



# CANNABIS STATE-BY-STATE REGULATIONS

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The Tracking Cannabis blog is proud to present our fifth state-by-state ranking of cannabis regulations, based on how favorable they are to the cannabis industry. Our guide, [available here in PDF form](#), provides a state-by-state review of current cannabis law. In addition, you can find an update on the cannabis regulatory status of each state in the chart directly below.

Boasting the largest cannabis economy in the country, and for the fourth year in a row, California remains in the top spot of our rankings. Although the state has experienced growing pains with respect to licensing and enforcement, California's experience with both cannabis and cannabis regulation indicates a bright future. Most states remained very close to their original rankings. Almost every state has passed new legislation regarding cannabis, and that information is contained in the updated description for each state.

Although it is not accounted for in our rankings, the gap between federal and state law has always been a challenging issue for state legislators and prosecutors. There is now pending federal legislation regarding cannabis, although the prospects for reform on the federal level continues to remain unlikely.

You can find our full rankings here in the PDF form, with detailed information about the cannabis environment in each state. To jump to the full regulatory summary for a particular state, just click on the state name in the chart below.

## Our methodology

Jurisdictions are ranked on the following factors:

1. **Cannabidiol (CBD) derived from marijuana plants (THC concentration equal to or greater than 0.3 percent on a dry weight basis)** – legality and required qualifications;
2. **Medical cannabis** – legality and required qualifications;
3. **Recreational cannabis** – legality and issuance of commercial cannabis licenses;
4. **Non-profit cannabis entities** – permissibility and requirements;
5. **Commercial cannabis licenses** – availability, caps and restrictions;
6. **Cannabis regulatory agencies** – authority and qualifications;
7. **Developments and trends** – support for ongoing cannabis legalization measures; and
8. **Business opportunities** – number of operators, consumers and untapped industry potential.

**Note:** This ranking is subjective, and different factors weigh more heavily in different states. All of the information regarding each state is current as of the date of this posting. However, laws are constantly changing and with each election the statutes in any particular state may also change. In addition, this list does not consider federal laws, which may be consistent on a national level but can be applied selectively on a state level.

State	Ranking
Alabama	37
Alaska	12
Arizona	9
Arkansas	30
California	1
Colorado	2
Connecticut	16
Delaware	32
District of Columbia	17
Florida	25
Georgia	42
Hawaii	24
Idaho	50
Illinois	6
Indiana	49
Iowa	38
Kansas	46

State	Ranking
Kentucky	41
Louisiana	22
Maine	8
Maryland	21
Massachusetts	3
Michigan	7
Minnesota	28
Mississippi	40
Missouri	33
Montana	19
Nebraska	51
Nevada	4
New Hampshire	26
New Jersey	13
New Mexico	14
New York	15
North Carolina	48

State	Ranking
North Dakota	31
Ohio	29
Oklahoma	27
Oregon	5
Pennsylvania	23
Rhode Island	20
South Carolina	45
South Dakota	39
Tennessee	44
Texas	35
Utah	34
Vermont	11
Virginia	18
Washington	10
West Virginia	36
Wisconsin	47
Wyoming	43

# #1: California (Old ranking #1)

California has legalized both adult-use and medical marijuana, making it one of the most relaxed states in the nation regarding cannabis use. With the passage of the Compassionate Use Act (CUA) of 1996 (Proposition 215), California became the first state to legalize medical marijuana. It has since been followed by the Medical and Adult-Use Cannabis Regulation and Safety Act, creating a uniform licensing regime for both medical and recreational marijuana use across the state. California's cannabis market recorded a record \$4.4 billion in sales in 2020.

CUA allowed patients and their primary caregivers to obtain marijuana for medical use by the patient without subjecting either to criminal prosecution. The Act authorized medical use for patients who had any one of the eleven specified conditions. It also included a general-purpose clause that authorized use for any condition that substantially limited a person's ability to conduct a "major life activity," as defined in the Americans with Disabilities Act of 1990.

Proposition 64, also called the Adult-Use Marijuana Act, took effect on November 9, 2016, allowing for the cultivation and sale of marijuana to adults twenty-one and older. Under this Act, adults are also permitted to give away up to one ounce of cannabis to other adults.

The Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA), enacted in June 2017, combined the regulatory framework for medicinal and adult-use cannabis. MAUCRSA designated three agencies to oversee cannabis activity: (1) the Bureau of Cannabis Control, which is the lead regulatory agency and authorizes licenses; (2) the California Department of Public Health – Manufactured Cannabis Safety Branch; and (3) the California Department of Food and Agriculture – CalCannabis Cultivation Licensing. The licensing system created by MAUCRSA is complex, with a minimum of twenty license classifications and an elaborate set of regulatory requirements established under the emergency regulations adopted by each agency.

License types include, but are not limited to, adult use, medical use, different types of cultivation and manufacture, retailer or distributor, testing, and microbusiness. Once a license is granted, it is non-transferable. There are no caps on the number of licenses, but the requirements are rigorous. MAUCRSA also grants municipalities the power to further regulate commercial cannabis or to prohibit it altogether.

To be granted a state license, applicants must be residents of California, pass a background check, provide proof of a legal right to use the proposed location, apply for and obtain a valid seller's permit, provide proof of bond, and describe the applicant's operating procedures in detail. Because California implements the largest cannabis regulatory regime in the world, the Bureau of Cannabis Control has struggled to fill positions and conduct investigations.

However, it's not all green in California. Although there is no cap on the number of licensed cannabis businesses, licensees are currently facing significant regulatory and compliance hurdles. The majority of licensees are currently operating under provisional licenses, which were never intended to be permanent. As the law stood in 2021, regulators would no longer be able to renew these provisional licenses after December 31, 2021, leaving these operators at risk of shutting down (at least temporarily). In order to transition from a provisional license to an annual license, businesses must comply with the California Environmental Quality Act, which is a costly and time-consuming process. Fortunately, on June 14, 2021, the California Legislature approved a \$100 million bailout in the form of grants, to help cannabis companies complete the required environmental studies to transition from provisional to annual licenses. California then pushed back the sunset schedule with Assembly Bill 141 and Senate Bill 160, both passed in 2021. These bills address the transition problem by sunseting the initial licenses in stages. Under the law, those with provisional licenses are incrementally required to comply with the standards of the more permanent licenses over time.

Despite its #1 ranking, California's cannabis market still has tremendous opportunity for growth. California was the first state to create a regulated medical marijuana market and the second for adult-use, but nearly half of all counties and municipalities in California still prohibit commercial cannabis activities. This has allowed for the black-market cultivation

and sale of cannabis to continue to blossom. However, California's previous problems with the black market may be somewhat abated with new legislation. In June 2022, California's governor approved Assembly Bill 195, which took effect July 1, 2022. The bill eliminated California's weight-based cannabis cultivation tax, a whopping \$161-per pound rate to be paid by market growers, no matter the current market price of cannabis. It also created new tax credits for certain cannabis businesses. Cannabis distributors get more relief by the bill too, as it shifts responsibility for collecting cannabis excise tax from distributors to retailers.

There is even more legislation on the horizon for the California cannabis market. Namely, another California Assembly Bill (AB 2188) passed the California Assembly in May of 2022 to prohibit employment discrimination based on a person's use of cannabis "off the job and away from the workplace, except for preemployment drug screening" and other specifically enumerated circumstances. If this becomes law, it will open the California cannabis market to a huge growth in potential recreational cannabis consumers. Additionally, there have been a number of bills that have similarly passed the Assembly loosening restrictions on labeling/marketing requirements for cannabis products.

## #2: Colorado (Old ranking #3)

Both medical and adult-use cannabis are legal in Colorado. Colorado's constitution was amended on December 28, 2000, to legalize cannabis for medical purposes and amended again on December 10, 2012, to legalize adult-use. In 2020, Colorado cannabis sales across the medical and adult-use sectors grew over \$2 billion, totalling \$9.8 billion since state-licensed retail sales of adult-use cannabis began in January 2014.

As other states slowly move towards comprehensive cannabis legalization, Colorado's overall attitude regarding legalization has consistently been ahead of the rest of the nation. Since the legalization of adult use cannabis in 2012, Colorado has focused on establishing a vigorous regulatory framework and increasing the effectiveness of these regulations through subsequent legislation. The Marijuana Enforcement Division (MED) of the Colorado Department of Revenue is responsible for licensing and regulating medical and adult-use cannabis. MED issues a variety of different cannabis business licenses, including for stores, cultivators, products manufacturers, testing facilities, transporters, research and development, and hospitality businesses.

As of July 2021, there were over 3,000 licensees operating in Colorado across the medical and adult-use sectors. Although Colorado requires many different qualifications to obtain a license, state law permits the transfer of commercial cannabis licenses. In some instances, local licenses might also be required, which may have other restrictions on transferability. At the state level Colorado does not cap the number of licenses issued, but some counties and municipalities do restrict the number of licenses that may be issued and active within that particular county. State cannabis regulations impose various restrictions on licensees. For example, a cultivator is authorized to cultivate up to 13,800 plants (depending on the tier of their cultivation license) at any given time. Additionally, the state limits the amount of cannabis that can be sold by retailers. A dispensary and its employees are prohibited from transferring more than one ounce of flower or its equivalent in a single transaction to a consumer. Though Colorado was the first state to legalize adult-use marijuana, the regulatory landscape continues to develop and remains on the cutting edge. For example, H.B. 18-1011, signed into law on June 5, 2018, repealed a law that required limited passive investors to go through an initial background check when investing in a cannabis related company. H.B. 18-1011 also allows certain publicly traded companies to hold an interest in medical marijuana businesses and offer securities for investment in medical marijuana businesses.

In addition, on May 29, 2019, Gov. Jared Polis signed legislation authorizing "marijuana hospitality spaces," where cannabis can be consumed on the premises of dispensaries. Since January 1, 2021, Colorado has allowed for adult use cannabis delivery permits, and a few businesses are already licensed to provide delivery services.

The State has remained progressive in introducing new cannabis-related legislation. On January 1, 2022, four new bills went into effect addressing the correction of errors in existing legislation, licensing redesignation, cannabis cultivation,

and concentrate regulation. House Bill 21-1178 was signed into law on May 10, 2021, with the intention of correcting citations and outdated language in the marijuana code. It also sought to provide clarity at the state level by making specific references to provisions offered in the U.S. Code. Additionally, House Bill 21-1216 was signed into law on June 23, 2021, permitting the redesignation of medical marijuana to recreational and vice-versa and providing cultivators and manufacturers with flexibility for redesignation. Regarding outdoor cultivation of cannabis, House Bill 21-1301 creates a contingency plan for cannabis cultivators to establish a contingency plan to combat the effects of adverse weather events on the cannabis industry and calls for the formation of a working group to examine existing tax laws and rules applicable to the state's wholesale cannabis cultivation market. Lastly, House Bill 21-1317, which was signed into law on June 24, 2021, establishes a Scientific Review Council to review recommendations given by CSPH and directs the organization to produce an education program for the general public on the effects of cannabis concentrates on the developing brain.

There remains plenty of business opportunity in the Colorado cannabis space. 2021 was the state's most lucrative year on record, and double-digit annual growth rates are expected to continue through 2022.

## #3: Massachusetts (Old ranking #4)

Massachusetts legalized adult-use marijuana in November 2016. Any person 21 and older can no longer be penalized for possessing, using, purchasing, or giving away one ounce or less of marijuana. Individuals can also possess up to 10 ounces of marijuana from plants cultivated within their primary residence. Massachusetts residents aged 21 and older can cultivate up to 6 marijuana plants at one time in their home, with a limit of 12 plants per household. The definition of marijuana is very broad, and unlike states like Arizona, encompasses cannabidiol.

Medical marijuana is governed by a separate act known as the Humanitarian Medical Use of Marijuana. It was enacted in 2012 and allows for the acquisition, cultivation, possession, processing, transfer, transportation, sale, and distribution for the benefit of qualifying patients. The list of qualifying conditions is fairly broad and includes, but is not limited to, cancer, glaucoma, HIV, hepatitis C, and Crohn's disease. Other conditions not specified in the statute may also qualify if so determined in writing by the patient's treating physician. Under Massachusetts' adult-use regulations, marijuana establishments must obtain appropriate licenses to operate legally within the state. Massachusetts offers nine types of business licenses: marijuana cultivator, craft marijuana cooperative, marijuana product manufacturer, marijuana retailer, marijuana research facility, independent testing laboratory, marijuana transport, marijuana microbusinesses, and marijuana delivery. Delivery licenses are new in 2021 and will be reserved for social equity applicants for the first 3 years. The licensing process creates two new kinds of marijuana businesses: "couriers" that transport orders from an established retail store and "delivery operators" that can purchase products from manufacturers and sell them to customers. A third "delivery endorsement" permits existing marijuana operators to make deliveries. As of July 2021, 9 courier licenses and 2 delivery endorsements have been approved. Commercial cannabis activity is regulated by the Cannabis Control Commission, but local municipalities can also regulate some activities. Although there is a cap on the number of licenses a licensee can obtain, cannabis businesses can operate as for-profit entities. Retail cannabis sales for 2020 exceeded \$1 billion in sales by October, from over 80 dispensaries. The favorable regulatory climate and sizable market make Massachusetts a lucrative state for commercial cannabis operators.

In May 2022, Massachusetts House and Senate voted to approve reform to the state's existing cannabis laws. The House voted to pass a bill that aimed to promote greater diversity in the legal marijuana industry, increase oversight on the host community agreements that marijuana businesses are required to enter into with municipalities, and to lay the groundwork for cities and towns to greenlight on-site Cannabis consumption establishment within their borders. The House and Senate Bills will be sent to conference committees charged with reconciling any differences between the two versions, followed by another round of votes in each chamber that will send a final draft to the Governor. Of the many differences to be distinguished, one that legislators will work to resolve includes the percentage of tax revenue from the state's 10.75% marijuana excise tax. This revenue will be set aside and placed into a fund for equity applicants, especially for those in communities that were hardest hit by drug arrests.

## #4: Nevada (Old ranking #2)

Nevada legalized medical marijuana in 2001 and adult-use marijuana in 2017. Medical marijuana legislation is codified under Chapter 453A. Medical Use of Marijuana in Nev. Rev. Stat. §§ 453A.010 to 453A.810. Adult-use marijuana is permitted under the Regulation and Taxation of Marijuana Act, which is codified in Nev. Rev. Stat. §§ 453D.010 to 453D.600. The Nevada Department of Health and Human Services (the Department) is tasked with regulating commercial cannabis activity. To qualify for a medical prescription, a patient must be diagnosed with a "chronic or debilitating medical condition," which includes conditions ranging from cancer to severe nausea.

Adult-use marijuana restrictions are similar to restrictions on alcohol: users must be 21 years of age or older; marijuana may only be purchased from a business licensed in Nevada; selling or giving marijuana to individuals under 21 years of age is illegal; and driving under the influence of marijuana is illegal. Medical marijuana establishment certificates are available for independent testing laboratories, cultivation facilities, production facilities (for edibles and other products), or dispensaries. To obtain a certificate, an applicant must complete an application and pay the requisite fee. The application requires evidence that the applicant controls no less than \$250,000 in liquid assets to cover initial expenses and evidence that the applicant owns (or has permission from the owner to use) property on which the proposed medical marijuana establishment will be located. There is a cap on the number of certificates that may be issued based on county population.

Nevada's medical marijuana businesses must follow certain rules, as set out in the statute. One such rule is that each medical marijuana establishment must have "an appearance, both as to the interior and exterior, that is professional, orderly, dignified and consistent with the traditional style of pharmacies and medical office and have discreet and professional signage that is consistent with the traditional style of signage for pharmacies and medical offices." Other requirements, such as installing a video monitoring system, must also be followed. Additionally, if the city or county where the medical marijuana dispensary is located has enacted zoning restrictions, the establishment must be in compliance. Licenses are issued for adult-use dispensaries if an applicant completes an application and pays the requisite fee. For 18 months after the Department began to receive applications for marijuana establishments in early 2018, the Department would only accept applications for licenses for retail marijuana stores, marijuana product manufacturing facilities, and marijuana cultivation facilities. There is also a cap on the number of licenses that may be issued based on county population. Adult-use dispensaries must also follow certain rules regarding production, manufacturing, distribution, and/or sales of cannabis products. For example, cultivation, processing, and manufacture of marijuana must not be visible from a public place by unaided vision.

Currently, the Department is not accepting applications for marijuana licenses or medical marijuana registration certificates. The Department will issue a 45-day notice prior to the opening of the application period.

On June 28, 2022, the Nevada Cannabis Compliance Board unanimously approved regulations surrounding the licensing and operation of recreational cannabis consumption lounges. Initially signed into law by Gov. Steve Sisolak in 2021, AB 341 legalized the establishments and created two categories of lounge licenses: (1) retail lounges which are attached or adjacent to an existing dispensary and (2) independent lounges that will stand alone and sell single-serving and ready-to-consume products. The lounges will also be cannabis-only. Initially, only 20 new licenses will be issued for independent lounges, the first 10 of which must go to social equity applicants. 40 to 45 licenses will be available to existing retailers. There is no limit on the number of licenses issued for retail consumption lounges, but ownership groups are restricted to one consumption lounge license, meaning that an owner cannot hold both a retail consumption lounge license and an independent consumption lounge license. This restriction should allow for more business owners to participate in the industry. Nevadans could see concepts like cafés with cannabis-infused products, or marijuana-friendly yoga studios, comedy clubs, and even massage parlors.

## #5: Oregon (Old ranking #6)

Adult-use and medical marijuana are both legal in Oregon. Oregon legalized medical marijuana in 1998 with the passage of Measure 67, the Medical Marijuana Act (OMMA). OMMA modified state law to allow the cultivation, possession, and use of marijuana by patients with certain medical conditions upon recommendation by a doctor and compliance with OMMA. Oregon then passed the Adult and Medical Use of Cannabis Act in 2014, which legalized the adult-use of marijuana. The Adult and Medical Use of Cannabis Act legalizes the possession, use, and cultivation of marijuana by adults 21 and older.

Oregon continues to be one of the state leaders for marijuana legalization and use. On March 3, 2022, Oregon State Legislature passed SB 1579, the Oregon Equity Investment Act. SB 1579 establishes a fund using ongoing cannabis tax revenue to provide grants to community-based organizations that support entrepreneurship, workforce development, and paths to home and land ownership. Additionally, SB 408, which was signed into law on June 29, 2022, limits conditions under which the Oregon Liquor Control Commission (OLCC) may delay processing, approving, or denying a license application. It also allows for the transfer of certain marijuana products between producers and processors as well as between producers with common ownership.

SB 408 requires regulators to adopt rules supporting marijuana plant diversity, such as allowing a qualified producer to receive seeds from any source in the state. The bill also simplifies rules regarding tracking documents for deliveries. It increases edible concentration limits to bring Oregon in line with other states and allows regulators to write rules to increase purchase limits. Finally, it requires the OLCC to identify ways to further reduce the use of plastics by the cannabis industry and submit its findings to the state legislature by December 31, 2022. The Act will reinvest more tax dollars into social equity programs. It will create Equity Licenses providing institutional, funding, and technical support to Black, Indigenous, and Latinx cannabis business owners. It will provide expedited licensure process, feed reduction for equity licenses, and create two expanded license types reserved for equity licenses for 10 years. In May 2021, Oregon regulators recalled marijuana vape products that allegedly contain cannabis-derived terpenes imported from California.

OLCC established new regulations regarding Cannabis, some which went into effect January 1, 2022, and others will extend into 2023. OLCC approved a rule limiting the general market sale of hemp edible products to 2 mg of THC in a single serving, and up to 20 mg THC per container of hemp product, effective July 1, 2022, to ensure hemp products with large amounts of THC do not comeingle with general market products. Additionally, home delivery will now be allowed across city and county lines as long as local authorities approve of it. Beginning January 1, 2022, consumers can purchase two ounces of marijuana. Edible concentration limits will increase from 50 mg THC to 100 mg per package on and after April 1, 2022.

In December 2020, the Oregon recreational cannabis industry topped \$1 billion in sales, ending the year at \$1.1 billion.

## #6: Illinois (Old ranking #5)

Illinois legalized cannabis for medical purposes in 2014. Users of medical cannabis must be diagnosed with a “debilitating medical condition” by a licensed physician. Users may only possess a maximum of 2.5 oz of usable cannabis during a 14-day period. In July 2016, Public Act 99-0697 reduced penalties associated with the adult-use of cannabis. In August 2018, the state legislature passed a law allowing medical cannabis to be used as an alternative to opioids for some medical conditions. The law allows state residents who are given an opioid prescription to ask their physicians for medical cannabis instead.

On June 25, 2019, Gov. JB Pritzker signed HB 1438, the Illinois Cannabis Regulation and Tax Act, into law. The bill legalized adult usage and purchase of cannabis. For recreational purposes, Illinois residents ages 21 and older can possess up to 30 grams of cannabis flower, 5 grams of cannabis concentrate, and 500 milligrams of THC in products such as edibles. Illinois

visitors are able to possess half those amounts. Unlike medical marijuana patients, adult users are not permitted to grow marijuana at home. HB 1438 also created a \$30 million dollar loan program to help social equity applicants with cannabis industry start-up costs. Applicants qualify based on being in a disproportionately impacted area and having a cannabis charge expunged as a result of the new law.

HB 1438 does not affect medical marijuana users, except that the bill mandates that any medical dispensary can apply for an Early Approval Adult Use Dispensing Organization License within sixty days of the passage of HB 1438. In a shortage, such dispensaries must prioritize medical patients before recreational purchasers. An excise tax of 10% is imposed on products with less than 35% THC, and a tax of 25% is imposed on products with higher doses. The new law is in effect as of January 1, 2020.

Initially, medical marijuana dispensaries were the only licensed retailers, but on May 1, 2020, the state was required to award 75 new marijuana retail store licenses and 40 new craft grower licenses by July 1. Citing delays in the review process, Governor JB Pritzker delayed the issuance of those licenses and, in September 2020, announced that only 21 finalists had been chosen. Gov. Pritzker explained that other applicants may correct their applications and seek reevaluation. Despite this, in 2020, Illinois sold more than 1 billion dollars in legal marijuana between medical and recreational sales and collected over 205 million dollars in tax revenue.

In March 2022, HB 4116 survived the House and made its way into the Senate. HB 4116 amends the Right to Privacy in the Workplace Act and provides that an employer may not refuse to hire an individual or discipline an employee, solely because the results of an individual's drug test indicate the presence of THC. The act permits an employer to enforce a pre-employment drug testing policy, zero-tolerance drug testing policy, random drug testing policy, or a drug-free workplace policy, but provides that an employer may not take adverse action against an employee solely because of a positive drug test for cannabis. HB 4116 has undergone two readings in the Illinois Senate and has been referred to the Assignments committee.

## #7: Michigan (Old ranking #7)

On November 6, 2018, Michigan voters legalized adult-use cannabis with the passage of Proposal 18-1, also known as the Michigan Regulation and Taxation of Marijuana Act ("MRTMA"). At the time of its enactment, Michigan became the 10th state to legalize recreational cannabis and the first to do so in the Midwest.

MRTMA authorizes and legalizes the possession (up to 2.5 ounces), use and cultivation (up to 12 marijuana plants within a residence) of cannabis products by individuals at least 21 years of age. The new law tasks the Department of Licensing and Regulatory Affairs with promulgating rules and procedures for issuing cannabis licensing in the state. The state will not cap the number of licenses at the state level, although municipalities are authorized to do so. Non-Michigan residents are permitted to invest in cannabis businesses in the state. Since March 2021, adult-use license applicants are no longer required to hold an active medical marijuana facility license in order to be eligible for the following MRTMA state licenses: marijuana retailer, marijuana processor, Class B marijuana grower, Class C marijuana grower, and marijuana secure transporter. Additionally, non-residents may apply for Class A marijuana grower licenses and marijuana microbusiness licenses after December 6, 2021.

Previously, in 2008, the Michigan Medical Marijuana Act ("MMMA") legalized the use and possession of cannabis by any Michigan resident diagnosed with a debilitating medical condition. Presently, a debilitating medical condition includes twenty-two named conditions, along with a catch-all provision that may qualify a patient for a medical-use cannabis prescription.

The general regulatory framework established under the new law is particularly business-friendly, as it establishes tax rates (six percent sales tax and ten percent excise tax) lower than most states that allow adult permits for-profit licensees. For



medical-use cannabis-related businesses wishing to operate within the state, Michigan issues licenses that vary depending upon the company's actual activities. Each license is subject to different statutory qualifications. In 2016, Michigan enacted the Medical Marijuana Facilities Licensing Act ("MMFLA"), which provided for the licensure of growers, processors, secure transporters, provisioning centers, and safety compliance facilities. Once obtained, all of the aforementioned licenses may be transferred after state approval.

Statutory limitations restrict the production of medical-use cannabis. The limitation depends on the company's class of license. For example, under the MMFLA, a "Class A" grower license allows a company to produce 500 cannabis plants, while a "Class B" license permits a company to produce 1,000 cannabis plants and a "Class C" grower license allows a company to produce 1,500 cannabis plants.

Also, in 2016, HB 4210 amended the Michigan Medical Marijuana Act to prevent a person from being penalized for manufacturing a marijuana-infused product if the person was a qualified registered patient or a registered primary caregiver. On the municipal level, cannabis activity is regulated by local governmental authorities. In towns such as Ann Arbor, where an annual "Hash Bash" event has been celebrated by residents and University of Michigan students for almost 50 years, local ordinances regulate and license cannabis dispensaries. Ann Arbor is also set to be the home of Michigan's first designated cannabis consumption lounge. The state's first cannabis consumption lounge opened in March 2022 for private events and plans to open to the public in summer 2022. On June 17, 2021, the U.S. District Court for Eastern District of Michigan granted a preliminary injunction preventing Detroit from processing recreational marijuana licenses. The Court found that a city ordinance giving preferential treatment to "Detroit legacy" applicants (those who have lived in Detroit for at least 10 years) conferred a likely unconstitutional advantage to long-term city residents over all other applicants. Additionally, Gov. Gretchen Whitmer signed a bill that regulates Delta-8 THC, restricting its sale to licensed marijuana dispensaries beginning in October 2021.

In the first full year of Michigan's adult-use program, marijuana sales topped \$500 million and hit \$1 billion in 2020. In 2021, the combined sales of adult-use and medical cannabis was \$1.8 billion. In May 2022 alone, the sales of medical cannabis exceeded \$23 million, and the recreational cannabis sales totaled over \$163 million. As of April 2022, the state currently has 478 recreational cannabis stores and 540 medical marijuana dispensaries, and growth opportunities continue.

## #8: Maine (Old ranking #9)

On May 2, 2018, the Maine Legislature overturned a veto by then-Gov. Paul LePage in order to pass adult-use legalization. The Legislature voted heavily in favor of passing the bill, as the House votes tallied 109-39 in favor and the Senate votes tallied 28-6 in favor. The Marijuana Legalization Act legalized adult-use marijuana throughout the state without restrictions on tetrahydrocannabinol (THC) limits. The Act allows a person to use and possess up to five grams of marijuana or marijuana concentrate without legal ramifications. The Act restricts the amounts of marijuana plants adults can use and transfer and imposes many requirements on companies seeking a license to cultivate, test, manufacture, or sell marijuana or marijuana concentrate.

In June 2018, the Legislature overrode two more of Gov. LePage's vetoes, for LD 238 and LD 1539, which expanded Maine's medical cannabis program. This removed the qualifying conditions list, eliminated a designated caregiver requirement, and raised the cap on dispensaries to 10.

A bill signed by Gov. Janet Mills in June 2019 launched Maine recreational sales, beginning in March 2020. It maintained a strict barrier to entry in the retail market by requiring business to be run by individuals who have been residents of Maine for four years. Edibles are permitted in retail stores, but edibles in the shape of animals, people, or characters are not permitted. Maine municipalities may opt into the adult-use program by locally allowing cannabis establishments or opt out by town council vote.

Several bills that were enacted in April 2022 expanded opportunities for Maine's cannabis market. LD 1827 authorizes licensed marijuana retailers to provide for home deliveries to those who are age 21 or older and allows all consumers to engage in curbside pickup of cannabis products. The law allows retailers to deliver various products, including immature marijuana plants and seedlings, to customers.

The second bill, LD 1928, pertains to protections for medical marijuana patients and their caregivers. Under this law, physicians may now virtually meet with their patients and issue cannabis authorizations via telehealth. The third bill, LD 1957, follows in the steps of many states seeking to implement equity and diversity in their adult use industry by repealing prohibitions on the hiring of applicants with past criminal convictions for certain marijuana offenses.

LD 1195 is the only cannabis-related law mentioned that was signed into law by the Governor and took effect April 20, 2022. This law provided for municipalities who permit the operation of some or all adult use marijuana establishments within the municipality to be reimbursed through the Adult Use Marijuana Public Health and Safety and Municipal Opt-in Fund.

## #9: Arizona (Old ranking # 8)

Both medical and adult-use marijuana are legal in Arizona. Medical marijuana has been legal since 2010, and physicians are permitted to prescribe "allowable amounts" of marijuana to patients with certain qualifying conditions. The allowable prescription amount is 2.5 ounces of usable marijuana every two weeks. As of January 2022, over 280,000 residents of the state are registered to purchase medical marijuana. The delivery of medical marijuana to a qualifying patient is permissible, as long as the dispensary follows all relevant guidelines.

Qualified medical patients may not be discriminated or penalized by an employer because of their status as a cardholder. In addition, patients may not be penalized because of a positive drug test for marijuana, unless they used marijuana at their place of employment or during the hours of employment.

On November 30, 2020, Arizona voters legalized the commercial sale and adult-use of recreational marijuana by voting in favor of Proposition 207, the Smart and Safe Act. The first state-licensed sale of adult-use cannabis took place January 22, 2021, making Arizona the fastest state to go from voter approval to the state-licensed sale of marijuana.

The Act permits recreational users to possess up to one ounce of marijuana, of which not more than five grams may be in the form of marijuana concentrate and permits users to grow up to six plants at home. Adults may also transfer the same amounts to other adults over the age of 21 as long as the transfer is not in exchange for payment. The Act states that there will be a 16% excise tax collected on the retail sale of adult-use marijuana (there is no excise tax on the retail sale of medical marijuana).

The Arizona Department of Health Services governs the licensing of marijuana establishments (who are permitted to operate one of each of the following: retail location, off-site cultivation location, and off-site manufacturing facility) and marijuana testing facilities. The Department is not permitted to issue more than one marijuana establishment license for every ten pharmacies that are permitted to operate within the state. In addition, the Department may not issue more than two marijuana establishment licenses per county that contains no registered non-profit medical marijuana dispensaries or more than one marijuana establishment license per county that contains one registered non-profit marijuana dispensary. Licensing fees and renewal fees for marijuana establishments and marijuana testing facilities may not exceed five times the fees to register or renew registration for a non-profit medical marijuana dispensary.

The licensing regime permits dual licensees, which are entities that hold both a Nonprofit Medical Marijuana Dispensary Registration Certificate and a Marijuana Establishment License. These licensees are permitted to operate a single retail location where they dispense both medical marijuana to qualifying patients and adult-use marijuana to individuals 21 and older.

The Department does not currently allow for the delivery of adult-use marijuana. However, the Department is permitted to enact rules, to allow for the delivery of adult-use marijuana between January 1, 2023, and January 1, 2025. The legislature is currently considering SB 2050, which would alter Arizona's marijuana licensing process.

## #10: Washington (Old ranking #10)

Washington has a history of being ahead of the curve on marijuana legislation. The state legalized medical use in 1998 via a ballot measure, Washington Initiative 692, just two years after California became the first state to do so. On November 6, 2012, Washington became one of the first two states to legalize adult use (along with Colorado on the same day) by passing Washington Initiative 502. This legalized adult-use marijuana for those 21 years or older. Sales began in July 2014, and while the first years of adult-use legalization led to double digit YOY increases, in 2019 sales slowed to single digit increases for the first time in the state's short history. The sales resumed its rapid growth during the pandemic, increasing statewide by 43% from 2019 to 2021. The total retail sales in 2021 were nearly \$1.5 billion.

Given the longer existence of Washington's medical and adult-use marijuana programs, the laws and regulations are more comprehensive than those of other states. The medical program is run through the Washington State Health Department, and the adult-use program is run by the Washington State Liquor and Cannabis Board. Chapter 69.51A of the Revised Code of Washington offers full details on the medical program and its restrictions. I-502 provides all regulations relevant to the adult-use program.

The adult-use program is heavily licensed and has many restrictions. Residency requirements, financing regulation, and limits on the number of licenses per entity, are all found in I-502. Moreover, home grown cannabis remains illegal in Washington. HB 1019, a bill seeking to allow residential marijuana agriculture, was introduced in 2021. However, as of June 2022, it still remains in the committee with no vote scheduled.

## #11: Vermont (Old ranking #11)

Marijuana is legal for both medical and adult use in Vermont. On May 26, 2004, the Act establishing the use of medical marijuana became law without the Governor's signature. The statutes regulating medical use are 18 V.S.A. § 4471 et seq. The Department of Health and the Commissioner of Health regulate medical cannabis and establish regulations, which are found in Vermont Administrative Code 17-2-3:3 et seq.

On June 7, 2017, HB 503 was signed into law, legalizing drugs containing cannabidiol. However, the language in the Act states that the use of prescription drugs containing cannabidiol is conditioned upon the approval by the U.S. FDA. To obtain a medical prescription card pursuant to Vermont Administrative Code 17-2-3:3 et seq., an individual must be diagnosed with a debilitating medical condition by a health care professional in the course of a bona fide health care professional-patient relationship. Patients must submit applications with Vermont's Cannabis Control Board and obtain a card permitting medical use.

Licenses are available for prospective medical cannabis dispensaries. Among other criteria, the State considers the applicant's business plan and facility information, expected financial development plan, convenience of the facility for residents that need medical cannabis, and cultivation plan to ensure that the dispensary can meet the needs of patients. Principal board members and officers must be residents of Vermont. The Vermont Administrative Code limits the number of medical dispensary licenses that can be issued. Currently, there are five dispensaries registered with the Department of Public Safety, but the state recently permitted the existing dispensaries to open a second location. As of June 25, 2021, there were 4,767 patients enrolled in the Vermont Marijuana registry. Once the number of patients reaches 7,000, the state will open applications for a sixth dispensary.

Vermont's cannabis regulations limit the number of marijuana plants and amount of usable marijuana that medical dispensaries may cultivate and possess at any given time. For example, if the dispensary is designated by more than 14 registered patients, it may cultivate and possess, at any time, two mature marijuana plants, seven immature plants, and four ounces of usable marijuana for every registered patient for whom the dispensary is the "designated dispensary." Vermont Regulations 17-2-3:6 states that dispensaries "[s]hall operate on a nonprofit basis for the mutual benefit of [their] patients." On July 1, 2018, Vermont legalized adult-use cannabis pursuant to HB 511. The bill, codified as 18 V.S.A. § 4230, was the first instance where adult-use cannabis legalization occurred via the state legislature, rather than through a voter initiative.

Effective as of January 1, 2021, SB 234 expunges all criminal records of modest cannabis possession offenses and decriminalizes the possession of up to two ounces of cannabis, which is twice the legal limit for adults. With the passage of SB 25 in June 2021, Vermont enacted a tax-and-regulate system, for which retail sales began in 2022. Further, SB 25 has a social equity provision that benefits small businesses and minority owned business.

## #12: Alaska (Old ranking #12)

In 2014, Alaska legalized adult-use cannabis through a successful ballot measure, making Alaska the third state in the nation to legalize adult-use. Any person over the age of 21 is not subject to criminal or civil penalties under state law for possessing, growing, purchasing, or transferring one ounce or less of marijuana. Although recreational use on private property is permitted, the use of marijuana in public is still entirely illegal.

The state also permits businesses to possess, grow, process, transport, or transfer up to six marijuana plants (three mature) to anyone 21 and older. The statutory definition of marijuana is broad and likely encompasses products like cannabidiol. Commercial businesses must obtain appropriate licenses to operate legally within the state. Alaska offers four licenses: retail marijuana stores, marijuana cultivation facilities, marijuana product manufacturing facilities, and marijuana testing facilities. The licensing framework in Alaska is favorable to cannabis businesses. These licenses can be transferred with approval from the Marijuana Control Board, the state agency charged with regulating Alaska's commercial business. A business can operate as non-profit or for-profit, but they must be run by Alaska residents. On April 11, 2019, Alaska became the first state to permit on-site cannabis use in freestanding retail marijuana shops, so long as they set up separate designated smoking areas for patrons. The city of Anchorage only permits consumption of edibles at dispensaries, and other local regulations may vary.

Patients with certain debilitating medical conditions can apply to register and receive a medical marijuana identification card. Registered patients and their caregivers can possess up to one ounce of usable medical marijuana. The law provides an affirmative defense against state-law prosecution for the manufacture, delivery, or possession of marijuana if the patient is properly registered with the state. The list of eligible conditions is broad, and includes, but is not limited to, cancer, glaucoma, and chronic conditions resulting in severe pain, nausea, or seizures. Other conditions may also be approved by the state's Department of Health and Social Services.

## #13: New Jersey (Old ranking #14)

On February 22, 2021, Gov. Phil Murphy signed three cannabis-related bills into law. The three bills—A21, A1897, and S3454—implemented a 2020 constitutional amendment that legalized recreational marijuana.

A21 is the New Jersey Cannabis Regulatory, Enforcement Assistance, and Marketplace Modernization Act. This Act: (a) creates license types and operations requirements for businesses in all phases of the cannabis supply chain; (b) directs the state Cannabis Regulatory Commission (CRC) to promulgate regulations governing licensing and operations of businesses

selling cannabis, including setting statewide caps on the number of licenses; (c) allows the CRC to levy an excise tax on cannabis and municipalities to issue a transfer tax on cannabis sales to the public and for transfers between licensed businesses; and (d) creates employment protections for people who engage in lawful behavior with respect to cannabis.

A1897 reforms criminal and civil penalties for marijuana. It also provides remedies for marijuana charges and protections against discrimination. S3454 clarifies penalties for marijuana possession and consumption by individuals under 21 years of age.

The CRC approved licenses in March 2022 for seven alternative treatment centers for sales of adult-use cannabis. The adult-use cannabis market officially opened in April 2022. Based on CRC guidelines, medical patients can purchase up to three ounces every 30 days, while recreational cannabis consumers may purchase up to one ounce per transaction. In June 2022, the CRC also approved proposal of permanent, expanded rules guiding the cultivation, manufacture, wholesale, distribution, sale, and delivery of recreational cannabis. These rules included the addition of three new license types and improved facets of the CRC's approach to equity and safety.

The 2020 Marijuana Legalization Amendment legalizes possession of up to six ounces of marijuana or seventeen grams of hashish. Medical marijuana taxes have been phased out, with a 0% tax after July 1, 2022. Recreational marijuana taxes have an enhanced fee of 7%, plus a social justice excise fee which fluctuates between \$10 to \$60, depending on the average price of cannabis. Medical and recreational marijuana are now regulated by the Cannabis Regulatory Commission instead of the New Jersey Department of Health – Division of Medical Marijuana, the former regulator.

## #14: New Mexico (Old ranking #18)

Both adult-use and medical marijuana are now legal in New Mexico. On April 21, 2021, Gov. Michelle Lujan Grisham signed HB 2, the New Mexico Cannabis Regulation Act (CRA), legalizing adult-use marijuana. On June 29, 2021, the provisions allowing for the possession and adult-use of marijuana became effective. The CRA sets a legal purchase and public possession limit of two ounces of cannabis, sixteen grams of cannabis extract, and 800 milligrams of edible cannabis. The CRA also permits each adult to grow six plants at home, or a total of 12 per household. The state legislature is considering rules that would allow medical cannabis growers to grow nearly three times the 1,750 plant limit.

The CRA also created the Cannabis Control Division (CCD) within the Regulation and Licensing Department. The CCD will regulate both medical and recreational marijuana, issue licenses, and make rules (there are several types of business licenses available for both medical and recreational use). The CRA required that by September 1, 2021, the CCD started to process licensing applications and create a Cannabis Regulatory Advisory Committee. The CRA also sets tax rates for marijuana and allocates funds raised by taxes on cannabis. Additionally, it places restrictions and requirements on employers related to cannabis use.

Business licenses were issued beginning April 2022, and cannabis recreational sales were launched across the state starting April 1, 2022. In the first weekend alone, adult-use sales in the state totaled over \$5.2 million and reached almost \$39.5 million in the first month. The two subsequent months have seen similar success, reporting monthly sales of \$38.5 million and \$38 million for May and June in 2022, respectively.

The state's 12% excise tax on the sale of recreational marijuana (prior to July 1, 2025) will eventually increase to 18%. Beginning July 1, 2025, there will be an annual 1% increase until July 1, 2030. That's before standard taxes on sales of 5-9%; medical marijuana will remain tax-free for patients with qualifying medical conditions.

In 2007, New Mexico approved the use of medical marijuana under the Lynn and Erin Compassionate Use Act. This Act allows for the use of medical marijuana by individuals suffering from debilitating medical conditions, including cancer, glaucoma, multiple sclerosis, spinal damage, epilepsy, positive status for HIV or AIDS, or those admitted into hospice care.

In 2015, the state added to the list of debilitating medical conditions “any other medical condition, medical treatment, or disease as approved by the [Department of Health] which results in pain, suffering, or debility for which there is credible evidence that medical use cannabis could be of benefit.”

## #15: New York (Old ranking #13)

New York legalized medical marijuana in 2014 (N.Y. Pub. Health Law § 3362). The program is run through the New York State Department of Health and is governed by the New York Medical Marijuana Program Regulations. The regulations are reasonably comprehensive in covering entity registration, licensing, production limitations, and qualifying medical conditions for patients. The state is one of six that mandates workers’ compensation insurers to reimburse their insured for medical marijuana. Currently, this is enforced by a Workers’ Compensation Board opinion from 2017; however, there is pending legislation in the state to codify such reimbursement, in the form of Senate Bill S8837.

As for adult use, on March 31, 2021, Governor Andrew Cuomo signed 2021 NY S.B. 854, the Marijuana Regulation and Taxation Act (MRTA). MRTA legalized and regulates adult-use of marijuana. New Yorkers can legally possess and use up to three ounces of marijuana and twenty-four grams of concentrated cannabis for recreational use. If secured properly, up to five pounds of marijuana may be kept at home. New York will permit home cultivation of up to six plants, but home cultivation remains illegal until eighteen months after the first sale of recreational cannabis at a dispensary. It is legal to smoke marijuana in any public place that permits tobacco smoking, but not inside cars, schools, or workplaces. Plus, cannabis businesses can make home deliveries from retail locations.

MRTA also creates separate licenses for cannabis farmers, distributors, processors, product makers, delivery, dispensaries, and retailers. Further, it creates a state Office of Cannabis Management, which is overseen by a five-member Cannabis Control Board. Medical marijuana organizations may enter the recreational market by distributing their products to dispensaries or by paying a special fee to open up to three recreational and medical locations of their own.

Retail products are subject to a nine percent state tax and a four percent local tax, which will be split between counties (1 percent) and municipalities (3 percent). Wholesale cannabis transactions between growers and distributors are taxed based on the amount of THC (a “potency tax”). Forty percent of tax revenue is set aside for a new fund for social and economic equity programs, another forty percent goes toward state education, and the remaining twenty percent goes toward drug education programs.

Predictions speculate the first recreational use marijuana stores will open by the end of 2022 or early 2023, but it’s notably been a full year since the state legalized cannabis for recreational use. While this lag is not unusual, New Mexico and others have been quicker to initiate licenses and sales. The delay makes sense as the Laboratory Testing Regulations and Packing, Labeling, Marketing and Advertising Regulations are still in the proposal stage, open to comment until August 15, 2022. Many consumers have looked to buy from New York City’s niche shops, which sell cannabis mostly undisturbed, despite sales not technically being legal.

However, outside of the city, adult residents in the rest of the state have found ways to legally obtain marijuana for recreational use. In Western New York, with an abundance of federally recognized Native American tribal reservations, businesses on protected lands have emerged and gained early success selling recreational use marijuana. These businesses have a head start in establishing a customer base by operating the only current legal in-state recreational sales due to their tribal sovereignty. The OCM has seemingly confirmed the legality of these sales in a statement from OCM spokesperson Freeman Klopott, which local newspapers have consistently reported as stating, “Dispensaries (marijuana shops) are legal if they are on federally recognized, sovereign tribal land.” Consumers also have reassurances regarding regulations of reservation sales. Nations who authorized sales on their land have established their own regulatory bodies for cannabis sales such as the Seneca Nation’s Cannabis Department and Hemp Compliance Administrator together with a 24-page ordinance governing such sales.

However, the first sales that do occur outside reservations will most likely be made by “equity-entrepreneurs with a prior cannabis-related criminal offense who also have a background owning and operating a small business.” These sales will be made for those who successfully obtain a Conditional Adult-Use Retail Dispensary License, which expires June 30, 2024, with two requirements. Applicants must: i) have a cannabis-related offense that occurred prior to the passage of the Marijuana Regulation and Tax Act (MRTA) on March 31, 2021, or had a parent, guardian, child, spouse, or dependent with a pre-MRTA cannabis offense in the State of New York and ii) have experience owning and operating a qualifying business in the State of New York.

New York’s proposed packaging regulations are quite strict in relation to other states who have legalized adult-use marijuana. Among standards regarding safety and warnings common across states who sell retail cannabis products, the NYS regulations, as currently written and proposed, restrict retail cannabis to showing only one brand name and logo, with no pictures, images, or graphics, other than what is required by applicable government offices. There is also an explicit restriction that packaging shall not “be made attractive to individuals under twenty-one,” which, while a common regulation state laws, includes more expansive requirements than others, such as barring neon colors, certain fonts, and use of the word “candy,” “candies,” or any spelling variations thereof.

## #16: Connecticut (Old ranking #15)

In 2021, Connecticut became another state wherein both medical and recreational cannabis use are legal. The Act Concerning the Palliative Use of Marijuana, which established Connecticut’s medical marijuana program, was enacted in May 2012 and is codified in Conn. Gen. Stat. Ann. § 21a-408 et seq. Medical marijuana is available to any qualifying patient, who must be a resident of Connecticut, diagnosed with a debilitating medical condition, and is 18 years or older, an emancipated minor, or has written consent from a legal guardian.

Debilitating medical conditions are defined in the statute and include cancer, glaucoma, autoimmune diseases, and seizures, among others. The Department of Consumer Protection (DCP) approves medical conditions that qualify patients to use cannabis for treatment. In 2018, state lawmakers expanded the medical marijuana program by adding eight new qualifying conditions to the list of debilitating medical conditions. Among these newly added conditions are migraines and facial pain. Connecticut is one of six states requiring workers’ compensation insurers to reimburse their insured for medical marijuana, as decided in a state workers’ compensation administration panel in 2016.

Connecticut Regulations § 21a-408-1 et seq. and Connecticut General Statutes § 21a-408 et seq. govern “commercial” activities insofar as those activities relate to the production and distribution of cannabis for approved medical conditions. The state issues licenses to sellers or suppliers of controlled substances outside the state that want to sell inside the state, unless those sellers/suppliers are registered with the DEA.

When considering dispensary applicants, the Commissioner of the Department of Consumer Protection analyzes criteria such as the character/fitness of the dispensary, the location of the dispensary, the applicant’s ability to maintain adequate control against loss or theft of marijuana, the applicant’s ability to maintain knowledge about safety precautions, and the extent to which the applicant has a financial interest in another licensee, among other criteria. Employees at dispensaries must also adhere to these criteria, and pharmacists must have a dispensary license. DCP will be tasked with handling the licensing and regulating of cannabis businesses. This includes the issuances of licenses and registrations, of which there are currently 14 total.

On June 22, 2021, Governor Lamont signed An Act Concerning the Equitable and Responsible Regulation of Cannabis. The Act legalized the possession of adult-use marijuana as of July 1, 2021. As of July 2022, no dispensaries selling recreational marijuana have opened in the state.

However, the Act also permits individuals to gift (but not in exchange for payment for another product) adult use cannabis

to others, which residents may use in a manner similar to entrepreneurs in D.C., who have opened up shops selling non-cannabis products and “gifting” marijuana with the consumer’s purchase.

As of July 2021, the Commission had issued nine dispensary licenses. Connecticut announced that more applications for Cannabis Establishment licenses would start to become available on February 3, 2022. The release of additional license type applications will continue on a schedule until the first lottery round for all license types is complete. While most license applicants must utilize the lottery system, Connecticut, like many other states, allowed exceptions for equity applicants who met certain criteria, to provide better opportunity for residents who had previously suffered from the criminalization of marijuana.

The act legalizing adult use was amended May 24, 2022, with the “Responsible and Equitable Regulation of Adult-Use Cannabis Act” or “RERACA.” This law prohibits an employer from taking “adverse action” against an employee based on their cannabis consumption outside work, with certain enumerated exceptions. The definition of “employee” under the statute also includes independent contractors.

As for CBD, the passage of SB 893 in January 2019 legalized the cultivation of hemp and the possession of hemp-derived CBD products (as long as the THC content is less than 0.3%).

## #17: Washington, D.C. (Old ranking #16)

The District of Columbia (“D.C.”) legalized medical marijuana use in 2010. Codified at D.C. Code Ann. § 7-1671, D.C. residents with a qualifying medical or dental condition are permitted to use marijuana. A qualifying medical or dental condition means any condition for which treatment with medical marijuana would be beneficial, as determined by the patient’s authorized practitioner. In 2018, D.C. also began allowing physician’s assistants, nurse practitioners, and dentists to issue cannabis recommendations.

D.C. issues licenses to medical dispensaries, cultivation centers, and testing laboratories. As of July 2021, already seven dispensaries were serving patients. In order to qualify for a license, an organization or business needs to register with the Mayor pursuant to § 7-1671.05. The business can qualify for a license whether it is for-profit or not-for-profit. There cannot be more than six cultivation centers within an election ward, and a cultivation center cannot have more than 1,000 living marijuana plants at any time. In addition, a dispensary cannot dispense more than four ounces of medical marijuana in a 30-day period to a qualifying patient.

D.C. decriminalized marijuana possession in 2014 through a ballot referendum, although marijuana is still prohibited on all federal lands (29% of D.C.) and marijuana distribution still faces prohibition.

D.C. legalized adult-use cannabis in 2014 through a ballot initiative, Initiative 71, but the sale of cannabis for recreational use remains prohibited. Under the initiative, adults may possess two ounces of marijuana and grow up to six (or in homes with multiple adults, up to twelve) plants. However, the future of cannabis law in D.C. is dependent on the U.S. Congress, who prohibited actual sales of adult-use marijuana. Despite the prohibition, residents in D.C. found a loophole in the law to obtain recreational marijuana from stores throughout the area. The “failed” Initiative 71 allows a resident to gift less than an ounce of marijuana. Shops have opened up in D.C. selling items such as t-shirts and stickers and “gift” consumers marijuana with their purchases, demonstrating to Congress the demand in D.C. for cannabis products and the potential profit to be made from taxes if and when legislation legalizing adult use marijuana is implemented.

In 2022, the D.C. Council voted to pass the Medical Marijuana Self-Certification Emergency Amendment Act of 2022, signed into law by the mayor on July 6. The Act allows residents over the age of 65 to self-certify their use of marijuana for medical purposes until September 2022. The D.C. Council also voted to pass Cannabis Employment Protections Amendment Act of 2022, which Mayor Bowser signed into law on July 13, 2022, set to take effect 60 days later, on September 11, 2022.



## #18: Virginia (Old ranking #17)

Virginia has made significant strides in cannabis legalization since 2017 by legalizing both medical and recreational cannabis use. The relaxed stance towards marijuana began in 2017 when the state stopped automatically suspending a person's driver's license for six months following a conviction for marijuana possession. Further, in 2017 the state also legalized medical CBD use.

In 2017, Virginia has established a comprehensive medical marijuana law codified in Virginia Code Annotated § 54.1-3442.1 et seq. The law permits patients with terminal illnesses to be prescribed cannabis extracts containing no more than 10 milligrams of THC per dose. In February 2021, legislators also passed a bill that would allow dispensaries to provide unprocessed marijuana flower to patients. Patients and providers must register through the Virginia Board of Pharmacy and pay a \$50 registration fee.

On April 7, 2021, Virginia became the first Southern state to legalize adult-use marijuana with the passage of HB 2312 and SB 1406. As of July 1, individuals 21 years and older may possess up to one ounce of cannabis and grow up to four cannabis plants that must be tagged with the grower's identifying information. Additionally, as of July 1, 2021, Virginia's Cannabis Control Authority had the power to issue business licenses, with marijuana sales set to begin in 2024.

On July 1, 2022, on the one-year anniversary of the legalization of marijuana in Virginia, Governor Glenn Youngkin signed the 2022 budget bill, which contained language recriminalizing activities involving the personal possession of over four ounces of marijuana in public. The law classified this as a Class C misdemeanor punishable by a \$500 fine on the first offense. According to the law, all subsequent offenses would be punishable by up to six months in jail and/or a \$1,000 fine.

## #19: Montana (Old ranking #19)

In Montana, medical marijuana was legalized in 2004 through a ballot initiative approved by 62% of state voters. In 2016, Initiative 182 expanded Montana's medical marijuana laws. Providers must obtain a license from the state's Department of Public Health and Human Services. To apply for a license, a provider must provide extensive information, including proof of residency, fingerprints, a signed agreement with the registered cardholder, a statement that the provider will not provide to any other non-cardholder, and the location of cultivation. There is no limit on number of licenses granted, but there is a cap on production.

Individuals may apply for a medical marijuana card if they have a "debilitating medical condition." Qualifying conditions include cancer, severe chronic pain, epilepsy, multiple sclerosis, Crohn's disease, and post-traumatic stress disorder.

In May 2021, Gov. Greg Gianforte signed HB 701 into law, implementing initiative I-190, a ballot measure legalizing marijuana. Voters approved the ballot measure in November 2020. The law permits adults 21 and over to possess and purchase up to 1 ounce of cannabis, which may include up to 8 grams of concentrate and/or up to 800 mg of THC in edible form. Home cultivation is allowed with a limit of two plants per adult (four plants per household). Recreational cannabis sales in Montana began January 1, 2022. Cannabis flower potency is capped at 35% THC, while edible products are limited to 100 mg of THC, with no more than 10 mg per serving size.

Between January 1, 2022, and June 30, 2023, the Montana Department of Revenue may only issue adult-use cultivation, manufacture, and retail licenses to existing medical cannabis businesses. Adults in Montana may purchase cannabis in stores located in "green counties." These are counties where a majority of voters supported the I-190 ballot initiative legalizing adult-use cannabis. In green counties, local governments may not prohibit the establishment of adult-use cannabis businesses. However, in counties where a majority of voters voted against I-190, adult-use cannabis businesses are not permitted to operate until a local government has approved them. A 20% tax is imposed at the point of sale of

cannabis products to adult consumers. Local governments may impose an additional tax of up to 3% on the sale price of cannabis products.

## #20: Rhode Island (Old ranking #21)

Both medical and adult-use marijuana are now legal in Rhode Island. Rhode Island legalized medical marijuana in 2006 by enacting the Edward O. Hawkins and Thomas C. Slater Medical Marijuana Act. The legislation is codified at 21 R.I. Gen. Laws Ann. § 21-28.6 and allows for a patient with a "debilitating medical condition" to use marijuana. Under the statute, a "debilitating medical condition" includes cancer, glaucoma, post-traumatic stress disorder, and medical conditions approved by the Department of Health. Rhode Island provides licenses for compassion centers. Compassion centers are not-for-profit corporations that acquire, possess, cultivate, manufacture, deliver, transfer, transport, supply, or dispense marijuana to patient cardholders and/or their registered caregiver or authorized purchaser. The state initially only permitted three compassion centers to hold valid registration certificates at one time but has since expanded to an additional six newly-licensed operators. Starting in August 2022, the existing centers will be able to grow and manufacture recreational cannabis for adult consumers as well.

In May 2022, Gov. Daniel McKee signed the Rhode Island Cannabis Act, which legalizes the personal use and licensed retail sale of cannabis to Rhode Island adults. Effective upon signing, the legislation allows those ages 21 and older to possess up to one ounce of cannabis in public or up to 10 ounces at home, purchase or transfer up to one ounce of cannabis, home-cultivate up to six plants (three mature) and possess up to five grams of cannabis concentrate. Further, it facilitates the automatic review and expungement of past misdemeanor or felony convictions for cannabis possession by July 1, 2024. The bill also creates the Cannabis Control Commission, which is an independent commission that is authorized to issue licenses and set industry regulations for both adult-use and medical cannabis. The Commission will be charged with issuing up to 24 retail licenses. The revenue obtained by the application and licensing fees will be used to create a social equity fund to benefit those communities negatively impacted by the criminalization of cannabis.

## #21: Maryland (Old ranking #21)

Although marijuana for adult-use is not legal in Maryland, it is legal for medical use. The Natalie M. Laprade Medical Cannabis Commission (the "Commission") is responsible for developing policies, procedures, guidelines, and regulations to implement programs to make medical cannabis available for qualifying patients. The Commission was established in 2013 by H.B. 1101, which took effect on October 1, 2013. The Commission's responsibilities are codified in § 13-3302 et seq.

Maryland residents – or non-residents located in Maryland for the purpose of receiving medical treatment – need to be recommended for treatment by a physician or physician's assistant and must have a qualifying medical condition. Qualifying conditions currently include cachexia, anorexia, wasting syndrome, severe pain, severe nausea, seizures, severe or persistent muscle spasms, glaucoma, PTSD, and chronic pain.

In April 2021, new Maryland Department of Health regulations went into effect, establishing a legal framework for the production and sale of edible cannabis products for medical use. Maryland's robust medical marijuana program permits growers, processors, and dispensaries to obtain licenses to operate within the state. Applications for medical cannabis cultivation licenses must include a detailed business plan and potential investments; description of the proposed premises; security plan; details of applicant's experience in horticultural or agronomic production; medical cannabis varieties proposed to be grown; plan for quality control; and more. Applicants must also pass a criminal background check. These requirements are similar for anybody interested in processing cannabis or operating a dispensary.

The Commission is also responsible for regulating medical cannabis production and distribution. Also, the Commission is bound by statute and may license no more than 22 medical cannabis growers and no more than 28 processors. There is no statutory cap on dispensary licenses, and Code Section 13-3307(a)(2)(i) states that the Commission may report to the General Assembly on the number of licenses necessary to meet the demand for medical cannabis.

In 2018, the Maryland legislature passed HB 698, establishing a hemp harvesting pilot program in the state, which was signed into law by Gov. Larry Hogan in May 2018. The Department of Agriculture is in charge of the pilot program, and the Department approves applications from institutions of higher education that are interested in cultivating hemp. Currently, only the Department of Agriculture or institutions of higher education are able to grow, cultivate, harvest, process, manufacture, transport, market, or sell industrial hemp. The Act also limits the program to hemp used for research purposes, stating that “the Department or an institution of higher education may grow or cultivate industrial hemp if the industrial hemp is grown or cultivated for agricultural research or academic research purposes.” The Department of Agriculture has not yet promulgated regulations pertaining to application requirements for cultivating commercial hemp.

Two bills were introduced in the 2021 legislative session to legalize marijuana for adult-use, but the session ended without either bill moving forward. HB 32 would have legalized the possession and cultivation of limited amounts of cannabis for adults aged 21 and up, provided opportunities for minority-owned cannabis businesses, and allocated funding for social equity start-up and community reinvestment. SB 708 mirrors many of the provisions of HB 32 but with fewer social equity opportunities. Some survey evidence suggests that the legalization of adult-use marijuana does have popular support throughout the state. In a Washington Post survey, 61% of Maryland residents responded that they support legalization of adult-use marijuana.

In February 2022, the Maryland House and Senate approved a ballot to legalize recreational cannabis market for the 2022 November election. Specifically, the legislation would allow Marylanders over the age of 21 to possess up to 1.5 ounces of recreational cannabis without penalty. Under this legislation, recreational marijuana for adults over the age of 21 would be legalized on July 1, 2023.

## #22: Louisiana (Old ranking #24)

In 2016, with the passage of SB 271, the state legalized the use of marijuana for medical purposes. The Act allows for marijuana use by Louisiana patients diagnosed with a “debilitating medical condition.” In 2019, two cultivators and nine licensed dispensaries began selling the state’s first medical marijuana products. Initially, “debilitating medical conditions” included patients with “cancer, positive status for human immunodeficiency virus, acquired immune deficiency syndrome, cachexia or wasting syndrome, seizure disorders, epilepsy, spasticity, Crohn’s disease, muscular dystrophy, or multiple sclerosis,” but SB 579 and HB 627 have since expanded the list of qualifying conditions.

The state has tasked the Louisiana Board of Pharmacy with selecting the 9 dispensary locations, and LSU and Southern University Agricultural Center served as the production facilities. Louisiana’s attitude toward cannabis has become more lenient through the years. In 2016, New Orleans decriminalized marijuana possession in the city. In 2018, Baton Rouge followed New Orleans’ lead. Another bill introduced in 2018, HB 274, sought to legalize and tax the adult-use of marijuana but failed to pass. On June 15, 2021, HB 652 was signed into law, decriminalizing the possession of less than 14 grams of cannabis. This went into effect on August 1, 2021.

Although adult use cannabis is not legal yet, the state passed multiple notable laws regarding cannabis that will take effect August 1, 2022. Notably, Louisiana House Bill 988 provides employment protections to patients who lawfully consume medical marijuana while away from their jobs, similar to legislation in states where marijuana is fully legalized, where protections are provided for adult use off-worksites consumption. This does not alter existing law regarding the consumption of cannabis while at work, which is still prohibited. A reciprocity bill for qualifying patients who are not Louisiana residents, who can now have medical marijuana dispensed to them within the state, while yet another bill

provides immunity for those who purchase and possess such medical marijuana products. Lastly, more Louisiana residents will be able to be prescribed medical marijuana after House Bill 190 authorized nurse practitioners with prescriptive authority to recommend medical marijuana to patients.

The 2019 House Bill 491 legalizing Delta-8, in conjunction with the laws to take effect in August 2022, show Louisiana is keeping up with general state trends and will be primed to successfully implement legislation permitting adult-use marijuana consumption, if it chooses to do so in 2023. Two house bills were introduced in 2022 to legalize adult use marijuana; however, only sections of these bills that did not pertain to cannabis consumption were passed into law.

## #23: Pennsylvania (Old ranking #22)

Pennsylvania legalized medical marijuana use in 2016 with the Pennsylvania Medical Marijuana Act (the "Act"), which is codified in 35 Pa. Cons. Stat. §§ 10231.101 to 10231.2110. The state's Department of Health of the Commonwealth (the "Department") is responsible for regulating commercial cannabis activity under the Act. Patients with a "serious medical condition" who have met the requirements for certification under the Act and who are residents of Pennsylvania qualify for a medical marijuana prescription. The list of qualifying "serious medical condition" is long, with over 15 conditions specifically named, including Parkinson's disease, post-traumatic stress disorder, and autism.

Medical cannabis organizations must first obtain a permit from the Department before operating in Pennsylvania. Permits to operate as an organization are available to growers/processors and dispensaries. To obtain a permit, an organization must first fill out an application and pay the requisite application fee. Organizations that are relocating to Pennsylvania may also apply for permits.

Once a permit is obtained, the grower/processor or dispensary faces more regulations that relate to the production, manufacturing, and/or sales of medical marijuana products. For example, a grower or processor may only grow, store, harvest, or process medical cannabis in an indoor, enclosed, secure facility that has an electronic locking system and surveillance and must be located within the Commonwealth. Dispensaries can only dispense in an indoor, enclosed, secure facility and may not be located within 1000 feet of a school or daycare center. In addition to following State law, permit holders must also abide by any relevant municipality zoning or land-use requirements.

In June 2021, Gov. Tom Wolf signed medical marijuana legislation (HB 1024) that extends certain policies that were temporarily enacted during the COVID-19 pandemic. Under the legislation, cannabis curbside deliveries will continue, patients can obtain a 90-day supply for cannabis, and the cap on the number of patients that a caregiver can serve has been removed indefinitely. HB 1024 also keeps policies in place that loosened restrictions on criminal background checks for medical cannabis workers. Further, HB 1024 allows patients to purchase three times as much cannabis as they previously could, and it removes language that steered chronic pain patients to try more dangerous painkillers first.

On January 22, 2021, Democratic Senator Sharif Street filed SB 107, a bill decriminalizing up to 30 grams of cannabis, but the bill has not had a scheduled hearing. Additionally, the legislature did reject an amendment to HB 1024 from Senator Street that would have allowed patients twenty-one and older to cultivate up to five plants for personal use. Two bills to decriminalize cannabis were also introduced in the House and Senate, but have yet to receive hearings. Pennsylvania's legislature may consider crafting a bipartisan bill to legalize marijuana. Marijuana sales would be taxed at thirteen percent at the retail level and individual municipalities would be able to impose an additional retail tax of up to two percent. Legalization is popular among Pennsylvania voters, with 60 percent of residents saying they favor ending cannabis prohibition.

## #24: Hawaii (Old ranking #23)

Although adult-use of cannabis is illegal in Hawaii as of June 2022, the state legalized medical cannabis in 2000 with the passage of Act 228, codified in the Hawaii Revised Statutes at part IX, Chapter 329. Act 228 legalized possession and use of cannabis for medical purposes. To obtain a medical cannabis prescription, a patient must satisfy certain statutory requirements under HRS 329-122, including having a debilitating medical condition. In addition to satisfying these requirements, a patient must register with the state's Medical Cannabis Registry Program. Hawaii does recognize patients who are authorized to purchase medical cannabis in another state.

In 2015, Hawaii passed Act 241 which created the "Medical Cannabis Dispensary Program," codified at part IX, Chapter 329D. Act 241 established regulations and licensing procedures for the creation of cannabis dispensaries. In addition, the Act transferred administration of the state's medical Cannabis Registry Program from the Department of Public Safety to the Department of Health. Hawaii's laws have become more protective of cannabis use and show support for further legalization in the future. For example, Act 242, also passed in 2015, created new protections for patients and caregivers and prohibited discrimination on the basis of being a registered medical cannabis patient.

In 2017, after the state legislature determined that the term "marijuana" was "slang" and "rooted in racial stereotypes," Act 170 provided that all terms using "marijuana" should instead use the word "cannabis." Act 116, passed in 2018, provided that the bona fide provider-patient relationship may continue via telehealth after the relationship has been established by a face-to-face consultation. In 2021, Act 169 established a task force to explore developing a dual system program of legalization for cannabis and the impact it would have on the availability of cannabis to medical marijuana patients.

A 2019 bill to legalize adult-use was dead-on-arrival because it did not have the support of Gov. David Ige. In March 2021, SB 767, which would legalize adult-use cannabis and allow licensed businesses to cultivate and sell cannabis products, along with SB 785, which would decriminalize the possession of up to one ounce of cannabis, passed the Senate. However, as of June 2022, neither of the bills have been called for a hearing or vote in either chamber. In May 2022, HB 2260 overwhelmingly passed the state House and Senate. The bill, which was signed into law on July 12, 2022, allows dispensaries to purchase up to 800 ounces per 30 days from other dispensaries, allows cannabis to be transported inter-island by and between dispensaries under certain circumstances, and increases the number of grow spaces cultivators can maintain and the number of plants they can grow.

## #25: Florida (Old ranking #26)

On November 8, 2016, Florida voters approved Amendment 2, otherwise known as the Florida Medical Marijuana Legalization Initiative, vastly expanding the state's medical marijuana market. Prior to the amendment, Florida's medical marijuana laws only permitted the use of low-THC marijuana by patients suffering from seizures or a small list of debilitating medical conditions. The use of medical marijuana in Florida is governed by Fl. Stat. § 381.986, which was passed in 2017 after the constitutional amendment was passed.

Unlike many other states that allow for businesses to receive licenses in one stage of the medical marijuana supply chain (i.e., cultivators, processors, dispensaries), Florida's Medical Marijuana Treatment Centers ("MMTCs") must be vertically integrated. This means that prior to dispensing medical marijuana to qualified patients, each MMTC must receive authorization to cultivate, process, and dispense medical marijuana.

Critics argue that the vertical integration requirement precludes smaller companies from entering into Florida's medical marijuana market. To that effect, as of June 2022, there were 16 centers operating 438 dispensing facilities throughout the state (with three MMTCs operating nearly half of all dispensing facilities).

Florida's medical marijuana industry, already one of the largest in the nation, is expected to grow considerably by 2023. In October 2021, the Office of Medical Marijuana Use ("OMMU") released Emergency Rule 64ER21-16 regarding applications for marijuana license set asides for applicants from two groups of Black farmers who won *Pigford v. Glickman* and *In re Black Farmers Litigation* (Pigford/Black Farmers Litigation MMTC Application). Over the 5-day application window from March 21st to March 25th, 2022, 12 applications were submitted, and they are under Phase Two Review as of June 2022. The OMMU is also moving forward with administrative rulemaking to establish an application to award up to 22 additional MMTC licenses.

On a recreational marijuana front, there are sustained citizen-led efforts to get an amendment to legalize recreational marijuana on the ballot. Obstacles remain, including the signing of SB 1890 by Gov. Ron DeSantis, which imposes contribution limits (\$3,000) to political committees backing proposed constitutional amendments during the signature gathering process. The campaign announced on January 11, 2022, that the ballot initiative (Florida Marijuana Use and Growth Legalization Initiative) failed to get enough signatures to make it onto the November 2022 ballot to be voted on by state residents. A new campaign had begun targeting the 2024 ballot.

## #26: New Hampshire (Old ranking #25)

In 2013, New Hampshire legalized the use of marijuana for medical purposes, codified in N.H. Rev. Stat. §§ 126-X:1 to 126-X:11. In order to qualify to purchase medical marijuana, a patient must be a resident of New Hampshire, diagnosed by a provider as having a qualifying medical condition, and possess a valid registry identification card. New Hampshire's qualifying medical conditions are among the most expansive in the nation.

New Hampshire statute provides licenses to Alternative Treatment Centers, which are not-for-profit entities that acquire, possess, cultivate, manufacture, deliver, transfer, transport, sell, supply, and dispense cannabis and related supplies and educational materials to qualifying patients. However, qualification to become an Alternative Treatment Center depends completely upon whether the Department of Health and Human Services determines that having additional locations for the dispensing of therapeutic cannabis is necessary to adequately and effectively meet the needs of qualifying patients.

If it is necessary, the Department may authorize the Alternative Treatment Center. Additionally, Alternative Treatment Centers have a limitation on the amount of product they can have at once. Furthermore, the state only permits four Alternative Treatment Centers to operate at one time. Nevertheless, the Department of Health and Human Services can increase this number if it is necessary to fulfill the needs of the patients.

The current perception of marijuana in New Hampshire is positive. The Democratic Party of New Hampshire has made the legalization of adult-use marijuana part of its platform. In addition, the House recently voted to legalize homegrown marijuana, although the Senate opted not to advance the legislation. The legalization effort did make significant progress when the House passed HB 1648 in 2020, but the legislative session was brought to a premature end in light of COVID-19. Two legalization bills were introduced in the House in 2021. HB 237 would legalize, regulate, and tax recreational cannabis for adults aged 21 and up, but this has still not been voted on. HB 629 would have legalized adult possession and home cultivation of cannabis but was voted down by the Senate in April 2022. SB 1598, which would have legalized cannabis possession, but not home cultivation, was also rejected by the Senate in April 2022.

## #27: Oklahoma (Old ranking #29)

On June 26, 2018, Oklahoma became the 30th state to legalize medical marijuana, with the passage of SQ 788, the Medical Marijuana Legalization Initiative. The Oklahoma Medical Marijuana and Patient Protection Act, signed into law by Gov. Kevin Stitt in May 2019, created the initial regulatory framework within the state and granted rule-making powers to

the Oklahoma Medical Marijuana Authority (OMMA).

The 2019 Act authorizes inspections and the review of applicants, licensees, and medical marijuana business licenses to determine compliance. Further, the 2019 Act imposes disciplinary actions for when business violate the Act. It also created a medical marijuana use registry of patients and caregivers. It establishes additional rights, restrictions, and prohibitions relating to medical marijuana use and possession. On the business side, the Act establishes license classes and requirements for businesses and other entities that handle marijuana.

Although the state legalized medical marijuana just four years ago, Oklahoma has become one of the easiest, cheapest, and fastest places in the country to launch a cannabis business. In December 2021, Oklahoma boasted having more retail cannabis stores than Colorado, Oregon, and Washington combined. As of February 2022, Oklahoma has the most patient licenses of any state where medical marijuana is legal, and the total number of business licenses grew by 404% from 2018 to 2021. However, the growth is expected to slow down. In May 2022, Gov. Stitt signed a measure into law that sets a two-year moratorium on new medical marijuana licenses, beginning August 1st, 2022.

In May 2021, Gov. Stitt signed SB 1033, which grandfathered in the Oklahoma Medical Marijuana and Patient Protection Act. The Act also lets businesses transfer licenses if there is a change in ownership and lets the Oklahoma Tax Commission collect a fee so they can do audits on businesses. Additionally, the Act allows caregivers to grow marijuana for up to five patients. It provides further protection for doctors, stating that they cannot be punished for issuing medical marijuana cards if they are issued lawfully.

Adult-use marijuana is not legal in Oklahoma. However, SQ 819 and SQ 820, representing two different ways to legalize and regulate marijuana for persons twenty-one years old and above, may appear on the November 2022 ballot in Oklahoma.

## #28: Minnesota (Old ranking #27)

Currently, medical marijuana is legal under Minnesota law. Enacted on May 29, 2014, the THC Therapeutic Research Act legalized the use and possession of tetrahydrocannabinol (THC) by any Minnesota resident diagnosed with a qualifying medical condition and enrolled in Minnesota's registry program. There are seventeen qualifying conditions (two added in August 2021) as well as a "catchall" provision that may qualify a patient for a medical-use cannabis prescription. In 2021, Gov. Tim Walz signed a bill into law allowing for medical use of raw or flower cannabis, including smoking, for adults twenty-one and older, along with expanded caregiver provisions. Previously, patients could use liquid extracts, but not dried leaves or plants.

Compared to other states, Minnesota is relatively strict when it comes to the production of medical-use cannabis. Only two in-state manufacturers are selected every year for the production of all medical cannabis within the state. The Minnesota Department of Health Regulations Commissioner selects the two manufacturers, basing their decision on six different factors.

There has also been other cannabis legislation enacted since the passage of the THC Therapeutic Research Act in 2014. On June 14, 2015, Minnesota's Industrial Hemp Development Act became effective, legalizing the growing of industrial hemp for commercial purposes. In 2016, the Minnesota Department of Health promulgated rules regarding the manufacturing and laboratory testing of medical cannabis. In January 2020, legislation went into effect legalizing cannabidiol (CBD) products. The legislation does not extend to CBD products intended for human or animal consumption.

On May 13, 2021, the Minnesota House of Representatives voted 72-61 to legalize adult-use cannabis. This was the first time either chamber of the state legislature voted to legalize cannabis. However, the bill did not make through to the Senate floor. In May 2022, the procedural vote ended with a 31-33 tally, with 41 needed to pass the motion.

## #29: Ohio (Old ranking #28)

Ohio legalized medical marijuana in 2016, subject to certain conditions and qualifications. To be eligible for medical marijuana, individuals must have a qualifying medical condition and a certified physician must apply on the individual's behalf. As of June 2022, only 240 physicians in Ohio hold an active certificate to recommend medical marijuana.

In June 2021, Ohio added three new qualifying medical marijuana conditions, bringing the list to twenty-five as of June 2022. Ohio state law sets the possession limit to a 90-day supply, calculated for each patient by the dispensary. The Department of Commerce issues cultivator and retail dispensary licenses and does not allow for home cultivation.

In August 2021, the Campaign to Regulate Marijuana Like Alcohol, an initiative campaign to legalize cannabis for adults, was approved to begin collecting signatures. In December 2021, the Coalition announced that it had satisfied the requirement for the first phase qualification process and submitted the signatures to the Ohio Secretary of State.

However, due to the lawsuit between the Coalition and the state officials, Ohio voters would not be able to weigh-in on the proposed ballot initiative to legalize marijuana for recreational use until at least 2023. The initiative would legalize possession and purchase of up to two and a half ounces of cannabis for adults ages 21 and older and allow them to cultivate up to six plants for personal use. The measure would also establish the Division of Cannabis Control within the Department of Commerce and the Social Equity and Jobs Program. A ten percent excise tax would be imposed on marijuana sales, with revenue going to support Social Equity and Jobs Programs (thirty-six percent), provide funding for communities who host adult-use cannabis dispensaries (thirty-six percent), fund education and treatment for individuals with substance use disorders (twenty-five percent), cover regulatory and administrative costs for overseeing the adult-use cannabis industry (three percent).

## #30: Arkansas (Old ranking #30)

Arkansas has a complicated history of cannabis legalization. With the passage of the Arkansas Medical Marijuana Amendment in 2016, a legalized medical marijuana program was created, to be run by the Arkansas Alcoholic Beverage Control Board (AABCB). The regulations provided by the AABCB include specifics on residency requirements of owners, qualifying medical conditions, business qualifications, and zoning issues.

The Arkansas Medical Marijuana Commission is tasked with administering and regulating the issuance of licenses to operate medical marijuana dispensaries and cultivation facilities. The commission must issue at least four, but no more than eight, cultivation facility licenses. For dispensaries, the commission must issue at least 20, but no more than 40, dispensary licenses. In addition, no individual may have an interest in more than one cultivation facility and dispensary.

The rollout of medical marijuana was slow. Though the medical marijuana program was established in 2016, the first patient was not served until May 2019. As of March 2022, there are 38 dispensaries that are operational within the state. In addition, the commission has granted all eight cultivation licenses permitted by the amendment.

Cultivators are responsible for most of the marijuana production, but dispensaries are also able to grow and possess up to 50 mature plants and grow and possess up to 150 immature plants at one time. Qualified medical patients are not allowed to grow or cultivate marijuana. Patients are permitted to purchase up to 2.5 ounces from a state-approved dispensary every 14 days.

Aside from medical use and legalized industrial hemp, Arkansas does not allow for the sale, possession or consumption of cannabis products. In addition, Arkansas is one of four "smoke a joint, lose your license" states, meaning any drug offense results in a six-month suspension of the offender's driver's license.



Though other adult use legalization initiatives have failed, Responsible Growth Arkansas sponsored a ballot initiative in the hopes of qualifying for the ballot in the 2022 election cycle.

## #31: North Dakota (Old ranking #31)

Medical marijuana is legal in North Dakota. In 2016, the state passed SB 2344, which permits medical marijuana use for patients with chronic, debilitating, or terminal medical conditions. According to North Dakota, a debilitating, chronic, or terminal medical condition includes cancer, HIV, Crohn's disease, fibromyalgia, anorexia, bulimia, anxiety, Tourette syndrome, endometriosis, migraines, and numerous other medical conditions. The state currently has eight dispensaries.

On the recreational front, in May 2019, North Dakota removed the possibility of receiving jail time for the possession of small amounts of marijuana. Recreational marijuana is not legal, but in March 2021, a ballot initiative was passed by the House. The Senate later rejected the initiative. In July 2022, activists submitted signatures for marijuana legalization ballot initiative. This initiative would allow adults ages 21 and older to purchase and possess up to one ounce of cannabis and grow up to three plants for personal use.

## #32: Delaware (Old ranking #33)

Effective May 13, 2011, Delaware passed a law approving the use of cannabis for medicinal purposes. Unlike other states such as Kansas, which require a 0% tetrahydrocannabinol (THC) concentration in any cannabidiol products, Delaware's definition of "cannabidiol oil" means that the oil contains at least 15% cannabidiol but no more than 7% THC. The state has only six licensed Compassion Centers (medical cannabis dispensaries). Despite the limited number of Compassion Centers in the state, Delaware's protections for qualified users are expansive. Registered qualifying patients and caregivers cannot be subject to arrest, prosecution, or denial of any right or privilege for the medical use of marijuana, as long as the patient does not possess more than six ounces of usable marijuana. Moreover, neither schools nor landlords may discriminate against persons solely for their status as registered qualifying patients or as registered designated caregivers, unless failing to do so would cause the school or landlord to lose a monetary or licensing-related benefit under federal law or regulations.

Gov. John Carney is a determined opponent of adult-use cannabis legalization, believing that marijuana is a "gateway drug." Despite Gov. Carney's opposition, adult use legalization bills have been proposed in the state. A reform bill in 2019 failed to garner enough support to become law. In March 2021, another bill, HB 150, passed the House Health and Human Development Committee, though it was ultimately pulled before a scheduled floor vote. If enacted, the bill would have established a Marijuana Commissioner, tasked with licensing, regulating, and inspecting cannabis businesses. In addition, within 19 months of becoming law, the bill would have allowed for 30 retailers, 60 cultivators, 30 product manufacturers, and 5 testing labs to receive licenses. The state would also collect licensing fees and tax products at a rate of 15%.

In 2021, State lawmakers introduced House Bill 150, which, if passed, would allow adults over the age of 21 to possess up to one ounce of Cannabis and expand expungement eligibility for those with past marijuana convictions. In March 2022, lawmakers also introduced House Bill 317, which would have removed all penalties for possession of one ounce or less of cannabis, except for those who are under the age of 21. Minors found to be in possession of one ounce or less of cannabis and under public consumption would be charged with unclassified misdemeanors.

## #33: Missouri (Old ranking #32)

While medical marijuana is legal in Missouri, recreational, adult use is not; however, a 2022 ballot initiative pioneered by Legal Missouri 2022 may legalize adult-use recreational marijuana. The initiative would legalize adult-use recreational marijuana, allowing adults to purchase and possess up to three ounces of cannabis. Additionally, the initiative would impose a six percent tax on recreational cannabis sales. The Department of Health and Senior Services would be responsible for regulating the program and issuing licenses for cannabis businesses. Regulators would be required to issue at least 144 microbusiness licenses through a lottery system, and existing medical marijuana dispensaries would be first in line to start serving adult consumers with dual licenses.

Republican Representative Ron Hicks is also pushing to legalize recreational, adult-use cannabis with his Cannabis Freedom Act. Current tax compliance for medical marijuana is burdensome, requiring dispensaries to file returns monthly, even when they have no tax to report. Additionally, Missouri doesn't allow cannabis businesses to pay their taxes in cash. Under the Cannabis Freedom Act, the Missouri Department of Revenue can set an adult-use tax up to 12 percent and licensed businesses would be able to make tax deductions up to the amount they would otherwise be eligible if marijuana were federally legal.

Missouri voters legalized medical cannabis with the passage of Amendment 2, known as the Medical Marijuana and Veteran Healthcare Services Initiative, making Missouri one of the 38 states to legalize medical marijuana. The measure was one of three medical cannabis initiatives on Missouri's November 2018 ballot and the only one to be enacted.

Under the new constitutional amendment, medical cannabis is available to patients with qualifying conditions. In June 2019, the Department of Health and Senior Services began accepting applications for patients. Missouri's cannabis sales tax rate is set at 4%. Tax revenue, estimated at \$24 million, will be spent on healthcare services for veterans.

Amendment 2 allows medical patients to grow up to four ounces of their own cannabis. If a user grows more than a quarter pound during a month, patients and caregivers are required to notify regulators of the excess so it can be transported to a local dispensary for destruction.

Missouri's rollout of its medical cannabis program was slow, with cannabis facility applications being awarded in January 2020, but with no medical cannabis facilities commencing operations until October 2020. As of August 2021, the Missouri Department of Health and Senior Services reported 100,000 patients registered in the medical cannabis program, served by 135 approved dispensaries and over \$91 million in sales, resulting in cannabis sales tax revenues of \$3.65 million in the first ten months of operations.

Prior to the enactment of Amendment 2, only hemp-extract products were legal in Missouri, and only for those who suffer from epilepsy. The law authorizing such products, "Hemp Extract for Treatment of Intractable Epilepsy", was passed by legislature and signed into law in 2014. The Missouri Department of Agriculture manages hemp extract cultivation and production. Amendment 2 specifically exempted industrial hemp from its purview.

On June 1, 2018, HB 2034 was signed into law and exempts industrial hemp (as defined in the 2018 Farm Bill) from the definition of marijuana and the list of controlled substances.

HB 2034 established an industrial hemp agricultural pilot program to be implemented by the Missouri Department of Agriculture, specifies the requirements for an applicant of an industrial hemp registration and agricultural hemp seed production permit, and makes it legal for any person who has received an industrial hemp license to grow, harvest, and cultivate industrial hemp. HB 2034 became effective on August 28, 2018.

Missouri's industrial hemp cultivation program was approved by the United States Department of Agriculture in September 2020 and began licensing industrial hemp operations immediately thereafter.

## #34: Utah (Old ranking #34)

On November 6, 2018, Utah legalized medical marijuana with the passage of Proposition 2. The measure, known as the Utah Medical Cannabis Act, authorizes the use of medical marijuana by qualified patients with a medical marijuana card from a physician. The Utah Medical Cannabis Act includes certain restrictions on medical marijuana purchases. For example, the law defines the “legal dosage limit” as an amount that provides a sufficient 30-day supply of treatment and does not exceed 20 grams of THC.

Earlier in 2018, the passage of the Cannabidiol Product Act authorized the cultivation, production, and possession of hemp and the sale and use of cannabidiol (CBD) products under certain circumstances. The role of Utah’s Department of Agriculture and Food is to ensure CBD products on the market are free from harmful substances and are labeled accurately to protect consumers from erroneous information. Utah’s first medical cannabis dispensary opened in 2020.

In 2018, Utah’s Medical Cannabis Policy, or House Bill 195 created a “right to try” cannabis-based treatment, or CBD treatment, for terminally ill patients. Such patients are not subject to criminal penalties for possessing and using cannabis in medical dosage form in compliance with the legislation.

In 2021, the state legislature passed Senate Bill 192 which created the Cannabis Production Establishment Licensing Advisory Board. The Board is responsible for reviewing license applications and conduct public hearings regarding licensing. Utah legislators also eliminated a residency requirement with respect to the medical marijuana dispensary licenses the state plans to award during 2019.

Utah’s new governor signed two new bills into law related to medical marijuana law in 2022. Senate Bill 46 limits the punitive measures employers may take against their employees who consume medical marijuana, in compliance with the law, at home. The same bill also bans any judge, panel, jury, or court commissioner from discriminating against a person in a judicial proceeding who uses medical marijuana in accordance with state law. The second, Senate Bill 195, expands physicians’ ability to prescribe medical marijuana, especially in cases where patients would otherwise be prescribed opioids and changed the name of the Cannabinoid Product Board to the Cannabis Research Review Board. The board, under its retired name, had unanimously voted against recommending Delta-8, an analog cannabinoid, earlier in the year. Time will tell if the new name brings with it a new view of cannabis for the state and its laws.

## #35: Texas (Old ranking #35)

In 2015, the Texas Legislature passed the Texas Compassionate Use Act. Codified under Tex. Health & Safety Code Ann. § 481.111, a patient with intractable epilepsy is exempt from prosecution for possession of low-tetrahydrocannabinol (THC) cannabis. In order for a patient to qualify for a medical prescription of cannabidiol (CBD), the patient must be a resident of Texas, the patient’s physician has to certify to the Department of Public Safety that the patient suffers intractable epilepsy, the risk of using CBD must be reasonable in light of the potential benefit for the patient, and a second physician must concur that it is reasonable to prescribe CBD to the patient in light of the potential benefit to him or her. The Texas Compassionate Use Act is one of the most restrictive medical marijuana legislations in the country and only allows the use of oils or inhalers.

State Republicans voted to approve platforms endorsing marijuana decriminalization, medical cannabis, and industrial hemp, and in June 2019, Gov. Greg Abbott signed a bill legalizing industrial hemp and some CBD product. Abbott also signed House Bill 3703 into law. This legislation expanded the range of disorders treatable under the Texas Compassionate Use Act and permitted medical marijuana prescriptions for certain conditions, including multiple sclerosis, Parkinson’s, ALS, terminal cancer, autism and seizure disorders. In 2021, Gov. Abbott increased the THC percentage in medical cannabis from 0.5% to 1% and added PTSD and cancer to the range of disorders qualifying for medical cannabis.

Because there was no regular session for the state legislature in 2022, no new state laws related to cannabis were introduced or passed. However, a ballot initiative in Austin, Texas passed, which eliminated enforcement of “low-level marijuana offenses” and banning no-knock warrants, although this is, of course, confined to the city of Austin.

## #36: West Virginia (Old ranking #36)

Both cannabidiol oil and medical marijuana are legal under state law in West Virginia. In 2017, the West Virginia Medical Cannabis Act (the “Act”) was signed into legislation and is now codified in W. Va. Code §§ 16A-1-1 to 16A-16-1. The Bureau for Public Health (the “Bureau”) within the West Virginia Department of Health and Human Resources is responsible for regulating the cannabis activity. Under the Act, patients suffering from specified “serious medical conditions,” such as cancer, are permitted to use cannabis. Initially, marijuana could only be dispensed in specific forms including pill and oil, but in 2020, the legislature included dry leaf or plant form to the list of authorized forms.

West Virginia’s medical cannabis program has been one of the slowest to develop in the nation. Although the state legalized medical cannabis in 2017, the Office of Medical Cannabis did not begin allowing patients to register until February 2021, and the first medical cannabis dispensary opened on November 2021. Sales are not planned to commence until late 2022.

The medical cannabis program was capped by the West Virginia Legislature at ten growers permits, ten processor permits, and up to one hundred dispensaries. Once a permit is obtained, the grower, processor, or dispensary faces more regulations that relate to the production, manufacturing, and/or sales of medical marijuana projects. For example, individuals who operate a dispensary can dispense only in an indoor, enclosed, secure facility and may not operate on the same site as a facility used for growing or processing. In addition to following state law, permit holders must also abide by any relevant municipal ordinances, which may prohibit or limit medical cannabis organizations.

In 2018, HB 4345 would have expanded the state’s marijuana laws. However, the Senate subsequently made changes, and the bill died. The proposed bill amended and reenacted parts of the Act, based largely on recommendations made by the Medical Cannabis Advisory Board. The proposed bill would have allowed growers and processors to be dispensaries, among other changes. Proponents of legalization note that there is only one state in the country where a federal prosecuting attorney targets the cannabis industry – current U.S. Attorney Mike Stuart.

As of June 2022, West Virginia does not permit cannabis for adult-use purposes and has not decriminalized cannabis possession.

## #37: Alabama (Old ranking #37)

In 2019, with the passage of SB 225, Alabama rescheduled and redefined cannabidiol (CBD) products to align with the 2018 Farm Bill. Therefore, the sale of CBD products with a THC concentration below 0.3% by dry weight is legal. The Department of Agriculture and Industries (ADAI) issues licenses to industrial hemp growers and processors, with growers paying a \$150 application fee and an annual license fee of \$1,000 per growing area or processing area. The State of Alabama does not provide any financial assistance to growers or processor/handlers. A pre-harvest sampling and THC analysis is required to confirm that the THC content does not exceed 0.3% by dry weight. If the pre-harvest test reveals THC content above this level, a post-harvest sample is taken. If the post-harvest test also reveals a THC level greater than 0.3%, then the field will be destroyed.

In 2021, Gov. Kay Ivey signed the Darren Wesley "Ato" Hall Compassion Act (Act), legalizing cannabis for medical use. Patients must have a qualifying medical condition, such as Crohn's disease, depression, epilepsy, HIV/AIDs, panic disorder, Parkinson's disease, persistent nausea, post-traumatic stress disorder, and chronic or intractable pain to be eligible. The Act established the Alabama Medical Cannabis Commission (AMCC), which regulates all aspects of the industry. The Act does not permit home cultivation of cannabis, nor does it permit patients to smoke, vape, or consume food-based medical cannabis products.

On May 17, 2022, the ADAI issued proposed rules that outline the requirements for cultivators and integrated facilities licensed by the AMCC. The AMCC will issue licenses for up to 12 cultivators, four processors, four dispensaries (which each may operate up to three locations in different counties), five integrated facilities (that may grow, process, transport and dispense at up to five dispensing sites in different counties), along with secure transporters and testing laboratories. Potential licensees must pay a \$2,500 application fee, and annual licensing fees will range between \$10,000 and \$50,000. In addition, there will be a 9% gross proceeds tax on the retail sale of medical cannabis. Beginning on September 1, 2022, businesses may submit license applications, and Alabama's medical cannabis market expected launch is spring 2023.

Additionally, the Alabama State Board of Medical Examiners issued its final rules on physician recommendation of medical cannabis on May 15, 2022. These rules lay out the eligibility requirements for licensed physicians to obtain an Alabama Medical Cannabis Certification Permit from the board. The permit must be renewed annually. In addition, the rules stipulate the steps physicians must complete before they can recommend cannabis to their patients as well as dosage limitations. Though Alabama has become more progressive with regards to industrial hemp and medical marijuana, the state Legislature remains adamantly opposed to legal recreational marijuana use and the state's criminal penalties for cannabis possession are severe.

## #38: Iowa (Old ranking #38)

Iowa has one of the most restrictive medical cannabis programs in the nation. Iowa allows the use of medical cannabidiol (CBD) only in non-smokable products for people with certain physical ailments. In 2015, the Iowa legislature passed the Medical Cannabidiol Act. Under Iowa Code Ann. 124E, a patient with a "debilitating medical condition" may use CBD. Iowa Code Ann. 124E.2(2) provides a list of medical conditions that qualify for the use of CBD. In order for a patient to qualify for a CBD license, the patient has to: be 18 years of age, be a permanent resident of Iowa, submit a certificate written by his health care practitioner to the Department of Public Health certifying that the patient is suffering a debilitating medical condition, submit an application to the Department of Public Health, pay a fee, and not have been convicted of a disqualifying felony offense.

Iowa allows certain types of licenses for manufacturers and dispensaries. Under Iowa Code Ann. 124E.6, the Department of Public Health was required to issue a request for proposals to select and license up to two local medical cannabidiol manufacturers. Further, Iowa Code Ann. 124 E.13 allows the Department of Public Health to issue a license to up to two out-of-state medical cannabidiol dispensaries from a bordering state to sell and dispense CBD to a patient or primary caregiver in possession of a valid medical cannabidiol registration card. Iowa also issues licenses to dispensaries, in addition to manufacturers.

In order to qualify for a dispensary license, an interested party must apply with the Department of Public Health and pay the respective fees. The Department of Public Health will then conduct a thorough investigation of the interested party. There is no limit in the number of licenses the department can grant. While polls show that public support is high amongst Iowans for expansion of their medical program and recreational legalization, all signs show that it is unlikely anything will change absent federal legislation.

## #39: South Dakota (Old ranking #39)

South Dakota has made promising steps towards legalizing both medical and recreational marijuana. South Dakota voters recently approved Measure 26 and Amendment A, which would create a medical marijuana program and legalize recreational marijuana for those 21 and older. Despite these successful voter initiatives, the state's medical program is limited, and recreational use remains illegal due to the constitutionality of Amendment A being overturned.

Beginning on July 1, 2021, practitioners can prescribe up to three ounces of marijuana to patients with debilitating medical conditions. Qualifying debilitating medical conditions include cachexia, severe and debilitating pain, severe nausea, seizures, and severe muscle spasms including multiple sclerosis. Under South Dakota Code Annotated § 34-20G-26, patients can file a petition to the Department of Health to add another condition.

South Dakota voters also approved Amendment A to the South Dakota Constitution in the 2020 election which would legalize the possession, use, transport, and distribution of up to one ounce of marijuana for individuals 21 and older. Gov. Kristi Noem issued an Executive Order challenging the constitutionality of Amendment A. The constitutional challenge succeeded in a South Dakota circuit court and the decision was appealed to the South Dakota Supreme Court which affirmed the circuit court's decision in November 2021. South Dakotans for Better Marijuana Laws collected enough signatures to qualify its cannabis legalization-initiated measure for the November 8, 2022 ballot. Although South Dakota citizens are open to legalizing marijuana, state government officials are the biggest barrier to legalization in the state.

## #40: Mississippi (Old ranking #41)

Mississippi Governor Tate Reeves signed the Mississippi Medical Cannabis Act (SB 2095) on February 2, 2022, making Mississippi the 37th state to legalize medical marijuana. To qualify, patients must have at least one qualifying medical condition and a written certification issued by a healthcare practitioner with whom they have a bona fide relationship. Patients must also apply to the health department (MDOH) for a registration card.

In Mississippi, cannabidiol (CBD) oil for people with a debilitating epileptic condition or related illness became legal in 2014 with the passage of Harper Grace's Law, MS Code § 41-29-136. Users must have a physician's orders and can obtain the CBD oil only from the University of Mississippi Medical Center. CBD is only produced by the University of Mississippi and Mississippi State University. In November 2020, 74% of Mississippi voters approved a bill legalizing medical marijuana. The voter-approved initiative would have allowed for patients to legally obtain marijuana after getting a doctor's recommendation to treat 22 qualifying conditions such as cancer, chronic pain, and post-traumatic stress disorder (PTSD). Unfortunately, in May 2021, the state Supreme Court overturned the measure in a 6-3 ruling on procedural grounds unrelated to the initiative's merits.

## #41: Kentucky (Old ranking #40)

Kentucky is a fairly stereotypical non-legalization state. Kentucky Revised Statute Section 218A.050 (3) explicitly forbids possession of any cannabinoid-containing substance. The state does have legalized hemp, made so in 2014 (SB 124). The industrial hemp program is run by the Kentucky Department of Agriculture. However, very little guidance is given on this program, and the program appears underdeveloped.

There seems to be growing interest in Kentucky for legalizing cannabis for medical or adult-use, but efforts have failed to result in legalization. In March 2018, a bipartisan legislative effort in the Kentucky House of Representative produced HB 166, legislation that would have legalized medical cannabis. Within a month, gridlock sunk any chance for a vote on the bill.

Although it seemed as though momentum was building for the legalization of medical cannabis through HB 136 passing the Kentucky House of Representatives in March 2022, the Senate did not take action on the bill in 2022 prior to the annual session ending. Despite efforts from activists and significant public support, there was no progress in the 2022 session.

## #42: Georgia (Old ranking #42)

Georgia legalized the medical use and possession of low tetrahydrocannabinol (THC) oil in 2015 with the passage of House Bill 1, known as Haleigh's Hope Act. The Act was subsequently amended by SB 16, effective July 1, 2017, which changed the definition of "low THC oil" and expanded the list of conditions eligible for use of low THC oil. The number of patients on Georgia's low THC oil registry has increased from 13,000 patients in 2019 to more than 20,000 in February 2022.

In April 2019, Gov. Brian Kemp signed House Bill 324, which provided greater access and availability by making it legal to produce and distribute low-THC marijuana oils in Georgia. The Bill created the Georgia Access to Medical Cannabis Commission ("Commission"), a seven-member board appointed by state officials that will license dispensaries. Subject to the dispensing licenses, pharmacies and other retail outlets would be permitted to sell the oils. The Commission accepted applications for producers in late 2020. In July 2021, the first six production licenses (two Class 1 Licenses and four Class 2 Licenses) were awarded to six winning companies out of sixty-nine applicants. These companies have one year from contract signing to set up operations, cultivate cannabis, and produce oil. Each is authorized to open five dispensaries.

Georgia does not permit cannabis for adult-use purposes. SB 283, a bill that would have legalized and regulated cannabis for adults, did not get through the legislative process in 2022. In addition, the licensing process has been paused because of lawsuits by bidders that did not receive licenses.

## #43: Wyoming (Old ranking #43)

Wyoming has not made either adult-use marijuana or medical marijuana legal, and it seems unlikely to do so in the near future, despite 54 percent of residents supporting legalizing and regulating adult-use cannabis. However, lawmakers introduced two proposals that could change that — HB 106, decriminalizing small amounts of cannabis for adults, and HB 143, establishing a medical cannabis program for patients with serious health conditions in the state.

Wyoming legalized "hemp extract" use for medicinal purposes in 2015 and legalized the farming of "industrial hemp" in 2017. In March 2018, Gov. Mark Gordon legalized the sale of CBD oils and hemp. The licensing fee to produce industrial hemp is \$750.00 annually, and the applicant cannot have a conviction of or history of pleading nolo contendere to a controlled substance felony within the past ten years. Further, the THC cannot exceed 0.3% on a dry weight basis. Wyo. Stat. Ann. § 11-51-103. A 2019 session law seemingly permits the "possession or use of hemp or hemp products for any purpose or application." Wyo. Stat. Ann. § 35-7-1063.

Wyoming legislators introduced two House bills proposing a tax-and-regulate scheme for marijuana and a study program for medical cannabis in 2021. Unfortunately, neither of the bills survived, and it does not seem that the legislature is in any rush to legalize marijuana.

## #44: Tennessee (Old ranking #44)

Tennessee does not permit marijuana for adult-use or medical purposes. However, the state does allow CBD that contains no more than 0.9% THC. In 2019, Tennessee passed a strict hemp farming act that allows licensed individuals to produce hemp with a THC concentration no greater than three-tenths of one percent. A 2018 poll by the Tennessean revealed that 81% of Tennessee voters support legalization of marijuana to an extent.

On September 27, 2018, the Department of Health issued an advisory to residents about the risks of using marijuana and hemp. The advisory stated there is insufficient evidence to show any forms of cannabis, including hemp, are safe and effective medications. It also stated that marijuana is addictive and that 1 in 11 adults who use marijuana become addicted. Tennessee's Department of Health also differs from the position taken by many states (such as Illinois) which view cannabis as a strong alternative to opioids.

Tennessee has made little progress in legalizing marijuana for medical or recreational use, but in 2021, it did pass SB 118. This created the Medical Cannabis Commission in preparation of federal rescheduling of marijuana and exempted from the definition of "marijuana" oil containing the substance cannabidiol, with less than 0.9% of THC for use by a person with certain health issues, if certain other requirements met. Despite significant public support, there was no progress in the 2022 session as multiple bills introduced to legalize cannabis, decriminalize cannabis, or legalize cannabis for adults were stalled in committee hearings. The positions of governor, all House of Representatives, and odd-numbered Senate seats are up for election on November 8, 2022.

## #45: South Carolina (Old ranking #45)

South Carolina has not legalized marijuana for adult or medical use, but it has legalized cannabidiol (CBD) in certain, limited situations. Known as Julian's Law, licensed physicians in South Carolina can prescribe CBD oil for patients suffering from certain forms of epilepsy. The CBD oil must contain at least 98% CBD and no more than 0.9% THC. Eligible conditions include Lennox-Gastaut syndrome, Dravet syndrome, or any other form of refractory epilepsy that is not adequately treated by traditional medical therapies. In 2019, South Carolina established the state's Industrial Hemp Program that allows state licensed parties to cultivate, handle, and process hemp. South Carolina's Department of Agriculture cannot charge licensing fees exceeding one thousand dollars annually. Attempts to legalize medical marijuana have been ongoing since 1980. While no law is currently in effect, 2022 may be the year that medical marijuana becomes legal. In 2022, SB 150, also known as the South Carolina Compassionate Care Act, successfully made it through the Senate. If passed, the bill would allow patients with qualifying medical conditions to buy, possess, and use cannabis from state-licensed dispensaries. As of July 2022, there has not yet been a vote on the merits, but the bill was passed unanimously by the House Medical, Public, and Municipal Affairs Committee before stalling out on the House floor.

## #46: Kansas (Old ranking #46)

Kansas is among the states that have not legalized the use of cannabis for medical purposes. In May 2018, however, the state passed a law updating its definitions of substances included in schedules I, II, and III of the Uniform Controlled Substances Act, and Kansas's definition of "marijuana" now does not include cannabidiol (CBD). Yet Kansas law still classifies THC as a schedule I substance, so in Kansas, any legal CBD must contain 0% THC.

The passing of the Farm Bill has yet to affect the prohibition on low levels of THC in CBD products, and national retailers are currently still prohibited from selling such products. Kansas imposes harsh criminal penalties for possession of marijuana or THC, with any amount of possession constituting a class B misdemeanor punishable by up to six months in



jail and a fine of up to \$1,000. Accordingly, because some CBD products that are used for medical purposes contain THC, Kansans are limited in types of CBD products they may use.

Democratic Gov. Laura Kelly is a supporter of medical marijuana. Gov. Kelly predicted Kansas is a long way from legalizing adult use because of the composition of the Kansas legislature and the opposition of state law enforcement. In May 2021, HB 158, which would conservatively legalize medical cannabis, passed the House, but the Senate did not take action on the bill in 2022 prior to the annual session ending. In March 2022, SB 560, which would regulate the cultivation, processing, distribution, sale, and use of medical marijuana, was introduced, but the Senate did not take action on the bill prior to the annual session ending. The positions of governor, lieutenant governor, and all 125 state representatives are up for election on November 8, 2022.

## #47: Wisconsin (Old ranking #47)

In Wisconsin, neither medical nor adult cannabis use is legally permitted; however, more than 80% of Wisconsinites support the idea of legalizing medical marijuana. On April 20, 2022, a Republican medical marijuana bill had a public hearing, the first time a marijuana legalization bill had a public hearing in over ten years. The proposed bill only legalizes marijuana in the form of a liquid, oil, pill, topical cream, or tincture.

Cannabidiol is legal if dispensed by a pharmacy or physician, pursuant to Wis. Stat. Ann. § 961.38. In order to possess cannabidiol, people must have a written certification that is not more than a year old, and people may not possess the cannabidiol past any expiration date listed on the certification.

The Department of Agriculture, Trade and Consumer Protection also issues licenses to industrial hemp growers and processors. Growers and processors must pass a background check and once approved, must register annually with the Department. All industrial hemp products must be tested, and all growers must obtain a fit for commerce certificate prior to any hemp being transported to a processor. All hemp must show a tetrahydrocannabinol (THC) level of 0.3% or below. Any harvested industrial hemp found in Wisconsin without a fit for commerce certificate is subject to seizure and destruction at the licensee's expense.

Industrial hemp is legally permitted to be cultivated in Wisconsin. The Department of Agriculture, Trade and Consumer Protection is charged with establishing regulations for growing, cultivating, harvesting, and sampling industrial hemp. The Department created the Hemp Research Program that studies the growth and cultivation of industrial hemp. Further, on May 3, 2021, the Department promulgated a new emergency rule that provides a remediation pathway for lots that exceed the regulatory limit of 0.3% THC, caps negligent violations at one per year, and raises the TBH level that constitutes a negligent violation from 0.5% to greater than 1.0%. The push to legalize marijuana for adult use in Wisconsin has suffered from various starts and stops. Legislation was proposed in 2017 that would allow cannabis to be used to treat certain medical conditions, but the legislation ultimately failed. In November 2018, state voters supported marijuana use by a solid majority in referendums on medical and adult use. Most recently, Wisconsin Gov. Tony Evers pushed to pass both a medical and recreational marijuana in his 2021 state budget, but once again, the efforts were unsuccessful. Despite legalization advancing quickly in neighboring states, Republican legislators continue to oppose legalization of adult use and are split on allowing medical cannabis.

## #48: North Carolina (Old ranking #49)

In North Carolina, neither medical marijuana nor recreational marijuana are legal. Historically, the state has been very stringent towards marijuana consumption. But in June 2021, the North Carolina Senate Judiciary approved SB 711, the North Carolina Compassionate Care Act, a bill legalizing medical marijuana. On June 2, 2022, the North Carolina Senate

voted to legalize medical marijuana, which puts the state one step closer to joining the 37 other states (plus D.C.) that have legalized marijuana for medical use. The bill would also allow patients with certain illnesses and a physician's prescription to purchase Cannabis and Cannabis-infused products at state-regulated dispensaries. The bill would also create an advisory committee and a new commission under the North Carolina Department of Health and Human Services to administer the program.

## #49: Indiana (Old ranking #48)

Indiana does not allow either adult-use or medical cannabis. Further, the state only recently allowed the use of low tetrahydrocannabinol (THC) cannabis oil when, on February 21, 2017, the House voted unanimously to allow patients suffering from epileptic seizures to buy a non-intoxicating form of cannabis oil that contains 0.3% or less from licensed distributors across the state. In March 2018, Gov. Eric Holcomb did sign a bill legalizing the distribution and retail sale of low-THC cannabidiol products. Despite its neighbors to the north and west, Michigan and Illinois respectively, having fully legalized recreational cannabis possession and use, Indiana has no effective medical cannabis law and imposes jail time for simple possession.

In the 2022 Legislative Session, the Indiana legislative body considered more than 10 bills relating to the cannabis industry, though none passed. Following the Session, the Legislative Council is slated to meet in Summer 2022 and assigned an Interim Study Committee on Public Health, Behavioral Health and Human Services to study the potential health benefits, potential decriminalization, and other potential consequences of Delta 8, Delta 9, and other THC products. While change has yet to come, the amount of review time given to cannabis reform at the 2022 Session has made medical cannabis supporters hopeful.

## #50: Idaho (Old ranking #50)

Despite bordering three states (Nevada, Oregon, Washington) that have legalized adult-use marijuana, Idaho has not legalized medical marijuana use, nor has it legalized adult use of marijuana. Idaho's most recently attempted to put a medical marijuana initiative on the ballot for the 2022 election; however, the ballot initiative did not obtain the minimum number of signatures required. Prior to the 2022 attempt, the Idaho legislature introduced SB 1146 in 2015. SB 1146 would have legalized cannabidiol use, which may help relieve seizures for children with epilepsy. The bill passed both the Idaho House and Senate. However, then-Gov. Butch Otter vetoed the bill. He stated that while he sympathized with families affected by epilepsy, the bill "asks us to look past the potential misuse and abuse with criminal intent."

Instead, he offered a solution by Executive Order. Gov. Otter implemented the Expanded Access Program which would provide children with epilepsy access to a pharmaceutical grade CBD, Epidiolex. This drug was approved by the FDA in 2018 and is now legal in limited circumstances. This is possible because under Idaho Code 37-2705(a), CBD can only be legal if it contains zero THC and is derived from one of five identified parts of the cannabis plant. The future of legalization in Idaho became even murkier when Gov. Brad Little prevailed in the November 2018 election. Little favors limited cannabidiol (CBD) access but opposes full marijuana legalization.

## #51: Nebraska (Old ranking #51)

Nebraska does not allow adult use or medical use of marijuana. In 2016 and 2017, medical marijuana bills were introduced, but the first was quashed by filibuster, and the latter was not voted on. The Nebraska Hemp Farming Act was passed in 2019, which legalized the cultivation and commercial distribution of cannabidiol products tested and approved by the Department of Agriculture. In 2021, Sen. Anna Wishart introduced LB 474 to establish a medical cannabis program through the Nebraska state legislature. Unfortunately, the bill was two votes short of the amount needed to overcome a filibuster. On July 7, state activists submitted over 180,000 signatures in a push to get medical cannabis legalization initiatives on the November 2022 ballot.

Nebraska has decriminalized marijuana possession for first time offenders, but retains mandatory minimums that force judges to sentence non-violent offenders according to the minimum rather than the judge's discretion. The public, however, appears ready for medical marijuana, though perhaps not for adult-use. While 80% of Nebraskans believe that medical marijuana should be legalized, Gov. Pete Ricketts has been steadfastly against any legalization.

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