

the buzz:

Cannabis News & Policy Update

April 2026 Edition

FEDERAL CANNABIS RESCHEDULING: A HISTORIC SHIFT — AND SOME IMPORTANT OPEN QUESTIONS

On April 23, 2026, Acting Attorney General Todd Blanche signed an order moving state-licensed medical marijuana from Schedule I to Schedule III under the Controlled Substances Act (CSA), the most significant federal cannabis policy development in more than 50 years. For cannabis businesses, the immediate impact is real and meaningful, but several critical questions remain unresolved.

What We Know

- **Medical marijuana is rescheduled to Schedule III, effective now.** State-licensed medical marijuana operators in all 40 medical-program states are no longer operating under the shadow of Schedule I.
- **280E tax relief is certain for medical operators.** Section 280E, which has imposed crushing tax burdens by disallowing ordinary business deductions for cannabis businesses, will not apply to state-licensed medical marijuana businesses.
- **Adult-use remains Schedule I — for now (?)** The administration has bifurcated the scheduling of the cannabis plant under the CSA, distinguishing between adult-use and medical-use cannabis, which is an unusual approach (to say the least). An expedited DEA administrative hearing process beginning in late June will address broader cannabis rescheduling.

What's Up in the Air

- **When will 280E tax relief apply?** A statement by the Acting AG in the Order references 280E “will no longer apply” to state licensees broadly— with no medical/adult-use distinction, but a later DEA Administrator’s statement in the Order specifically limits 280E relief to state medical marijuana licensees only. The bifurcated medical vs adult-use scheduling approach and federal registration requirements will undoubtedly cause confusion for state-licensed cannabis business taxpayers unless and until there is more legal clarity.
- **Retroactive tax relief is on the table.** The Order encourages the Treasury Secretary to consider retrospective 280E relief for medical marijuana licensees, meaning potential tax refunds for prior tax years. The scope and eligibility criteria are undefined without further guidance from Treasury, but the signal is significant and we’ll be watching it closely.
- **Dual-license and adult-use operators face real uncertainty.** In states where retailers hold both medical and adult-use licenses, the federal operational and tax treatment is unclear.



FEDERAL UPDATES

CBD: The Centers for Medicare and Medicaid Services launched a pilot program allowing certain Medicare patients to receive up to \$500 annually in hemp-derived cannabinoid products under select innovation models. The program limits eligible products to those compliant with the 2018 Farm Bill and excludes inhalable and synthetic cannabinoids. A federal judge declined to block the program from moving forward, though litigation is ongoing and a preliminary injunction hearing is scheduled for April 20.

Additionally, the White House Office of Information and Regulatory Affairs held stakeholder meetings in early April on a forthcoming FDA enforcement policy for CBD products. The rule remains under review and has not yet been released, but OIRA review suggests the policy is nearing finalization.

Attorney General: President Donald Trump fired Attorney General Pam Bondi, and Deputy Attorney General Todd Blanche was named acting attorney general. When asked about rescheduling during his confirmation hearing for deputy attorney general, Blanche said he would “give the matter careful consideration after conferring with all relevant stakeholders, including [Drug Enforcement Administration] personnel.” Bondi was notably absent from the room when the rescheduling executive order was signed, and the Department of Justice under her leadership was conspicuously silent on the issue.

CLIMB Act: U.S. Reps. Troy Carter (D-LA) and Guy Reschenthaler (R-PA) introduced the Capital Lending and Investment for Marijuana Businesses (CLIMB) Act, which would allow state-legal cannabis businesses to access traditional lending, investment, and federal funding opportunities currently unavailable due to federal prohibition. The bipartisan bill would create safe harbor protections for financial institutions and allow federal agencies such as the Small Business Administration, Community Development Financial Institutions, and Minority Business Development Agency to support cannabis businesses.

NEW MARKETS & LICENSING OPPORTUNITIES

North Carolina: The North Carolina Advisory Council on Cannabis issued an interim report recommending the state legislature legalize adult-use cannabis and create a unified regulatory approach for hemp and marijuana. A final report, including detailed policy recommendations, will be issued in December 2026. Gov. Josh Stein established the council by executive order last summer to study and recommend options for a comprehensive statewide approach to cannabis.

Rhode Island: A U.S. District Court issued a preliminary injunction preventing the Cannabis Control Commission from holding a lottery to issue 20 new cannabis retail licenses. The judge found that the in-state residency requirement likely violates the Dormant Commerce Clause. Rhode Island, being in the First Circuit, tried to argue that a similar decision made in Maine was not binding because it dealt with medical, not adult-use cannabis, but the judge disagreed. The state’s eight medical operators have maintained exclusive access to the adult-use market since its launch in December 2022, and the injunction preserves the current market structure for the time being.

Texas: The Department of Public Safety awarded three new vertically integrated medical cannabis dispensing organization licenses, completing the expansion of the Compassionate Use Program required under a law enacted last year. Twelve additional businesses were named to the “license eligibility list” in case one of the new licensees fails to become operational within 24 months.

Virginia: Gov. Abigail Spanberger (D) returned legislation to legalize adult-use cannabis sales with proposed amendments. Spanberger’s proposed amendments include delaying the start of sales from January 1, 2027, to July 1, 2027, reducing the initial license cap on retailers from 350 to 200, and increasing the cannabis excise tax on sales from 6% to 8% beginning July 1, 2029. The bill’s original sponsors released a statement criticizing Spanberger’s changes. The legislature will reconvene on April 22 to consider the governor’s amendments. The amendments can be accepted or rejected by a majority vote in both chambers, or the veto can be overridden by a two-thirds majority in both chambers.

STATE POLICY UPDATES

Georgia: The Georgia legislature passed [SB 220](#) on March 23, which would significantly expand the state’s medical cannabis program by removing the existing 5% THC cap, allowing vaporized products, and replacing the term “low-THC oil” with “medical cannabis.” The bill is awaiting action from Gov. Brian Kemp. Georgia currently has one of the most restrictive medical programs in the country, limiting products to only low-THC oil.

Massachusetts:

- **Regulatory Reform Bill:** On April 19, Gov. Maura Healey (D) signed into law [H 5350](#), which will make significant reforms to the state’s cannabis regulatory agency and cannabis market. This includes a complete restructuring of the Cannabis Control Commission, immediately terminating all current commissioners, reducing it to three governor-appointed members, and removing its status as an independent agency. It also expands the license ownership limits, allows control of up to six retail licenses rather than three, with ownership of equity under 20% not counting towards the license cap. The bill also addresses several persistent regulatory challenges, such as delinquent payments, advertising of promotions and discounts, and the medical cannabis vertical integration requirement. The governor must appoint three new CCC commissioners by May 19. By June 19, the CCC must begin accepting applications under the expanded retail license cap, and the agency has until April 19, 2027, to fully update its regulations.
- **Ballot Measure Repealing Adult-Use Sales:** Participants in the state’s Social Equity Program filed a [lawsuit](#) seeking to block a ballot measure that would repeal adult-use sales, arguing that it contains “impermissibly unrelated subjects” and that the attorney general’s summary was “misleading and deficient.” The Supreme Judicial Court for Suffolk County will determine whether the initiative meets constitutional requirements and whether it can proceed through the ballot qualification process. In parallel, the legislature has until May 5 to act on the proposal; if it declines, proponents must gather an additional round of signatures by July 1 to qualify it for the November ballot.

Vermont: The Vermont Senate passed [S 278](#), which would allow the governor to enter interstate compacts with other states that have commercial cannabis markets. It would also increase the amount of THC allowed in a single package of cannabis products from 100 mg to 200 mg, double the possession limit from one ounce to two ounces, and allow manufacturers and cultivators to deliver cannabis to consumers. The bill is currently in the House Committee on Government Operations and Military Affairs.

HEMP

District of Columbia: Mayor Muriel Bowser introduced [legislation](#) that would allow local breweries and distilleries to produce THC-infused, alcohol-free beverages in partnership with licensed medical cannabis manufacturers. The bill, filed April 2, would create a new endorsement allowing alcohol producers to manufacture cannabis beverages using THC supplied by licensed cannabis operators, with all finished products required to be returned to the originating manufacturer and sold exclusively through licensed dispensaries to registered patients and caregivers.

Minnesota: The Minnesota Office of Cannabis Management [reopened](#) applications for lower-potency hemp edible (LPHE) retailer, manufacturer, and wholesaler licenses on April 1, following the end of a product transition period on March 31. The new application window comes after more than 2,200 applications were submitted in 2025, with all applicants receiving determinations by the end of March.

Missouri: The Missouri legislature passed [HB 2641](#), which would adopt the federal definition of hemp, classifying all hemp products above 0.4 mg total THC per container as marijuana. The House approved the bill in a 126–23 vote after the Senate previously passed an amended version, sending the legislation to Gov. Mike Kehoe, who has identified the issue as a priority. If signed into law, the new THC limit for hemp products will take effect November 12, 2026.

Pennsylvania: Jushi Holdings [announced](#) it has reached a settlement with Revelry Supply as part of a broader lawsuit targeting the sale of unregulated hemp products in Pennsylvania. The case is part of an ongoing enforcement strategy by the company against multiple defendants it alleges are selling marijuana products under the guise of hemp outside the state’s regulated medical cannabis framework.

Texas: A state judge [temporarily blocked](#) parts of new consumable regulations adopted by the Department of State Health Services, following a lawsuit from the Texas Hemp Business Council, Hemp Industry and Farmers of America, and several other businesses. Specifically, the judge temporarily blocked the usage of a total THC standard for hemp products because state law still defines hemp as cannabis with no more than 0.3% delta-9 THC on a dry-weight basis. The most immediate effect of the order is that THC-A flower can be sold for at least the next two weeks. A full hearing on the temporary injunction will be held April 23.