

Marijuana Legalization & Regulation in Virginia

The 2021 Virginia General Assembly enacted legislation to legalize the cultivation, sale, and possession of marijuana, though implementation was largely delayed until 2024 in the initial bill. The legislation establishes a regulatory framework for the cultivation, wholesaling, distribution, retail sale, and possession of marijuana. The legislation also establishes taxes of up to 24% and additional fees required for licensure and distributes the proceeds to public education, equity reinvestment, substance abuse, and other public health programs.

Category	Status
General Regulation	
Effective Date	Legal possession and sales effective January 1, 2024; regulatory agency effective July 1, 2021
Legal Possession	Adults 21 and older; up to one ounce
Private Cultivation	Adults 21 and older; up to four plants at a primary residence, with a tag identifying the plant owner
Public Consumption	First offense punishable by up to \$25 civil penalty; second offense requires entry into a substance abuse program
Possession by Minors	Prohibited; punishable by up to \$25 civil penalty and required substance abuse education programming
Regulatory Authority	
Regulatory Authority	Virginia Cannabis Control Authority with a five-member Board of Directors. Directors are appointed by the Governor and confirmed by the General Assembly.
Retail Licenses	Up to 400, as determined by the Board of the Cannabis Control Authority
Wholesale Licenses	Up to 25, as determined by the Board of the Cannabis Control Authority
Cultivation Licenses	Up to 450, as determined by the Board of the Cannabis Control Authority.
	Class A cultivation licenses are determined by square feet or number of plants
	Class B cultivation licenses are capped at 1% THC
Product Manufacturers	Up to 60, as determined by the Board of the Cannabis Control Authority

Regulatory Timeline	The Board may adopt regulations as early as July 1, 2022, but no later than July 1, 2023
License Timeline	License Applications will be accepted by the Cannabis Control Authority as soon as July 1, 2023
Business Regulation	
Vertical Integration	Vertical Integration is prohibited except in the cases of “microbusinesses” and existing medical cannabis businesses
Geographic Location	Stores must be geographically dispersed. Dispersion will be re-evaluated after every 100 licenses are issued
Social Equity Applicants	Gives substantial and preferred consideration to licensees who meet the definition of “social equity applicants”
Health Regulation	
Authority	Creates a 21-member Cannabis Public Health Advisory Council
Product Verification	Seed-to-Sale Tracking is required
Labels & Warning	Includes packaging and label requirements for potency and other risk factors to be available at the point-of-sale
Taxes, Fees & Revenue	
State Retail Taxes	21%
Local Taxes	Up to 3% local option
Fees	Determined by Cannabis Control Authority
Revenue Estimates	Up to \$225 million annually by 2027
Revenue Allocation	40% for at-risk Pre-K; 30% for Cannabis Equity Reinvestment Fund; 25% for substance abuse treatment and prevention; 5% for public health programs

Legislative Links

- [House Bill 2312](#)
- [Senate Bill 1406](#)
- Fiscal Impact Statements: [HB2312](#) | [SB1406](#)