

# Virginia Lawmakers Pass Cannabis Market Legalization Bills

## Virginia Legislature Advances Sweeping Cannabis Reform Package as Lawmakers Move to Legalize Sales, Expand Medical Access and Address Past Convictions

Virginia lawmakers took decisive action Tuesday on a trio of major cannabis policy initiatives, advancing legislation to legalize regulated marijuana sales, create resentencing pathways for prior cannabis convictions and expand medical cannabis access for seriously ill patients in hospitals.

The votes came on the General Assembly's critical crossover deadline, when bills must pass one legislative chamber to remain viable. Both the House of Delegates and Senate approved separate versions of adult-use cannabis sales legislation, setting the stage for negotiations to reconcile differences before any measure reaches the governor's desk.

## House and Senate Approve Competing Cannabis Sales Frameworks as State Seeks to Replace Multibillion-Dollar Gray Market

The House passed its legalization bill, sponsored by Paul Krizek, in a 65–32 vote. The Senate advanced its companion proposal from Lashrecse Aird by a narrow 21–19 margin.

Krizek framed the legislation as a necessary fix to Virginia's current cannabis landscape, where possession is legal but retail sales remain prohibited.

“Adult possession of cannabis is legal, but sales are unregulated, and that means no testing, no standards and no oversight whatsoever,” he said, describing the current system as a multibillion-dollar illicit marketplace lacking consumer protections.

Both bills aim to establish a regulated retail structure with product testing, labeling, packaging standards and enforcement mechanisms designed to keep cannabis away from minors while ensuring public health safeguards.

## Key Policy Differences on Taxes, Launch Dates and Regulatory Oversight Set Stage for Legislative Negotiations

Despite broad alignment on legalization, the two chambers diverge on several structural details that must be resolved in conference negotiations:

## **Legal sales launch dates**

- House bill: November 1, 2026
- Senate bill: January 1, 2027

## **Tax structures**

- Senate: 12.875% excise tax + 1.125% state sales tax + 3% local tax
- House: 6% excise tax + 5.3% retail tax + up to 3.5% local tax

## **Regulatory authority**

- House: Oversight by the Virginia Cannabis Control Authority
- Senate: Oversight by a combined Alcoholic Beverage and Cannabis Control Authority

## **Conversion fees for medical operators**

- Senate: \$15 million
- House: \$10 million

Both proposals would allow delivery services, cap serving sizes at 10 milligrams THC (100 milligrams per package) and require labor peace agreements for cannabis businesses.

Adults would be permitted to purchase up to 2.5 ounces of marijuana or equivalent products in a single transaction.

# **Revenue Allocation Plans Highlight Equity, Education and Public Health Priorities**

Each chamber also outlined how cannabis tax revenue would be distributed.

## **House allocation model**

- 60%: Cannabis Equity Reinvestment Fund
- 10%: Early childhood education
- 25%: Behavioral and developmental health services
- 5%: Public health programs

## **Senate allocation model**

- 30%: Equity reinvestment fund
- 40%: Early childhood education
- 25%: Behavioral and developmental health services
- 5%: Public health initiatives

Neither bill would allow local governments to opt out of permitting cannabis businesses.

# **Lawmakers Reject Expanded Criminal Penalties After Advocacy Pushback**

Senate deliberations included debate over proposed amendments that would have imposed stricter criminal penalties for illicit cannabis activity.

Provisions considered included:

- Recriminalizing possession for people under 21
- Penalizing purchases from unlicensed sellers
- Elevating unlicensed cultivation and interstate transport to felony offenses

However, the Senate Finance and Appropriations Committee ultimately stripped those amendments following pressure from advocacy coalitions, which argued the penalties conflicted with legalization's intent.

## **Resentencing Legislation Advances to Address Legacy Harms of Cannabis Prohibition**

In parallel, lawmakers moved forward with legislation offering resentencing relief for individuals convicted of certain marijuana related offenses prior to legalization.

The Senate previously approved its version led by Louise Lucas, while the House passed a companion measure sponsored by Rozia Henson Jr. in a 63–34 vote.

The policy would create an automatic hearing process for eligible individuals who are incarcerated or under supervision for offenses that occurred before July 1, 2021—the date personal possession and home cultivation became legal in Virginia.

## **“Ryan’s Law” Proposal Would Allow Hospital Access for Terminally Ill Medical Cannabis Patients**

Separately, the House overwhelmingly approved medical cannabis access legislation known as “Ryan’s Law.”

Sponsored by Karen Keys-Gamarra, the bill passed 95–1 and would permit registered medical cannabis patients with terminal illnesses to use their medicine in healthcare facilities, including hospitals.

Facilities would be required to establish internal policies governing patient use but could suspend access if federal agencies—such as the Department of Justice or Centers for Medicare and Medicaid Services—took enforcement action or issued prohibitions.

The Senate passed its own version of hospital access legislation earlier in the session, meaning reconciliation will also be required on this issue.

## **Years of Delays May Be Nearing an End as New Governor Signals Support**

Virginia legalized adult possession and home cultivation in 2021 but has repeatedly failed to launch a retail market.

Efforts to establish commercial sales were twice vetoed by former governor **Glenn Youngkin**, stalling industry development.

Advocates are optimistic that momentum could shift under newly sworn-in Gov. **Abigail Spanberger**, who supports creating a regulated adult-use market.

Industry observers say conference negotiations will determine how quickly Virginians gain legal retail access after years of legislative gridlock.

## **Conference Talks Will Determine Final Structure of Virginia's Cannabis Market**

With crossover completed, lawmakers must now reconcile tax rates, regulatory models, launch timelines and licensing frameworks.

Advocates say the stakes are high not only for consumers but for public health, criminal justice reform and state revenues.

If negotiators reach agreement and the governor signs the final legislation, Virginia could finally transition from a possession-only model to a fully regulated cannabis marketplace reshaping the state's cannabis economy and legal landscape.

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