

# Virginia Senate Approves Bill to Legalize Adult-Use Cannabis Sales

## Virginia Senate Passes Bill to Legalize Adult-Use Cannabis Sales Amid Governor's Opposition

On January 31, 2025, the Virginia Senate passed Senate Bill 970 (S.B. 970) by a vote of 21-19, with all Democratic members in favor and Republican members opposing the legislation. Sponsored by Sen. Aaron Rouse, D-Virginia Beach, this bill is a significant step toward creating a licensed and regulated adult-use cannabis market in Virginia. The bill allows adults aged 21 and older to legally purchase up to 2.5 ounces of cannabis, paving the way for retail dispensaries to open as early as 2026.

Despite facing strong opposition from Governor Glenn Youngkin, who has repeatedly voiced concerns about the potential public health risks associated with legal cannabis sales, Democrats in the Virginia Senate are determined to push forward with the bill. If signed into law, S.B. 970 would create a legal framework for cannabis cultivation, retail, transportation, and testing operations. The Virginia Cannabis Control Authority (CCA) would begin issuing licenses for these operations by September 1, 2025, though retail sales are not expected to begin until May 1, 2026.

## Democratic Lawmakers Stress Public Safety and Regulation in Cannabis Sales Push

Sen. Rouse, a vocal advocate for the bill, emphasized the need for regulation to address the growing concerns about illegal and unregulated cannabis sales in Virginia. "This bill prioritizes public safety and creating a well-regulated marketplace that keeps adult products out of the hands of kids," Rouse said during the Senate floor debate. "In recent years, we've seen the unchecked proliferation of illegal and unregulated marijuana stores that have put Virginians at risk."

The bill aims to put an end to the black market for cannabis, which has thrived in Virginia since possession and home cultivation of marijuana were legalized in 2021. While Virginians are legally allowed to possess up to one ounce of cannabis and grow up to four plants for personal use, the state has yet to establish a legal framework for adult-use cannabis sales. This leaves consumers with limited options for obtaining safe, tested, and regulated cannabis products.

## Cannabis Equity and Revenue Distribution Are Key Components of the Bill

One of the most significant aspects of S.B. 970 is its focus on cannabis equity and ensuring that communities historically harmed by the war on drugs benefit from the new legal market. The legislation proposes that 60% of cannabis tax revenue be allocated to a Cannabis Equity Reinvestment Fund, which would support individuals and communities disproportionately impacted by cannabis enforcement. The fund would provide scholarships, workforce development grants, and other equity-focused programs.

Additionally, the bill specifies that 25% of the tax revenue would go to substance-use disorder prevention and treatment programs, while 10% would be directed toward pre-kindergarten programs for at-risk children. The remaining 5% would fund public health programs aimed at preventing drugged driving and underage cannabis consumption.

S.B. 970 proposes a tax rate of up to 11.625% on commercial cannabis sales, with a breakdown of 8% for the state cannabis tax, 2.5% for local tax options, and 1.125% for the state's sales and use tax.

## **Differences from Previous Cannabis Legalization Efforts Highlighted by Legislators**

Sen. Adam Ebbin, D-Alexandria, noted that this year's version of the bill differs from the 2024 version in terms of revenue distribution. Ebbin pointed out that while last year's bill allocated 40% of cannabis tax revenue to pre-kindergarten programs, the current bill reduces that percentage to 10%, reallocating the funds to the Cannabis Equity Reinvestment Fund. Ebbin expressed concern about the impact on pre-K funding, especially given the strong need for such programs in at-risk communities.

"This is going to be a while before this bill finally makes it through the process. But I would hope that whatever's finally adopted—we don't tinker with that formula," Ebbin said, emphasizing the importance of pre-K funding for vulnerable children.

## **Local Control and Licensing Provisions in the Bill**

S.B. 970 also includes provisions that give local governments some control over cannabis operations within their jurisdictions. While municipalities would not be able to ban cannabis operations outright, they could regulate zoning and land-use requirements for cannabis businesses. Local governments would also have the authority to set operating hours for dispensaries and ban cannabis use in public spaces like parks and sidewalks.

Additionally, the bill outlines specific licensing structures for cannabis cultivation, with five tiers based on the size of the cultivation facility. The CCA would issue a set number of licenses for each tier, with outdoor cultivation limited to the smaller tiers and indoor cultivation allowed for all sizes.

## **Governor Youngkin's Veto Threat Looms Large Over the Legislation**

Despite the overwhelming support for the bill in the Senate, it faces a difficult road ahead in the Republican-controlled House of Delegates, where Republicans are expected to oppose the legislation. Gov. Youngkin has made it clear that he will veto any cannabis sales legislation that reaches his desk, citing concerns about public health and safety. However, Delegate Paul Krizek, D-Fairfax, who is sponsoring a companion bill in the House, remains confident that the momentum behind the bill will push it forward, regardless of the governor's stance.

"This is an important issue for public policy," Krizek said earlier this year. "We're not going to give the governor a free pass on this."

While the governor's veto threat looms large, the push for a regulated cannabis marketplace remains strong among Democrats in Virginia, who argue that legal cannabis sales are necessary for public safety, economic development, and social equity.

## **What's Next for Cannabis Legalization in Virginia**

The passage of S.B. 970 in the Senate marks a critical step forward in the ongoing debate over cannabis legalization in Virginia. The bill now heads to the House of Delegates, where it will face a tough battle for approval. If passed, the legislation would allow the state to move forward with creating a legal, regulated cannabis market, providing consumers with safe, tested products and generating tax revenue for important public health and social programs.

However, even if the House passes the bill, Gov. Youngkin's veto threat remains a significant hurdle. As the 2025 legislative session progresses, it remains to be seen whether Virginia's cannabis legalization efforts will finally come to fruition or face yet another setback. For now, Democrats in the Senate remain determined to push the issue forward, hopeful that the state's citizens will benefit from a regulated cannabis marketplace that prioritizes public safety and equity.

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