

the buzz:

Cannabis News & Policy Update

April 2025 Edition

FEDERAL UPDATES

Rescheduling: The Drug Enforcement Administration acknowledged in an April [joint status report](#) that no progress has been made on cannabis rescheduling. The DEA has not set a briefing schedule for the interlocutory appeal and says the matter remains pending before acting administrator Derek Maltz. DEA veteran Terry Cole was nominated in February to serve as the next DEA administrator, but he has yet to be confirmed by the U.S. Senate. The next update on the interlocutory appeal is due by July 9.

280E: A Republican-backed U.S. House bill, [H.R.1447](#), proposing to make Internal Revenue Code Section 280E permanent even if marijuana is reclassified as a Schedule III drug picked up a cosponsor this month and three in March, which means 10 legislators now support the bill. A similar bill in the Senate ([S.471](#)) has not added any cosponsors since it was introduced in February. Neither bill has seen activity in committee, and it is still unclear whether there is appetite for stand-alone legislation in either chamber.

STATES 2.0: While some Republican federal legislators are trying to make 280E permanent, last week, Ohio Representatives Dave Joyce and Max Miller, along with Nevada's Rep. Titus reintroduced the "Strengthening the Tenth Amendment Through Entrusting States 2.0 Act," which aims to allow each state the right to determine the best approach to cannabis. Among the provisions of the STATES 2.0 Act are proposed amendments to the Controlled Substances Act (CSA) to no longer classify marijuana as a controlled substance and a provision which would negate IRC 280E for cannabis businesses operating in compliance with their respective state's cannabis laws.

American Beverage Licensees: ABL, a national alcohol retail trade group, released a [policy memo](#) calling for state laws to allow only liquor stores to sell intoxicating THC products. This proposal differs from the Beer Institute's [December 2024 memo](#), which called for hemp-derived beverages to be sold only by licensed cannabis retailers, suggesting the alcohol industry may be divided on cannabis policy.

NEW MARKETS & LICENSING OPPORTUNITIES

Pennsylvania: Democratic state Rep. Dan Frankel is expected to [introduce](#) an adult-use legalization bill this month that would require cannabis to be sold exclusively through state-run stores and impose the strictest THC limits in the country (25% for flower and 40% for concentrates). Medical businesses would not be guaranteed cultivation or processing licenses. While the bill may pass the Democratic-controlled House, it reportedly has no realistic path in the Senate. Other adult-use bills have proposed more traditional systems involving state-licensed private businesses. Most recently, Reps. Emily Kinkead and Abby Major circulated a [cosponsorship memo](#) on April 14 about a bipartisan adult-use bill they intend to file.

Utah: Gov. Spencer Cox signed [HB 54](#) into law on March 24, increasing the license cap for cannabis pharmacies from 15 to 17. The state licensing board will issue one of the two new pharmacy licenses before January 1, 2026, and the other before January 1, 2027. The licensing board cannot select an entity that owns any interest in or operates a production establishment or existing pharmacy. This will be the first new licensing opportunity for medical cannabis pharmacies since the state initially licensed medical cannabis businesses in 2019.

Oklahoma: At the end of March, Oklahomans for Responsible Cannabis Action filed a [proposed constitutional amendment](#) to legalize adult-use cannabis that could appear on ballots sometime in 2026. The measure would permit adults 21 and older to possess up to eight ounces of flower or one ounce of concentrate, cultivate up to 12 plants at home, and establish a regulated market with no caps on licenses and a 10% excise tax on sales. To qualify for the ballot, the proposal must gather nearly 173,000 valid signatures, a difficult feat that may be further complicated by the state legislature, which is considering [legislation](#) to place new restrictions on ballot measures and the signature-gathering process.

STATE POLICY UPDATES

Cannabis Tax Increases: Three state legislatures have acted on cannabis tax increases proposed by their respective governors.

Maryland: Gov. Wes Moore and Democratic legislative leaders agreed to a state [budget](#) that includes raising the state tax on cannabis retail sales from 9% to 12% beginning in FY 2027. The increase is expected to raise \$39 million in revenue to help cover a projected \$3 billion deficit in 2026.

Michigan: The Republican-controlled House of Representatives [passed a road funding proposal](#) that omits a 32% wholesale tax on cannabis proposed by Democratic Gov. Gretchen Whitmer to fund state infrastructure. The House plan is unlikely to be supported by the Democratic-controlled Senate, setting the stage for negotiations between lawmakers and the governor.

Ohio: House Republicans proposed a state [budget](#) that excludes Gov. Mike DeWine's plan to double the state's cannabis tax from 10% to 20%.

State Regulatory Updates

Michigan: Michigan regulators will hold a public hearing on an [omnibus rulemaking package](#) on May 6. This will be the first comprehensive rulemaking in years in a state with one of the largest adult-use cannabis markets in the country. The package aims to address many of the critical policy issues impacting cannabis markets across the country, including accounts receivable and hemp-derived products. Key provisions include allowing regulators to deny licenses based on unpaid invoices that result in civil judgments; prohibiting hemp products with more than 1.75 mg of total THC per serving, 10 mg per package, or a CBD:THC ratio below 15:1; and allowing QR codes to be used on labels.

Minnesota: The Office of Cannabis Management [released](#) a revised set of proposed rules for the state's new adult-use cannabis market, which are expected take effect later this month. Key revisions include raising the potency cap for adult-use concentrates intended for vaporization from 70% to 80%, easing restrictions on trade sample consumption, and shifting sampling responsibilities from testing laboratories to cannabis businesses. The OCM will move forward with licensing businesses once the final rules are adopted.

New York: On March 21, a federal judge [dismissed](#) a lawsuit filed by 27 unlicensed businesses challenging New York City's efforts to shut them down. The plaintiffs alleged their due process rights were violated when the sheriff padlocked their businesses. The court ruled that the city's actions are constitutional and that current padlocking procedures give businesses a meaningful opportunity to challenge any errors that were made.

HEMP

Arizona: State Attorney General Kris Mayes [announced](#) on March 24 that law enforcement will begin enforcing rules that prohibit businesses from selling THC products without a marijuana dispensary license. Mayes emphasized that Arizona's voter-approved legalization law, Proposition 207, mandates that THC products are sold exclusively through licensed establishments.

Kentucky: Gov. Andy Beshear signed [SB 202](#) into law on March 25, creating a regulatory framework for hemp-derived "cannabis-infused beverages" to be sold by alcohol retailers. It is the first hemp beverage law enacted in 2025, and it is especially notable given Kentucky's outsized role in shaping more permissive approaches to hemp products than other states. The new law limits hemp beverages to 5 mg of intoxicating cannabinoids per 12-ounce serving and largely limits their sale to liquor retailers. Hemp beverage manufacturers will also be allowed to obtain a direct shipper license to sell directly to consumers. The law took effect immediately, and rules for hemp beverages must be adopted by July 1, 2026.

National: Edible Brands, the parent company of Edible Arrangements, [launched](#) Edibles.com, a hemp-derived product delivery marketplace. The service debuted in Texas and will soon expand to Florida, Georgia, and nationwide shipping. A flagship storefront in Atlanta will open to anchor a limited franchise program. This is the second national delivery company to enter the hemp market this year. In January, DoorDash announced it will begin delivering hemp-derived THC and CBD products.

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