



April 22, 2021

Quarterly Cannabis Report

The 117th Congress is shaping up to be the year for cannabis reform. As of April 2021, 47 states, four U.S. territories and the District of Columbia have legalized medical cannabis, recreational cannabis or both. Many of these efforts can be attributed to Steve Fox, a true pioneer of the legalization movement. Fox, managing partner of VS Strategies, and godfather of the industry, paved the path for nationwide legalization efforts and was instrumental in cannabis reform throughout the country for decades. He was one of the first to politically advocate on behalf of medical and recreational cannabis legalization, advance decriminalization measures and promote reform and social justice. As an educator and leader, Fox will be remembered for his wisdom, knowledge and kindness, and his voice, perspective and presence will be dearly missed.

VS Strategies welcome the celebration of Fox's life through the sharing of thoughts and memories, and asks for respect and privacy for his family, friends and co-workers who are still reeling from this loss. VS Strategies also started a GoFundMe page to support Fox's wife and daughters as they navigate their way through this extremely difficult time — <https://www.gofundme.com/f/support-the-family-of-steve-fox>.

FEDERAL CANNABIS PROPOSALS

The SAFE Banking Act: On March 18, Rep. Ed Perlmutter (D-CO) reintroduced the [Secure and Fair Enforcement \(SAFE\) Banking Act, H.R.1996](#) that creates a safe harbor for financial institutions to provide traditional banking services to cannabis and cannabis-related businesses in states that have legalized the drug and allows cannabis and cannabis-related businesses to access traditional banking services like lines of credit, loans and wealth management. The 2021 version of the bill is almost identical to the text introduced in the previous congressional session; however, the new legislation includes provisions that extend to the hemp industry. Although federally legal, the hemp industry struggles with regulatory guidance and financial challenges, similar to the cannabis sector. Additional changes to the text include requiring the Financial Crimes Enforcement Network ("FinCEN") to update its guidance for financial institutions seeking to provide services to cannabis and cannabis-related businesses and ensuring that such changes align with the SAFE Banking Act. The bill also includes modified language on state-regulated insurance and redefines the term "financial service." Lastly, the new legislation clarifies that a service provider and a cannabis business do not need to reside in the same state to engage in legal business activity. The newly introduced bipartisan bill is co-led by Reps. Nydia Velázquez (D-NY), Steve Stivers (R-OH) and Warren Davidson (R-OH), and has almost 200 co-sponsors. Additionally, the bill is supported by 33 different financial associations, credit unions, trade groups and nonprofits.

The [bill](#) was originally introduced during the 116th Congress and obtained strong bipartisan support in both chambers. With 206 co-sponsors, 180 Democrats and 26 Republicans, the measure quickly moved through the House. In March 2019, the bill was referred to the House Financial Services Committee. The committee held a markup for the bill, and in a 45-15 vote, the measure was ordered to be reported favorably. Then in June, the SAFE Banking Act was referred to the

House Judiciary Committee, where Rep. Perlmutter moved to suspend the rules and pass the bill as amended. The House held a floor debate on the legislation, and on a motion to suspend the rules, the bill passed in a 321 to 103 [vote](#), with 91 Republicans and one Independent voting to support the measure. The legislation was shortly after referred to the then Republican-majority Senate, where it stalled. Additionally, the SAFE Banking language has been included, and passed, in two separate House relief packages. The latest COVID-19 package, the HEROES Act, which passed in a 214-207 vote, had language that would protect financial institutions that provided services to state-legal cannabis and cannabis-related businesses from being penalized by federal regulators.

The Senate's then lack of interest in the bill could have been highly anticipated. In July 2019, the Senate Banking Committee held a hearing titled, "Challenges for Cannabis and Banking: Outside Perspectives." The hearing discussed the industry's lack of access to banking services and considered the SAFE Banking Act. Aside from former Sen. Cory Gardner (R-CO), a longstanding cannabis advocate and GOP-led sponsor for the Senate companion bill, who testified before the committee, the only present Republican member was the committee chair, Sen. Mike Crapo (R-ID).

Although successful in gaining traction in the House, cannabis advocates voiced their concerns with the bill, claiming it did not address the social equity and criminal justice and racial reform policies. Before the House voted on the measure, the American Civil Liberties Union (ACLU), the Center for American Progress (CAP), the Drug Policy Alliance, the Human Rights Watch, the JustLeadershipUSA (JLUSA) and The Leadership Conference on Civil and Human Rights sent a [letter](#) to Congress expressing their concerns with the bill. The letter said the legislation "Undermine[s] broader and more inclusive efforts to reform our country's marijuana laws" and does not "Address marijuana reform holistically. Instead, it narrowly addresses the issues of banking and improved access to financial services, measures that would benefit the marijuana industry, not communities who have felt the brunt of prohibition."

However, advocates like the American Banking Association (ABA) have applauded Congress' efforts in addressing the industry's financial challenges. In 2019, the ABA published a [press release](#) sharing their support for the bill and sent a [letter](#), in conjunction with the American Land & Title Association (ALTA), the Americans for Prosperity, the Council of Insurance Agents and Brokers (CIAB), the Credit Union National Association (CUNA), the Electronic Transactions Association (ETA), the International Council of Shopping Centers (ICSC), the National Association of Mutual Insurance Companies (NAMIC), the National Association of Professional Employer Organizations (NAPEO), the National Association of REALTORS (NAR), R Street and the Wholesale & Specialty Insurance Association (WSIA), to Sens. Mike Crapo (R-ID) and Sherrod Brown (D-OH), the ranking member of the Senate Banking Committee. The letter said, "We understand that creating a true federal regulatory framework for cannabis is a multi-step process. However, we strongly believe that the SAFE Banking Act is a critical first step to ensure that legal cannabis marketplaces are safe, legal, and transparent." In 2020, the ABA, alongside all 50 state bankers associations, sent a [letter](#) to the chair and ranking member again encouraging the committee to markup and advance the SAFE Banking Act. The letter said, "Although we do not take a position on the legalization of marijuana, our members are committed to serving the financial needs of their communities—including those that have voted to legalize cannabis." The letter also said, "The SAFE Banking Act is a banking-specific solution that would address the reality of the current marketplace and allow banks to serve cannabis-related businesses in states where the activity is legal."

Before the SAFE Banking Act was reintroduced this year, ABA sent another [letter](#) to Congress expressing their support for new legislative efforts to address cannabis banking concerns. The letter said, "ABA does not take a position on the legalization of cannabis. Nevertheless, our member banks find themselves in a difficult situation due to the conflict between state and federal law, with local communities encouraging them to bank cannabis businesses and federal law prohibiting it. Congress must act to resolve this conflict between state and federal law" and concluded that "ABA is pleased to support the SAFE Banking Act and urges the House Financial Services Committee to approve this legislation and for the full House of Representatives to quickly consider this important measure."

On March 23, the Senate reintroduced the measure as well. Led by Sens. Jeff Merkley (D-OR) and Steve Daines (R-MT), [S.910](#) has 32 co-sponsors, 23 Democrats, two Independents and seven Republicans, Sens. Daines, Kevin Cramer (ND), Dan Sullivan (AK), Rand Paul (KY), Bill Cassidy (LA), Cynthia Lummis (WY) and Lisa Murkowski (AK). Sen. Merkley [tweeted](#), “Most legal cannabis businesses operate entirely in cash, because of a nonsensical rule barring them from the financial services they need—leaving them open to robbery and money laundering. The SAFE Banking Act would correct that. I’m working on this bill with [Steve Daines] to remove the barriers to capital and ensure that all communities can operate legal cannabis businesses.” In a press release, the senator also highlighted the significance of the SAFE Banking Act saying, “No one working in a store or behind a register should have to worry about experiencing a traumatic robbery at any moment. That means we cannot keep forcing legal cannabis businesses to operate entirely in cash—a nonsensical rule that is an open invitation to robbery and money laundering.” Daines also [tweeted](#), “Our bipartisan bill will help increase public safety, reduce crime, support Montana small businesses, create jobs and boost local economies. A big win for our communities.”

On April 16, House Majority Leader Steny Hoyer (D-MD) announced the bipartisan measure would get a floor vote the week of April 19. On April 20, the House voted on the measure and in a 321-101 [vote](#), the chamber passed the bill. The SAFE Banking Act advanced to the Senate, where it was referred to the Banking, Housing and Urban Affairs Committee.

The Hemp Economic Mobilization Plan Act: On March 30, Sen. Rand Paul (R-KY) reintroduced the [Hemp Economic Mobilization Plan Act](#). In an effort to address the concerns state regulators and industry advocates, farmers and processors have long clamored about, Paul introduced [S. 1005](#). The legislation seeks to increase the THC potency cap in hemp from 0.3% to 1%. Additionally, the bill aims to ease testing burdens by requiring hemp products to be tested for THC levels rather than the plants and sets a testing margin of error at 0.075%. Lastly, the bill calls for hemp shipments to include a copy of the producer’s license and lab THC threshold certification and for the U.S. Department of Agriculture (USDA) to update regulations within 90 days of enactment. The American Farm Bureau Federation and the National Association of State Departments of Agriculture support Sen. Paul’s bill.

The Claim Act: In March, Rep. Nydia Velazquez (D-NY), and Sen. Bob Menendez (D-NJ) introduced [H.R.2068/S.862](#), the CLAIM Act. The identical bills create a safe harbor for insurers who provide insurance to cannabis and cannabis-related legitimate businesses. The House measure, co-led by Rep. Steve Stivers (R-OH), was referred to the House Financial Services Committee. The Senate companion bill was referred to the Senate Banking, Housing and Urban Affairs Committee and has three co-sponsors, Sens. Rand Paul (R-KY), Jeff Merkley (OR) and Steve Daines (R-MT).

Marijuana 1-to-3 Act: On Jan. 19, Rep. Greg Steube (R-FL) introduced [H.R. 365](#), the Marijuana 1-to-3 Act. The bill moves cannabis to a lower schedule, Schedule III, on the Controlled Substance Act (CSA). The legislation was referred to the House Energy and Commerce Committee, the House Judiciary Committee, the House Energy and Commerce Health Subcommittee and the House Judiciary Crime, Terrorism and Homeland Security Subcommittee.

Veterans Cannabis Use for Safe Healing Act: Rep. Greg Steube (R-FL) also introduced [H.R.430](#), the Veterans Cannabis Use for Safe Healing Act. H.R. 430 ensures veterans who participate in state-approved cannabis programs are not denied VA benefits by the Department of Veterans Affairs (VA). Additionally, the bill requires for the VA to permit cannabis-use discussion between providers and veterans, and for providers to adjust treatment plans accordingly and record usage in medical records. Lastly, the legislation requires the VA to authorize physicians and other VA health care providers to provide recommendations to veterans who are residents of states with approved programs. Rep. Ro Khanna (D-CA) has co-lead the measure, and it has been referred the House Veterans’ Affairs Committee and the House Veterans’ Affairs Health Subcommittee.

To Amend the Immigration and Nationality Act: Rep. Brendan Boyle (D-PA) introduced a bill to amend the Immigration and Nationality Act to ensure that marijuana use, possession and distribution may not be considered for determinations of whether a person is a person of good moral character, and for other purposes ([H.R. 1614](#)). The bill has two co-sponsors, Rep. Earl Blumenauer (D-OR) and Barbara Lee (D-CA), and was referred to the House Judiciary Committee.

The U.S. Citizenship Act: Rep. Linda Sanchez (D-CA) has included cannabis reform language in her bill, [H.R. 1177](#), the U.S. Citizenship Act. The legislation aims to provide a path to citizenship and reform the immigration visa system, while addressing the root causes of migration and responsibly managing the southern border. Found in the “Grounds for Ineligibility” section, the measure states a noncitizen shall be ineligible for status if the noncitizen “has been convicted of 3 or more misdemeanor offenses (excluding simple possession of cannabis or cannabis-related paraphernalia, any offense involving cannabis or cannabis-related paraphernalia that is no longer prosecutable in the State in which the conviction was entered, any offense under State law for which an essential element is the noncitizen’s immigration status, any offense involving civil disobedience without violence, and any minor traffic offense) not occurring on the same date, and not arising out of the same act, omission, or scheme of misconduct.” The legislation was introduced to the House on Feb. 18, and has 136 Democratic co-sponsors.

STATE CANNABIS PROPOSALS

Alabama

Decriminalization: In February, Sen. Bobby Singleton (D) introduced [SB 149](#) to Alabama’s legislature. The bill decriminalizes cannabis possession of less than 2 ounces to a \$250 violation fine. However, possession of 2 or more ounces would result in a Class C misdemeanor, punishable by a \$250 fine for the first offense and \$500 for a second offense. Being convicted a third time would result in a Class D felony but would only be punishable by a \$750 fine. Additionally, Singleton’s bill includes expungement language. Any individual convicted of possession is eligible to petition the courts to have it removed from their records as long as they do not have any other violations, misdemeanors or felonies in the preceding five years. On March 2, the Senate Judiciary Committee passed the bill in a 6-3 vote and the legislation advanced to the full Senate for consideration.

Medical: On Feb. 24, Alabama’s Senate chamber passed Sen. Tim Melson’s (R) medical cannabis bill. [SB 46](#) allows patients with qualifying conditions like anxiety, post-traumatic stress disorder (PTSD) and chronic pain to access medical cannabis for therapeutic purposes and establishes an 11-member Alabama Medical Cannabis Commission to implement regulations and oversee licensing registration and certification. In the first year of implementation, the commission must approve at least four processors, cultivators and dispensaries. The bill also includes language that prohibits the use of raw cannabis, smoking, vaping and candy or baked good products but allows the use of capsules, lozenges, oils, suppositories and topical patches. Lastly, the measure requires products to label side effects of usage and includes a 9% sales tax, which after covering implementation costs, 60% of revenue will go to the state’s general fund, and 30% will go to medical cannabis research.

- Medical Cannabis: Not Legal
- Recreational Cannabis: Not Legal

Alaska

In 2019, Sen. Tom Begich (D) introduced [SB 8](#), the Access to Marijuana Convictions Records Act. The bill aims to reduce barriers to employment for individuals who have been convicted for low-level cannabis possession. Sen. Begich’s intent with the legislation is to ensure all individuals convicted of a low-level crime can be contributing members of society. The measure remains in the Senate Judiciary Committee.

- Medical Cannabis: Legal
- Recreational Cannabis: Legal

Arizona

Recreational: During the 2020 November election, Arizona voters passed [AZ Proposition 207, the Marijuana Legalization Initiative](#). The ballot initiative legalizes recreational cannabis, expunges cannabis-related nonviolent criminal records and permits home cultivation of no more than six plants. In addition to the existing transaction privilege and usage tax, the measure imposes a 16% sales tax. Revenue will be allocated to community college districts and fire and law enforcement departments, as well as the state's Highway User Revenue Fund and Justice Reinvestment Fund. Lastly, the Arizona Department of Health Services is responsible for developing rules for the market and regulating licensing programs and cultivation and production facilities. Arizona began cannabis sales in January 2021.

- Medical Cannabis: Legal
- Recreational Cannabis: Legal

Arkansas

Medical: On Jan. 27, Sen. Linda Chesterfield (D) introduced [SB 226](#) to the state legislature. The bill requires the state's legislative council to establish a medical cannabis advisory subcommittee to advise on licensing and operation of dispensaries and cultivation facilities, transporters, distributors and processors, registration and certification of cultivation and dispensary agents, qualifying medical conditions for the state's medical program and taxation of proceeds. The Senate Agriculture, Forestry and Economic Development Committee passed the bill in early February. The legislation was referred to the House chamber, where it advanced to the House Rules Committee. The Rules Committee adopted a handful of amendments and sent the bill back to the Senate. The measure bounced between the chambers for additional modifications, and finally on April 7, the Senate passed the bill in a 32 to 1 vote. The legislation now awaits the governor's signature.

- Medical Cannabis: Tentative
- Recreational Cannabis: Not Legal

California

Licensing: On April 7, California's Senate Business and Professions Committee advanced [SB 603](#) and [SB 59](#). Both bills expand the state's licensing programs and provides financial support to communities and business owners negatively impacted by the War on Drugs. Sponsored by Sen. Steve Bradford (D), SB 603 amends the Business and Professions Code, establishes a tax credit program for application and licensing fees and requires the state's cannabis licensing agencies, the Bureau of Cannabis Control, California's Department of Public Health and California's Department of Food and Agriculture, to develop a waiver program to support social equity businesses with licensing fees. SB 59, sponsored by Sen. Anna Caballero (D), amends the cannabis-related sections of the Business and Professions Code and extends the cannabis licensing agency's authority to issue provisional cannabis licenses through 2028. The current program will expire in 2022, so extending it will allow cannabis businesses to continue operating while awaiting their final annual approval.

SB 603 will head to the Senate Governance and Finance Committee, and SB 59 will head to the Senate Environmental Quality Committee.

- Medical Cannabis: Legal
- Recreational Cannabis: Legal

Colorado

Medical: On Feb. 16, Sens. Chris Holbert (R) and Julie Gonzales (D) and Reps. Kevin Van Winkle (R) and Matt Gray (D) introduced [SB 21-056](#), the Expand Cannabis-based Medicine At Schools Act. The legislation requires school boards to implement policies for the storage, possession and administration of cannabis-based medicine by school personnel and allows school personnel to volunteer to possess, administer or assist in administering cannabis-based medication. The Senate Education Committee held a hearing on Feb. 24 and unanimously passed the bill, advancing it to the Senate Appropriations Committee. The Appropriations Committee approved the measure on March 12 and sent it to the House Education Committee, where it also passed in a 9-0 vote. The measure was then referred to the House Appropriations Committee and advanced in an 11-0 vote. On April 13, the committee referred the bill to the Senate Committee for a floor vote.

Social Equity: On March 28, Gov. Jared Polis (D) signed [HB 20-1424](#), the Social Equity Licensees In Regulated Marijuana Act. Sponsored by Rep. James Coleman (D) and Sens. Julie Gonzalez (D) and Vicki Marble (D), the legislation aims to increase diversity in the number of Owner Licenses by allowing the social equity licensee to either participate in the Marijuana Enforcement Division's (MED) accelerator program or independently own and operate a Regulated Marijuana Business license. The program went into effect on Jan. 1, 2021.

Delivery: On Jan. 2, [HB19-1234](#), the Regulated Marijuana Delivery went into effect. Sponsored by Reps. Alex Valdez (D) and Jonathan Singer (D) and Sens. Marble and Gonzalez, the bill allows regulated cannabis sellers to deliver to private residences for recreational purposes.

- Medical Cannabis: Legal
- Recreational Cannabis: Legal

Connecticut

Recreational: The Joint Judiciary Committee will hear testimony on Gov. Ned Lamont's (D) proposal, [SB 888](#), the Responsibly and Equitably Regulating Adult-Use Cannabis Act, and on the Rep. Robyn Porter (D) bill, HB6377, the Concerning Labor Peace Agreements and a Modern and Equitable Cannabis Workforce Act. SB 888 aims to legalize recreational cannabis and adopt the governor's provisions from his budget proposal, like automatic expungement, social equity language and impaired driving. [HB 6377](#) establishes a labor peace agreement for the cannabis industry and ensures a modern and equitable cannabis workforce. The bill includes home cultivation, social equity, social consumption sites, reinvestment funding and impaired driving language.

On April 7, SB 888 advanced out of the Labor and Public Employees Committee in a 9-4 vote and the Joint Judiciary Committee in a 22-16 vote. The bill will head to the Finance, Revenue and Bonding Committee next.

- Medical Cannabis: Legal
- Recreational Cannabis: Not Legal

Delaware

Recreational: In March, the House Health and Human Development Committee passed [HB 150](#), the Delaware Marijuana Control Act, in a 10-5 vote. Sponsored by Rep. Ed Osienski (D), the bill imposes a 15% sales tax, establishes a commercial cannabis system and regulates the industry in the same manner as alcohol. Tax revenue will go toward administrative and implementation costs. Additionally, the bill expunges past cannabis-related convictions and creates licensing programs for individuals and communities affected by the War of Drugs. Once enacted, regulators will approve up to five laboratory testing licenses, 30 retail businesses and manufacturing licenses, and 60 cultivation licenses. Lastly, the bill would retain impaired driving penalties and allow employers to drug test employees for cannabis consumption.

- Medical Cannabis: Legal
- Recreational Cannabis: Not Legal

Florida

Medical: While many states focus on passing recreational cannabis legislation, some states are honing in on medical cannabis. Sen. Perry Thurston (D) introduced two bills, [SB 562](#) and [SB 564](#). The first medical cannabis bill prohibits physicians and caregivers from being employed by or having an economic interest in a cannabis retail facility. The second bill requires the Department of Health to impose initial application and biennial renewal fees to license medical cannabis retail facilities.

Potency: In March, Rep. Spencer Roach (R) introduced [HB 1455](#), the Regulation of Medical Marijuana Act. The bill regulates medical cannabis, includes a 10% THC cap on smokable cannabis and a 60% cap on distillates and concentrates and limits state-certified cannabis doctors to recommend 15,000 milligrams of THC for patients to use every 35 days. Additionally, the bill authorizes the Department of Health (DOH) to sample cannabis and cannabis delivery devices, prohibits qualified physicians from prescribing cannabis to minors except for low-THC cannabis, revises supply limits of cannabis and bans medical cannabis testing laboratories from having an economic interest or financial relationship with Medical Marijuana Treatment Centers (MMTCs). The bill has received pushback from the cannabis reform group [Florida for Care](#), which found that 58% of Floridians oppose imposing a THC restriction. The [poll](#) also found that 58% of the state favors expanding the medical cannabis program, and 76% support patients accessing cannabis for medical purposes. Additionally, on March 29, Gov. Ron DeSantis (R) joined Democratic state lawmakers and announced his opposition to the THC cap on medical cannabis. The bill is likely to die in the House chamber for the third consecutive legislative session.

- Medical Cannabis: Legal
- Recreational Cannabis: Not Legal

Georgia

Medical: In March, Rep. Pedro "Pete" Marin (D) introduced [HB 738](#), a bill that aims to legalize all parts of the cannabis plant to treat various medical conditions. Specifically, the measure would allow patients with certain medical conditions to receive medical cannabis treatment. Five Democratic House members, Reps. James Beverly, Billy Mitchell, Samuel Park, Kim Schofield and Zulma Lopez, sponsored the legislation, and the bill currently sits in the House Health and Human Services Committee.

- Medical Cannabis: Not Legal (Only medical CBD)
- Recreational Cannabis: Not Legal

Hawaii

Recreational: Sponsored by Democratic Sens. Kalani English, Gil Keith-Agaran, Chris Lee and Jarrett Keohokalole, [SB 767](#) maintains the state's existing medical cannabis program while also legalizing recreational adult use and possession. If enacted, the bill requires the Department of Health to develop rules and regulations for business licenses and retail sales by July. The measure also allows employers to drug test employees for cannabis consumption and ensures that impaired driving remains illegal. In early March, the Senate Judiciary Committee and Ways and Means Committee advanced the measure, where it then moved to the full chamber and passed in a 20-5 vote. The bill advanced to the House chamber alongside SB 758.

Decriminalization: Sponsored by Democratic Sens. Lee, Keith-Agaran, Stanley Chang and Mike Gabbard, [SB 758](#) builds upon Hawaii's existing decriminalization policy and increases the conviction possession amount from 3 grams to 30 grams. The Senate chamber passed the decriminalization legislation in a 24-1 vote with SB 767. Both bills sit in the House chamber where they are likely to die. Gov. David Ige (D) is wary on issues and has not publicly announced his position on the matter. House Judiciary and Hawaiian Affairs Committee Chair Mark Nakashima (D) said the state should focus on improving its existing medical cannabis program before advancing adult use legalization.

- Medical Cannabis: Legal
- Recreational Cannabis: Not Legal

Idaho

Medical: In February, the secretary of state's office approved for Kind Idaho, a cannabis activist organization, to begin collecting signatures for a 2022 ballot initiative to legalize medical cannabis. The campaign is pushing for possession of up to 4 ounces and home cultivation of up to six plants. Kind Idaho also lists 12 medical conditions that make a patient eligible for medical treatment and permits the Department of Health to include additional illness. The campaign has until May 1, 2022, to collect 65,000 valid signatures.

- Medical Cannabis: Not Legal
- Recreational Cannabis: Not Legal

Illinois

Expungement: In February, Rep. Mary Flowers (D) introduced [HB 3085](#), a bill that aims to legalize any amount of cannabis and expunge past criminal records related to nonviolent cannabis crimes. The House Judiciary Committee passed the bill in March in a 10-8 vote. The bill currently awaits the full House chamber's ruling before being sent over to the Senate.

- Medical Cannabis: Legal
- Recreational Cannabis: Legal

Indiana

Medical: Rep. Sue Errington (D) introduced [HB 1214](#). The bill establishes a medical cannabis program and a regulatory agency advisory committee. It permits caregivers and patients who obtain a physician's recommendation to possess a certain quantity for treatment purposes and repeals the controlled substance excise tax.

- Medical Cannabis: Not Legal
- Recreational Cannabis: Not Legal

Iowa

Possession: On Feb. 25, Sen. Brad Zaun (R) introduced [Senate File \(SF\) 553](#), formerly known as [SSB 1226](#), a bill that aims to lessen possession penalties. For a first offense, the legislation would make possession of up to 5 grams of cannabis a misdemeanor with a maximum 30-day jail sentencing and a \$65–\$625 fine. SF 553 has been referred to the Senate Judiciary Committee, and its companion bill, [House File \(HF\) 648](#), introduced by Rep. Mark Wolfe (D), has been referred to the House Public Safety Committee.

The Iowa Legislature has also seen bills related to the manufacturing, delivery and possession of cannabis like [SF 83](#), sponsored by Sen. Joe Bolkcom (D); [SF 406 \(HB 816\)](#), sponsored by Democratic Sens. Bolkcom, Janet Petersen, Jackie Smith, Sarah Trone Garriott, William Dotzler and Claire Celsi; [SF 407](#), sponsored by Democratic Sens. Bolkcom, Petersen, Smith, Trone Garriott, Dotzler, Todd Taylor, Nate Boulton, Pam Jochum and Tony Bisignano; and [HF 163](#), sponsored Democratic Reps. Bruce Hunter, Rick Olson, David Jacoby, Marti Anderson, Beth Wessel-Kroeschell, Bob Kressig, Sue Cahill, Ross Wilburn, Art Staed, Lindsay James, Timi Brown-Powers, Mary Mascher, Tracy Ehlert and Dennis Cohoon.

- Medical Cannabis: Not Legal
- Recreational Cannabis: Not Legal

Kansas

Medical: In February, the House Federal and State Affairs Committee introduced [HB 2184](#). The bill establishes a medical cannabis program that qualifies a variety of medical conditions for treatment. Additionally, the bill would not limit the number of growing, manufacturing and retail licenses; however, it would only permit the sale of oils, edibles and concentrates. The measure would also prohibit home cultivation. The program is estimated to bring \$98 million in revenue to the state during the first two years. HB 2184 has been subject to various hearings and amendments, and with consistent pressure from Rep. John Barker (R), chair of the House Federal and State Affairs Committee, the committee passed the bill in a 13-8 vote. The legislation now heads for a floor vote.

- Medical Cannabis: Not Legal
- Recreational Cannabis: Not Legal

Kentucky

Medical: On Jan. 8, Senate Minority Floor Leader Morgan McGarvey (D), Minority Whip Dennis Parrett (D), Minority Caucus Chair Reginald Thomas (D) and Sens. Stephen West (R) C.B. Embry Jr. (R), Jimmy Higdon (R), Michael Nemes (R), Denise Harper Angel (D), Gerald Neal (D), Robin Webb (D) and David Yates (D) sponsored [SB 92](#) and introduced the bill to the state legislature. The legislation creates a state medical cannabis program, retitles the Department of Alcoholic Beverage to the Department of Alcoholic Beverages and Cannabis Control and requires the department to regulate the medicinal cannabis program. Additionally, the legislation expands the department and establishes two subdivisions, the Division of Medicinal Cannabis and the Board of Physicians and Advisor, and imposes a THC limit on potency production. SB 92's House companion bill, [HB 136](#), is sponsored by Speaker of the House David Osborne (R), House Minority Floor Leader Joni Jenkins (D), House Minority Whip Angie Hatton (D), House Minority Caucus Chair Derrick Graham (D) and Reps. Jason Nemes (R), William Lawrence (R), Daniel Elliott (R), Robert Goforth (R), Jim Gooch Jr. (R), Samara Heavrin (R), Thomas Huff (R), Norma Kirk-McCormick (R), Matthew Koch (R), Derek Lewis (R), Jerry Miller (R), Phillip Pratt (R), Killian

Timoney (R), Al Gentry (D), Tina Bojanowski (D), McKenzie Cantrell (D), Kelly Flood (D), Nima Kulkarni (D), Charles Miller (D), Patti Minter (D), Ruth Ann Palumbo (D), Josie Raymond (D), Cherlynn Stevenson (D), Susan Westrom (D) and Lisa Willner (D).

- Medical Cannabis: Not Legal
- Recreational Cannabis: Not Legal

Louisiana

Decriminalization: On March 26, Rep. Candace Newell (D) introduced [HB 243](#), a bill aimed to decriminalize and remove criminal penalties associated with the possession and distribution of cannabis. Since its introduction, the legislation has been referred to the House Administration of Criminal Justice Committee.

Decriminalization and Recreational: On April 2, Rep. Richard Nelson (R) introduced [HB 524](#). The bill aims to decriminalize recreational cannabis through a 2022 ballot initiative. The text states that if most state electors vote on the cannabis proposition, then the possession, distribution or dispensing of cannabis for individuals over the age of 21 will no longer be a criminal offense. The legislation also requires the Louisiana Department of Health to regulate the cultivation, processing and manufacturing of cannabis and authorizes the Office of Alcohol and Tobacco to control and regulate the retail sale of cannabis products. The measure awaits the Administration of Criminal Justice Committee's approval.

Medical: On April 1, Rep. Tanner Magee (R) introduced [HB 391](#). The bill authorizes licensed physicians in good standing with the LA State Board of Medical Examiners to recommend crude or raw cannabis for therapeutic use. Current law prohibits patients clinically diagnosed from consuming cannabis in inhalation form and raw or crude form. Additionally, the legislation also prohibits individuals under the age of 21 from consuming crude or the raw form of cannabis unless recommended by a physician and caps the distribution to 71 grams every 14 days. The measure has been referred to the House Health and Welfare Committee.

- Medical Cannabis: Legal
- Recreational Cannabis: Not Legal

Maine

Medical: Rep. Lynne Williams (D) introduced [LD 1242](#), a bill aimed to block the state's [proposed new rule](#). The proposed rule change seeks to align Maine's state medical cannabis program with recent changes in state law. However, smaller cannabis businesses and medical patients opposed the new proposed rule during a public hearing, claiming it would be cost-prohibitive and burdensome. Williams' intent with the bill is to block changes to the state's medical cannabis rules. The measure obtained bipartisan support, including five Democrats, four Republicans and one Libertarian.

- Medical Cannabis: Legal
- Recreational Cannabis: Legal

Maryland

Recreational: In February, Senate Finance Committee Vice-chair Brian Feldman (D) introduced [SB 708](#), the Cannabis and Legalization and Regulation Act. The bill aims to legalize recreational use and establish a civil offense for use or possession, and creates four social equity programs, the Social Equity Start-Up Fund, the Community Reinvestment and Repair Fund, the Cannabis Regulation Fund and the Cannabis Education and Training Fund, for communities negatively

impacted by the War on Drugs. Additionally, the legislation aims to address socioeconomic and criminal justice inequities Black and Brown communities experience. Lastly, collected tax revenues will go toward the Community Reinvestment and Repair Fund, which would provide housing assistance, scholarship aid, re-entry programs and other services. The Senate Finance Committee held a hearing on the measure; however, the committee did not vote on the bill. Feldman said he wanted to incorporate his colleagues' feedback on the legislation before bringing it to the floor for a vote.

The state is also considering HB 32, which was introduced by Rep. Jazz Lewis (D) in December 2020.

- Medical Cannabis: Legal
- Recreational Cannabis: Not Legal

Massachusetts

Medical: On April 13, Rep. Shawn Dooley (R) introduced [HB 148](#). The bill permits cannabis treatment centers or cannabis retailers to impose a local sales tax, no greater than 6.25%, to any sale or transfer of medical cannabis outside its jurisdiction. Local sales tax revenues will be paid to the commissioner, and all sums received by the commissioner will be distributed, credited and paid to the treasurer of each city or town that has accepted the proposed rule change. Any city or town seeking to dispute the commissioner's calculation of its distribution under this subsection is required to notify the commissioner, in writing, not later than one year from the date the tax was distributed.

Sen. Ryan Fattman (R) introduced [SB 70](#), a bill related to medical cannabis. The legislation calls to further define eligibility for medical cannabis use by redefining the terms "debilitating medical condition" and "qualifying patient." Redefining the term "debilitating medical condition" will expand the list of medical conditions, and redefining the term "qualifying patient" will include individuals diagnosed with a debilitating medical condition or veterans receiving their health care at a federal Veterans Administration facility for an existing disability.

Tax: Sen. [Brendan Crighton](#) (D), Reps. [Chynah Tyler](#) (D) and [David Rogers](#) (D) introduced a bill related to the discriminatory effects of IRC 280E on legal cannabis businesses. The legislation ensures that cannabis establishments and medical cannabis treatment centers receive a deductible, under the section 280E Federal Internal Revenue Code, equal to the amount paid or incurred during the taxable year on the business or trade of cannabis. Deductions the bill will not permit are dividends received, financial losses except for net operating losses, taxes on income and franchise taxes by net incomes.

Social Equity: On March 29, Sen. Nick Collins (D) introduced [SB 63](#). The measure aims to promote social equity and economic empowerment in the cannabis industry. Since its introduction, the bill has been referred to the Joint Cannabis Policy Committee.

- Medical Cannabis: Legal
- Recreational Cannabis: Legal

Michigan

Medical: On Feb. 23, Republican Reps. Julie Alexander and Doug Wozniak introduced [HB 4295](#), the Medical Marijuana Facilities Licensing Act. The legislation requires the Marijuana Regulatory Agency to issue licenses to applicants who have submitted a complete application and paid for both nonrefundable applications and first-year operation fees. The measure also includes policies that could make an applicant ineligible for a license, like incarceration for a felony within the past 10 years, conviction of a misdemeanor involving a controlled substance, theft or fraud within the past five

years. Additionally, the applicant cannot be a member or employed by a regulatory body of government. Since its introduction, the bill has been referred to the House Regulatory Reform Committee and House Rules and Competitiveness Committee.

- Medical Cannabis: Legal
- Recreational Cannabis: Legal

Minnesota

Recreational: Minnesota state legislators said they plan to pass a recreational adult-use cannabis bill this year. Sponsored by House Majority Leader Ryan Winkler (D), **HB 600** legalizes cannabis adult use and possession. Additionally, the legislation creates a cannabis management board and advisory, requires sales and usage reports, develops business licensing, inspection and regulation standards, requires all products to be tested and labeled, imposes a state sales tax, establishes grant and loan programs and prohibits employers from preventing labor unions. Winkler said as more neighboring states legalize recreational cannabis, Minnesota risks “becoming an outlier” and claims the state will miss out on revenue opportunities. Gov. Tim Walz (D) encourages state legislators to consider the measure as a source to raise state revenue amid the COVID-19 pandemic.

- Medical Cannabis: Legal
- Recreational Cannabis: Not Legal

Mississippi

Medical: Voters in Mississippi approved the **Initiative 65** ballot measure during the November 2020 election. Initiative 65 imposes a 7% sales tax and allows patients who suffer from conditions like chronic pain and PTSD to access and possess 2 1/2 ounces of medical cannabis every 14 days. However, the ballot initiative faces legal challenges. Mayor Mary Hawkins Butler (R) said the measure was unlawfully presented to voters and requested the state Supreme Court nullify the reform proposal. Mississippi’s Supreme Court will address Initiative 65 in April 2021.

To offer voters an alternative, Sen. Kevin Blackwell (R) introduced **SB 2765**. The bill legalizes medical cannabis and imposes a 4% cultivation excise tax and a 7% sales tax. Revenues collected will fund early education programs and state college scholarships. The legislation also included language that incorporates licensing fees on growers (\$15,000) and dispensaries (\$5,000). On Feb. 11, the bill failed in a 30-21 vote. Determined to pass the measure, Lt. Gov. Delbert Hosemann (R) held the Senate overnight, and early the following day, the bill passed on a 30-19 vote. Although the legislation required 31 votes to pass, the absence of some senators lowered the threshold to three-fifths. Sens. Jennifer Branning (R) and Tammy Witherspoon, (D), both of whom voted against the measure the first time, and Sen. Lydia Chassaniol (R), who voted for the bill the first time, were absent for the second vote, and Sen. Benjamin Suber (R), who was absent for the first vote, was present for the second vote and voted favorably. Lawmakers said the bill would only serve to replace Initiative 65 if the courts strike down the measure. In early March, the bill was sent to the House, where the chamber killed the alternative medical cannabis program bill. In a desperate attempt to revive the bill, state lawmakers included the bill’s language in **HB 119**. HB 119 aims to permit research on cannabidiol (CBD oil) for patients suffering from rare forms of epilepsy and seizures best categorized under the **Harper Grace Law**. The amended bill passed in a 29-19 vote, with Lt. Gov. Hosemann overruling objections that the amendment improperly altered an unrelated bill.

If the House does not advance the Senate’s amended bill, then the fate of Mississippi’s medical cannabis program is in the hands of the state’s Supreme Court.

- Medical Cannabis: Tentative
- Recreational Cannabis: Not Legal

Missouri

Medical: Rep. Ron Kicks (R) introduced [HB 2411](#), the Medical Marijuana Consumption Establishments Act. The bill creates the Reduction of Illegal Public Consumption by establishing the Compassionate Access to Medical Marijuana Act and directs the Department of Health and Senior Services to develop a statewide medical cannabis lodging establishment license. The license would allow hotels, Airbnbs and other lodging establishments to permit the consumption of medical cannabis on the property. To obtain a license, which is valid for two years, the lodging facilities submit a one-time \$50 fee. Once licensed, lodging establishments would be required to confirm guests are registered medical patients, ensure consumption areas are at least 20 feet away from prohibited sections and post signage on medical cannabis consumption.

- Medical Cannabis: Not Legal
- Recreational Cannabis: Not Legal

Montana

Recreational: On March 30 and 31, the House Business and Labor Committee held hearings on three recreational cannabis bills, [HB 670](#), [HB 701](#) and [HB 707](#). Then on April 1, the measures advanced to the House Taxation Committee and the committee heard testimony on all three bills. Later the bills were assigned to a committee for a vote, HB 607 and HB 707 to the Business and Labor Committee, and HB 701 to the Taxation Committee. Each bill failed on its initial vote. State lawmakers expressed their frustration with the short timeline and changes to [I-190](#), the Marijuana Legalization Initiative.

The committees were called to reconvene, where the Business and Labor Committee passed HB 670 in an 11-9 vote but rejected HB 707 in a 5-15 vote. The Taxation Committee also rejected HB 701 in an 8-10 vote. House Speaker Casey Knudsen (R) and Senate President Jason Ellsworth (R) requested the committees to return and reconsider HB 701 and HB 707. Eventually, Republican Reps. Caleb Hinkle, Scot Kerns, Jeremy Trebas and Lola Sheldon-Galloway changed their vote on 701 and Republican Reps. Fred Anderson, Ed Buttrey, Neil Duram, Ross Fitzgerald, Steve Gist, Denley Loge and Kerri Seekins-Crowe changed their vote on 707. If the Montana Legislature cannot agree on a cannabis reform bill by the end of the session, the I-190 ballot initiative, which passed during the November 2020 elections, will move forward.

Sponsored by Reps. Derek Skees (R) and Matt Regier (R), HB 670 would create a single license for medical and recreational cannabis sales and allocate recreational tax revenues to communities negatively impacted by the War on Drugs. HB 701, sponsored by Rep. Mike Hopkins (R), would separate medical and recreational cannabis dispensary licenses and allocate recreational tax revenues to Gov. Greg Gianforte's [HEART Fund](#), which funds substance abuse prevention and recovery programs. Lastly, HB 707, sponsored by Rep. Brad Tschida (R), would create a three-tiered system for recreational cannabis, where growers would sell to wholesalers who would sell to dispensaries. Tax revenues would be distributed to a state fund.

- Medical Cannabis: Legal
- Recreational Cannabis: Legal

Nebraska

Medical: In late March, Nebraska's Judiciary Committee passed [Legislative Bill \(LB\) 474](#), the Adopt the Medicinal Cannabis Act, in a 5-2 vote. Introduced by Sen. Anna Wishart (D), the bill aims to adopt a medical cannabis program to allow patients with certain qualifying conditions to purchase and possess up to 2 1/2 ounces from a licensed dispensary. However, the bill will not permit inflation consumption. Additionally, the bill aims to remove marijuana as a controlled substance under the Uniform CSA, change provisions relating to penalties for possession of a synthetic cannabinoid and drug paraphernalia and impose a higher sales and use tax rate.

- Medical Cannabis: Not Legal
- Recreational Cannabis: Not Legal

Nevada

Public Consumption: On April 9, Nevada's Assembly Committee advanced [AB 341](#). Sponsored by Assembly member Steve Yeager (D), the bill allows on-site cannabis consumption. The legislation creates two new licensing programs for cannabis businesses. One license would be for retail cannabis consumption lounges, and the other would be for an independent cannabis consumption lounge. Although the bill restricts independent lounges from selling cannabis, they could submit a request to regulators to sell cannabis to produce or enter into a contract with an adult use retailer to sell their products. If enacted, tax revenues from the measure are likely to support public education, as Gov. Steve Sisolak (D) has made this request to the Assembly back in January.

- Medical Cannabis: Legal
- Recreational Cannabis: Legal

New Hampshire

Recreational: On Jan. 9, Democratic Reps. Casey Conley, Rebecca McWilliams, Wendy Chase, Tony Labranche, Matthew Wilhelm, Melbourne Moran and Robert Cushing introduced [HB 237](#). The bill aims to legalize recreational cannabis and allows adults 21 and older to possess up to 1 ounce. Additionally, the bill would permit retail sales, allow home cultivation of up to six plants and impose a 9% sales tax. The legislation calls for the establishment of a state-run cannabis commission, which would oversee and regulate the industry.

The bipartisan measure path forward seems unlikely as it faces an uphill battle the majority Republican-controlled legislature. On Jan. 27, the lawmakers held a public hearing for the bill, and now the measure sits in the House Criminal Justice and Public Safety Committee.

- Medical Cannabis: Legal
- Recreational Cannabis: Not Legal

New Jersey

Recreational, Decriminalization and Underage Possession: On Feb. 22, New Jersey officially legalized recreational cannabis. Gov. Phil Murphy (D) signed three bills into law, [AB 21](#), which legalizes cannabis for adult use, [AB 1897](#), which decriminalizes cannabis possession of up to 6 ounces and [AB 5342/SB 3454](#), which addresses and clarifies the penalties for underage offenders.

However, disagreements over how to penalize underage possession almost diminished the industry's opportunity of passage for any legislation. Administration officials found contradictory language in the legalization and decriminalization bills, which they believe was deliberate. They claim that the legalization bill said that individuals under the age of 21, in possession of less than 1 ounce of cannabis, would be charged with a petty disorderly person's offense. While the decriminalization bill removed penalties for individuals under the age of 21 in possession of cannabis, administration officials argued that the language of the bills was ambiguous and could be interpreted as legalization for minors. Murphy refuted the claims and said, "Nobody has ever, including yours truly, spoken about legalizing marijuana, recreational marijuana for kids. That has never been in the cards."

Ultimately, the measures passed and were sent to the governor's desk for his signature. However, some state officials are disappointed with the legalization process. The cannabis bills' lead sponsor, Sen. Nicholas Scutari (D), said, "No one is happy, and nothing is perfect. And let's not let the pursuit of the perfect be the enemy of the good," referring to the legalization and decriminalization bills that were sent for the governor's approval in December 2020. Murphy said, "There isn't anyone who has supported these efforts who wouldn't acknowledge this process has taken much longer than anticipated, but certainly it is better to get things done right rather than fast."

Possession: On March 17, New Jersey's Assembly Community Development and Affairs Committee advanced [AB 5472](#). The bill requires law enforcement to provide written notification to a parent or legal guardian of a person under 18 who commits their first offense of unlawfully buying or possessing alcoholic beverages or cannabis, and it passed in a 6-0 vote. Sponsored by Assemblymember Herb Conaway (D), the design of the bipartisan measure was to address underage possession penalty concerns Republican members had with the cannabis legalization and decriminalization bills, signed into law earlier this year.

- Medical Cannabis: Legal
- Recreational Cannabis: Legal

New Mexico

Recreational: On March 30, Gov. Michelle Lujan Grisham (D) called the New Mexico Legislature into a special session. The special session was to tackle economic and job creation items, including legalizing recreational cannabis. On April 1, the House and Senate advanced two bills amending the state's cannabis laws. Sponsored by Rep. Javier Martínez (D), [HB 2](#), the Cannabis Regulation Act, passed in the House in a 38-32 vote, and then in the Senate in a 22-15 vote. The measure legalizes and regulates the production, sales and possession of recreational cannabis and allows home cultivation of up to six mature plants for personal consumption. The second bill New Mexico passed was [SB 2](#), the Expungement of Certain Criminal Records Act. The legislation passed in the Senate in a 23-13 vote and then in the House in a 41-28 vote. Sponsored by Sen. Linda Lopez (D), the legislation automatically reviews and expunges the records of individuals who have been convicted for low-level cannabis offenses. On April 12, Gov. Lujan Grisham signed the bills into law, legalizing cannabis, permitting sales in 2022, and creating about 11,000 jobs for the state.

- Medical Cannabis: Legal
- Recreational Cannabis: Legal

New York

Recreational: On March 31, New York state lawmakers and Gov. Andrew Cuomo (D) legalized recreational cannabis. The amended measure incorporates language from Cuomo's budget proposal but mostly derives from Sen. Liz Krueger (D) and Assembly Majority Leader Crystal Peoples-Stokes' bill, [SB 854](#) and [AB 1248](#), the Marijuana Regulation and Taxation

Act (MRTA), which legalizes adult-use cannabis. Additionally, the amended measure sets a 9% sales tax, a 4% local tax and an additional THC content-based tax, 0.5 cents per milligram for flower, 0.8 cents per milligram for concentrated cannabis and 3 cents per milligram for edibles. The bill allocates 40% of the industry's revenue to reinvestment opportunities for communities disproportionately impacted by the War of Drugs, 40% to public education and 20% to drug treatment, prevention and education programs. The measure also establishes a new office to oversee New York's recreational, medical and agricultural cannabis markets and creates the second-largest recreational cannabis market in the country. Lastly, the bill eliminates penalties for possession of less than 3 ounces of cannabis, includes automatic expungement for crimes that are no longer criminalized, expands the medical cannabis program and allows limited home cultivation of three mature and three immature plants.

Once fully implemented, the state is estimated to profit \$350 million annually in tax collections and create 30,000 to 60,000 new jobs.

- Medical Cannabis: Legal
- Recreational Cannabis: Legal

North Carolina

Medical and Recreational: On April 7, the North Carolina Legislature introduced two cannabis legalization bills. Sponsored by Sens. Bill Rabon (R), Michael Lee and Paul Lowe (D), [SB 711](#) aims to legalize medical cannabis, while [SB 646](#), sponsored by Democratic Sens. Jay Chaudhuri, Mike Woodard and Valerie Foushee, seeks to legalize recreational cannabis.

- Medical Cannabis: Not Legal
- Recreational Cannabis: Not Legal

North Dakota

Recreational: In March, North Dakota's House recreational cannabis bill was defeated in a 37-10 vote in the Senate. Sponsored by Reps. Jason Dockter (R), Rick Becker (R), Corey Mock (D), Todd Porter (R), Shannon Roers Jones (R), Matthew Ruby (R) and Alisa Mitskog (D), [HB 1420](#) passed in February in a 56-38 vote in the House chamber. The bill legalizes adult-use cannabis and allows possession and purchase of up to 1 ounce for personal use; however, it does not permit home cultivation.

State advocates will move their efforts toward a ballot initiative. David Owen, chair of [Legalize ND](#), estimates that about 15,000 signatures, 4% of the state's population, are required to get the measure on a ballot. He said the group is making technical changes to the proposal and will likely file with the secretary of state in July or December.

- Medical Cannabis: Legal
- Recreational Cannabis: Not Legal

Ohio

Medical: Ohio's Board of Pharmacy is considering making changes to the [medical cannabis proposed rule](#). The rule requests for the board to drop the dispensary cap and determine how many retailers are necessary based on the state's population seeking medical cannabis treatment. If the Board of Pharmacy does rule in favor of lifting the cap, it is uncertain how many dispensaries will be permitted to open. Additionally, if the measure is approved, the rule would

advance to the state legislative board, which will vote on whether the rule exceeds an agency's authority or conflicts with regulations in another state agency.

- Medical Cannabis: Legal
- Recreational Cannabis: Not Legal

Oklahoma

Medical: In Oklahoma, Sen. Dave Rader (R) introduced [SB 174](#), which clarifies which qualifications an individual must obtain to own a cannabis testing facility. Rep. Logan Phillips (R) also introduced a bill, [HB 1017](#), which prohibits revoking a suspended sentence due to medical cannabis.

- Medical Cannabis: Legal
- Recreational Cannabis: Not Legal

Oregon

Medical: Oregon has considered a couple of medical cannabis bills this legislative session. [SB 307](#), sponsored by Sen. Chuck Riley (D), aims to waive medical cannabis fees for veterans who have received a medical discharge or suffer from military service injuries or illnesses. The bill awaits the Senate Health Care Committee review. [SB 758](#), sponsored by Sen. Floyd Prozanski (D), changes the "Oregon Medical Marijuana Act" to "Oregon Medical and Therapeutic Cannabis Act," directs the Health Authority to ensure patients have equitable access to treatment and allows medical dispensaries and recreational retailers to transfer cannabis to individuals who hold a valid out-of-state medical cannabis patient card. Out-of-state patients are also exempt from sales taxation. Finally, [HB 3175](#), sponsored by Rep. David Brock Smith (R), allows counties to impose a tax or fee on producing, processing or selling medical or recreational cannabis.

Delivery: Rep. Ken Helm (D) sponsored [HB 2519](#), which aims to permit cannabis delivery to consumers in cities and counties that have adopted an ordinance allowing for delivery from adjacent cities and counties. Sen. Prozanski is sponsoring the House companions bill in the Senate.

- Medical Cannabis: Legal
- Recreational Cannabis: Legal

Pennsylvania

Recreational: In February, Sens. [Dan Laughlin \(R\)](#) and [Sharif Street \(D\)](#) introduced the Laughlin-Street Bipartisan Adult Use Marijuana Legalization Bill. The measure aims to legalize recreational cannabis, expunge nonviolent cannabis-related convictions, and allows possession of 30 grams of cannabis flower cannabis-infused products with no more than 500 milligrams of THC and 5 grams of cannabis concentrate. The bill also aims to establish the Pennsylvania Cannabis Regulatory Control Board and, within a year, abolish the Department of Health's Medical Marijuana Program. The board would have oversight of both the state's medical and adult-use cannabis statutes. Lastly, the measure would impose a 6% sales tax and a 10% excise tax. Revenue from those taxes would go toward the Cannabis Regulation Fund and the Cannabis Business Development Fund, which will provide financial aid, loans, grants and technical assistance to social and economic equity businesses. Annual revenues are estimated to be \$400 million to \$1 billion.

Gov. Tom Wolf (D) and Lt. Gov. John Fetterman (D) are both strong advocates of the measure.

- Medical Cannabis: Legal
- Recreational Cannabis: Not Legal

Rhode Island

Recreational: On March 9, Democratic Sens. Joshua Miller, Michael McCaffrey, Maryellen Goodwin, Dominick Ruggerio, Cynthia Armour Coyne, Walter Felag, Louis DiPalma, V. Susan Sosnowski, Ryan Pearson and Jonathon Acosta introduced **SB 568, the Cannabis Authorization, Regulation and Taxation Act**. The bill legalizes recreational cannabis, expunges minor cannabis-related convictions, allows home cultivation of up to six plants and establishes a five-member Cannabis Control Commission to regulate the licensing process for cultivation, manufacturing, retail and testing. Licensing fees will range from \$100 for a small cultivator's license, \$5,000 for a manufacturers and testing entities' license and up to \$20,000 for the larger cultivators and retailers license. The legislation will impose a 7% sales tax, a 10% state sales tax and a 3% local sales tax. Lastly, the measure creates a Cannabis Equity Fund to help individuals and communities negatively impacted by the War of Drugs and criminal enforcement obtain business licenses.

The bill was referred to the Senate Judiciary Committee, where a hearing is expected to happen in the upcoming weeks.

- Medical Cannabis: Legal
- Recreational Cannabis: Not Legal

South Carolina

Medical: On Dec. 9, Rep. Bill Herbkersman (R) and Sen. Tom Davis (R) introduced **HB 3361** and **SB 150**, the South Carolina Compassionate Care Act. Both bills aim to legalize medical cannabis for patients with qualifying conditions and establish a standardized distribution model. However, the measure will prohibit home cultivation. The difference between the two bills is the Senate bill prohibits smoking cannabis. The bill only legalizes processed oils, edibles and topical application products for patients. The Senate legislation also only allows patients to purchase up to 2 ounces of total THC in ingestible products, 8.2 grams in concentrates or 4 grams in topical products within a 14-day period. The House bill allows patients to smoke cannabis flower and allows consumers to purchase up to 2 ounces of dried cannabis or the equivalent amount in edibles or topicals in a 14-day period. The future of both bills is unknown. Many House and Senate state lawmakers plan to block the passage of either bill.

- Medical Cannabis: Not Legal (only medical CBD)
- Recreational Cannabis: Not Legal

South Dakota

Medical and Recreational: During the 2020 election, South Dakotan voters passed **Initiated Measure (IM) 26**, the Medical Marijuana Initiative, and the **Constitutional Amendment A, the Marijuana Legalization Initiative**. IM 26 would establish a medical cannabis program in South Dakota for individuals with a debilitating medical condition. Amendment A would legalize recreational cannabis and require the state legislature to develop laws for hemp sales and a medical cannabis program and imposes a 15% sales tax.

To slow the advancement of medical cannabis, Gov. Kristi Noem (R) and his administration drafted **HB 1100**, and on Jan. 27, Speaker Spencer Gosch (R) introduced the measure to the state legislature. The bill aims to modify the state's medical cannabis program and create an interim committee to recommend implementations and regulations to the medical program. The bill was designed to amend language in IM 26 to change the enactment date from July 1, 2021, to

Jan. 1, 2022, and delay the deadlines for provisions from fall 2021 to spring 2022. Lastly, the legislation states, The bill stated that “Due to the pending litigation (surrounding Constitutional Amendment A), the Department of Health’s continued efforts against COVID-19, and the complexity of marijuana’s status under federal law, the State needs more time to establish a medical marijuana program with integrity and prudence than its current effective date of July 1, 2021.”

On Feb. 25, the House voted to advance the measure to the Senate in a 40-28 vote. On March 8, the Senate amended the measure and passed the bill in a 29-6 vote. However, the House disapproved of the Senate’s changes. The bill ultimately failed, and IM 26 and Amendment A are set to take effect as written.

- Medical Cannabis: Legal
- Recreational Cannabis: Legal

Tennessee

Lt. Gov. Randy McNally (R) and House Speaker Cameron Sexton (R)’s opposition toward addressing cannabis reform measures have not stopped Tennessee’s legislature from introducing over 17 cannabis and cannabis-related bills this session. Many of the bills address medical cannabis, research, rescheduling, possession and decriminalization.

Medical: [HJR 85](#), introduced by Rep. Sabi Kumar (R), offers support for a medical cannabis program only if the federal government reschedules or removes cannabis from the CSA. On March 10, the resolution passed in the House Health Committee and now heads to the House floor. [HB 490/SB 118](#), introduced by Rep. Bryan Terry (R) and Sen. Ferrell Haile (R), establishes a nine-member medical cannabis commission and requires the commission to study laws and legislation regarding the use of medical cannabis. Additionally, the bills require the commission to report its findings and recommendations, including proposed legislation on establishing an effective, patient-focused medical cannabis program in this state. The two measures also prohibit the state from moving forward with a medical cannabis program until the federal government reschedules cannabis. [HB 880/SB 667](#), introduced by Terry and Sen. Becky Duncan Massey (R), requires the Department of Health to study and report on the licensure and regulation of medical cannabis use by Departments of Health and medical professional licensing boards in states contiguous to Tennessee. [HB 976/SB 706](#), sponsored by Rep. Ryan Williams (R) and Sen. Page Walley (R), expands the type of products excluded from the Food and Drug Administration’s (FDA) definition of “marijuana” from “cannabidiol products approved as prescription medication” to “all products approved as prescription medication. The state’s current law only excluded CBD-specific products. [HB 621/SB 854](#), the Tennessee Medical Cannabis Act, sponsored by Rep. Iris Rudder (R) and Sen. Janice Bowling (R), enacts a medical cannabis program in the state. In March, the Senate Government Operations Committee considered the measure and advanced the bill to the Senate Judiciary Committee; however, the House has not taken up the legislation.

Additional bills related to decriminalization and possession have been introduced to the state’s legislature but have not been heard by any committees.

- Medical Cannabis: Not Legal (Only medical CBD)
- Recreational Cannabis: Not Legal

Texas

Decriminalization, Hemp and Medical: During the second week of April, the Texas Legislature held hearings on bills related to cannabis decriminalization ([HB 99](#), [HB 441](#), [HB 439](#), [HB 1178](#) and [HB 169](#)), hemp regulations ([HB 3948](#)), and expanding the state’s medical cannabis program ([HB 1535](#)).

The House Criminal Jurisprudence Committee heard testimony on HB 99, which aims to decriminalize possession of up to 2 ounces or less of cannabis; HB 441, which deals with the punishment for specific cannabis and drug paraphernalia offenses, and aims to prevent cannabis offenses from being added to an individual's criminal record; HB 439, which aims to lower cannabis concentrate possession to a Class B misdemeanor for 10 grams or less or a Class A misdemeanor for more than 10 grams, but less than 20 grams; HB 1178, which removes penalties for drug paraphernalia possession; and HB 169, which aims to remove criminal penalties for small amounts of Penalty Group 1 controlled substances and cannabis.

The House Agriculture and Livestock Committee discussed modifying the state's hemp transportation and testing process through Rep. Phil King's (R) bill, HB 3948. Lastly, the House Public Health Committee discussed chair Stephanie Klick's (R) bill (HB 1535). Discussion included expanding the state's medical cannabis program, which medical conditions qualify a patient eligible for cannabis treatment and raising the THC cap from .5% to 5% for medical cannabis products. Texas lawmakers have until May 31 to move any of the cannabis legislation.

- Medical Cannabis: Not Legal (Only medical CBD)
- Recreational Cannabis: Not Legal

Utah

Medical: [HB 210](#), the Qualifying Conditions for Medical Cannabis, sponsored by Rep. Gay Lynn Bennion (D), is being considered during Utah's legislative session this year. The bill aims to amend the list of qualifying conditions for medical cannabis.

- Medical Cannabis: Legal
- Recreational Cannabis: Not Legal

Vermont

Social Equity: During the 2021 legislative session, Vermont has put forth two social equity cannabis bills. [HB 386](#), sponsored by Rep. Kevin Christie (D), provides social equity recommendations for the state's regulated cannabis industry. [HB 414](#) sponsored by Rep. Brian Cina (D), establishes the Cannabis Business Development Fund to provide low-interest rate loans and grants to social equity applicants. Both bills sit in the House Committee on Government Operations for reviewal.

- Medical Cannabis: Legal
- Recreational Cannabis: Legal

Virginia

Recreational: Just before the end of the state's legislative session, Gov. Ralph Northam (D) signed a House and Senate bill to legalize recreational cannabis.

House lawmakers passed [HB 2312](#) last month in a 48-43 vote, and the Senate ([SB 1406](#)) approved it in a 20-19 vote. The bill legalizes recreational cannabis and permits home cultivation of up to four plants. Revenues collected from the 21%

exercise tax and 3% local and state tax will fund pre-K education, treatment programs and other public health initiatives. Revenues will also go toward a Cannabis Equity Reinvestment Fund, which aims to provide resources like scholarships and workforce development for communities negatively impacted by the War of Drugs. On March 31, Northam offered amendments to the legislation, recommending adult use cannabis take effect on July 1, 2021, rather than on Jan. 1, 2024, the enactment date initially approved by lawmakers. He also proposed labor protections and increased funding for law enforcement and impaired driving training. The measure passed on April 7, with the House voting (53-44) to adopt the governor's amendments. The Senate tied in a 20-20 vote, but Lt. Gov. Justin Fairfax (D) cast the tie-breaking vote, which officially legalized recreational cannabis in the state.

- Medical Cannabis: Legal
- Recreational Cannabis: Legal

Washington

Social Equity: On Feb. 1, Democratic Reps. Melanie Morgan, Emily Wicks, Tarra Simmons, Liz Berry, Jesse Johnson, Alex Ramel, Shelley Kloba, Cindy Ryu, Strom Peterson, Timm Ormsby, Lillian Ortiz-Self, Kirsten Harris-Talley and Nicole Macri introduced [HB 1443](#). The bill aims to address the state's social equity programs, amends the Revised Code of Washington (RCW) sections and ensures social equity applicants have access to cannabis-business specific and business plan development education, regulatory compliance training, financial management training and connections with established industry members and entrepreneurs, approved by the state's liquor and cannabis board, for mentoring support. On March 2, the bill passed in the House in a 60-37 vote. HB 1443's companion bill, [SB 5388](#), sponsored by Democratic Sens. Rebecca Saldaña, Karen Keiser, Joe Nguyen, Derek Stanford and Claire Wilson, sits in the Senate Labor and Industries Committee.

- Medical Cannabis: Legal
- Recreational Cannabis: Legal

West Virginia

Recreational: Rep. Mick Bates (D) and Sen. Mike Caputo (D) introduced [HB 2291](#) ([SB 649](#)) to the state's legislature on Feb. 10. The bill legalizes adult use and possession of up to 1 ounce, authorizes the Bureau for Public Health to establish rules for licensing and administrative penalties relating to the production, sales, transfer and transport of cannabis, directs the Department of Revenue to promulgate rules and administer tax collections and imposes an excise tax, a state and local tax and a 15% sales tax. Revenue from the excise tax will go toward the Cannabis Transfer Tax Fund. The measure was last referred to the House Health and Human Resources Committee.

- Medical Cannabis: Legal
- Recreational Cannabis: Not Legal

Wisconsin

Possession: On March 5, Reps. Shae Sortwell (R), Robert Brooks (R), Joel Kitchens (R), Michael Schraa (R), David Bowen (D) and Nick Milroy (D), and Sen. Kathy Bernier (R) introduced [AB 130](#). The bill aims to reduce the \$1,000 fine or imprisonment for no more than six months, or both, for possession of no more than 10 grams of cannabis to a \$100 civil penalty and eliminates fines and imprisonment for repeat violations. The current state law for repeat violations can result in a Class I felony and imprisonment for up to three years and six months, a \$10,000 fine, or both. The legislation sits in the Assembly's Criminal Justice and Public Safety Committee.

- Medical Cannabis: Not Legal (Only medical CBD)
- Recreational Cannabis: Not Legal

Wyoming

Medical and Recreational: In March, Rep. Jared Olson (R) introduced [HB 209](#), the Regulation of Marijuana Act. The bill legalizes recreational cannabis, allows possession up to 3 ounces of cannabis, and home cultivation of up to 12 mature plants for personal use. Additionally, the measure imposes a 30% sales tax, where two-thirds of its annual revenue would go toward public education and schooling. The remaining revenues would go toward the local government where the sale took place. Wyoming was also considering [HB 82](#), the Implementation Requirements for Medical Marijuana Act. Introduced by Rep. Bill Henderson (R), the bill would establish a state medical cannabis program and provide a list of medical conditions that make a patient eligible for treatment.

The House Judiciary Committee heard testimony on HB 209 and HB 82, and both bills advanced out of the committee in a 6-3 vote. The House Appropriations Committee also took up HB 82. The committee passed the bill in a 5-1 vote. However, the full House failed to consider either bill, leaving both HB 209 and HB 82 to die in the House chamber.

- Medical Cannabis: Not Legal
- Recreational Cannabis: Not Legal

Melissa Kuipers

Shareholder

Osiris Morel

Policy Analyst

This document is intended to provide you with general information regarding cannabis policy. The contents of this document are not intended to provide specific legal advice. If you have any questions about the contents of this document or if you need legal advice as to an issue, please contact the attorneys listed or your regular Brownstein Hyatt Farber Schreck, LLP attorney. This communication may be considered advertising in some jurisdictions.