 feet to one mile
29	4.1-808	Add language stating a retail marijuana store shall not be located within 1,000 feet of places of religious worship, hospitals, schools, playgrounds, child day programs, substance use disorder treatment facilities, or government facilities
30	4.1-802	Add language specifying that retail marijuana stores can sell marijuana paraphernalia
31	4.1-604	Add language requiring CCA to conduct training that is open to the public and provide educational resources to the public on the application process for licenses
32	4.1-604	Add language requiring CCA to provide for independent audits of license lottery processes and any publish such lottery processes and the results of all lotteries on a public dashboard
33	4.1-808	Add language to 4.1-808 clarifying that a prior conviction for a felony violation of 18.2-248.1 is not cause for the Board to refuse to grant a license
34	4.1-1000	Add language to 4.1-1000 where it says the Board shall not disqualify an applicant because of a past conviction for a marijuana-related offense: "subject to the provisions of subsection B(1)(b) of § 4.1-808" so that those provisions don't conflict
35	4.1-1003	Raise local tax from 2.5 percent to "up to 3.5" percent
36	4.1-1003	Remove marijuana paraphernalia - so no tax on paraphernalia
37	2.2-2499.8	Specify that 50% of the Cannabis Equity Reinvestment Fund is to go to the Virginia Cannabis Equity Business Loan Fund established pursuant to 4.1-1501
38	Budget	Allocate \$ 3 million in the Budget up front to support first round of licenses
39	4.1-629	Remove 4.1-629 which removes the option for localities to hold a local referendum to prohibit sale of marijuana and all cross-references to such section

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40	4.1-601	Add a statement of purpose stating that the purpose of the retail market framework is to create a new approach to marijuana regulation that is rooted in principles of restorative justice, economic equity, and public health in order to generate significant new revenue dedicated to community reinvestment, create hundreds of new small and local businesses, strengthen the Commonwealth's vital agriculture sector, end the racially disparate impacts of prohibition, and protect the health and safety of all citizens of the Commonwealth. This framework is further intended to establish a competitive, sustainable, and decentralized market structure built for long-term success, prioritizing the creation of durable, independent businesses over the maximization of short-term tax revenue.
41	New 4.1-1000.1	Add new section requiring all marijuana establishment license applicants to have entered into a labor peace agreement with a bona fide labor organization
42	4.1-606	Add language to subsection B(16) specifying that any regulations related to the outdoor advertisement of marijuana or marijuana products related to retail marijuana stores shall be at least as stringent as those established for pharmaceutical processors or cannabis dispensing facilities
43	4.1-1402	Add a subsection to current statute 4.1-1402 related to outdoor advertising of marijuana that states any signs placed on the property of a marijuana establishment shall not (i) display imagery of marijuana or marijuana use or (ii) draw undue attention to the facility, but may be designed to assist consumers to find the marijuana establishment (language is from language is from 3VAC10-40-170-current regulation for medical cannabis facilities)

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44	Enactment clauses	Add an enactment clause directing the CCA to issue up to 100 temporary DTC microbusiness licenses to applicants that (i) (a) are registered as a hemp grower or processors with the Virginia Department of Agriculture and Consumer Services and in good standing as of July 1, 2026; (b) qualify for an impact license pursuant to subdivision B 13 of § 4.1-606 of the Code of Virginia, as amended by this act; or (c) qualify as a farmer under the United States Department of Agriculture qualifications; and (ii) meet any such financial, security, and operational readiness criteria as established by the Authority. Such licenses shall authorize the licensee to cultivate cannabis, process cannabis, and sell their own cannabis and cannabis products directly to consumers through age-verified delivery and limited on-site retail sales at their licensed premises. These licenses shall utilize the seed-to-sale tracking system established by the Authority, verify age and identity of purchasers at the point of delivery or sale, comply with all testing, labeling, and packaging requirements applicable to retail licensees; and sell only cannabis cultivated and processed by the licensee on its licensed premises. The canopy limits for such temporary licensees are 3,500 sq. ft. for indoor and 10,000 sq. ft. for outdoor.
45	Enactment clauses	The CCA shall begin accepting licenses for the temporary DTC microbusiness program on July 1, 2026 and shall issue up to 100 by September 1, 2026. Such temporary DTC microbusinesses may begin authorized cultivation and processing operations, but shall not engage in retail sales until November 1, 2026. The program will sunset once the CCA certifies at least 100 retail marijuana stores are operational statewide or once 24 months have elapsed from the program launch, whichever occurs first. Upon expiration of the program, the DTC microbusiness licensees can apply to convert to a standard microbusiness license.
46	Enactment clauses	The CCA shall create a streamlined application process for pharmaceutical processors that have been issued a permit by the Board pursuant to Chapter 16 (§ 4.1-1600 et seq.) of Title 4.1 of the Code of Virginia. Provided the applicable licensing requirements are met, the CCA shall issue applicable licenses for any location for which a permit has been issued (up to nine licenses) upon the payment of a one-time \$10 million conversion fee to the Authority. The CCA may specify that a portion of the fee is paid prior to the issuance of the licenses and a portion may be paid in installments after.

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47	Enactment clauses	The CCA shall create a streamlined application process for no more than five industrial hemp processors or growers who are or who <i>were previously</i> registered with VDACS and in good standing with VDACS prior to forfeiting their registration or allowing their registration to expire. Provided the applicable licensing requirements are met, the CCA shall issue a cultivation license to such applicants applied for upon the payment of a \$500,000 conversion fee to the Authority. The CCA may specify that a portion of the fee is paid prior to the issuance of the licenses and a portion may be paid in installments after.
48	Enactment clauses	Any priority given to such industrial hemp processors or growers for tier IV and tier V marijuana cultivation facility licenses, would similarly include industrial hemp processors or growers that <i>were previously</i> registered and in good standing with VDACS prior to forfeiting their registration or allowing their registration to expire.
49	Enactment clauses	July 1, 2026 – CCA to start accepting applications. CCA shall first prioritize: (1) Applications for temporary DTC microbusiness licenses (to issue up to 100 by September 1, 2026) (2) Streamlined applications for pharmaceutical processors and industrial hemp growers or processors (3) Applications for impact licenses, microbusiness licenses, and Tier I and Tier II cultivation facility licenses
50	Enactment clauses	Prior to November 1 2026, the CCA shall have processed the streamlined applications for pharmaceutical processors and issued such licenses, processed the streamlined applications for industrial hemp growers and processors and issued cultivation licenses to no more than five; and have issued at least an equivalent amount of new licenses to impact licensees, microbusiness licensees, and Tier I and Tier II cultivation facility licensees
51	Enactment clauses	November 1, 2026 – retail sales may begin as long as conditions of licensure are met by licensees
52	Enactment clauses	Direct the Joint Commission to Oversee the Transition of the Commonwealth into a Cannabis Retail Market to study the establishment and implementation of on-site consumption licenses and microbusiness cannabis event permits, such as farmers markets
53	Enactment clauses	Direct the Joint Commission to Oversee the Transition of the Commonwealth into a Cannabis Retail Market to study the advantages, disadvantages, and feasibility the Virginia Alcoholic Beverage Control Authority being involved in the enforcement of the laws and regulations related to the cannabis retail market.