

# the buzz:

## Cannabis News & Policy Update

August 2025 Edition

### FEDERAL UPDATES

**Rescheduling:** At an August 11 news conference, President Donald Trump said his administration will “make a determination” on rescheduling marijuana “over the next few weeks.” It was Trump’s first public comment on rescheduling since voicing support for it during his campaign last fall. He privately expressed support to a group of fundraiser attendees earlier this month, according to the Wall Street Journal.

Late last month, the U.S. Senate confirmed Terrance Cole as Administrator of the Drug Enforcement Administration. He will likely play a key role in the marijuana rescheduling process, which has been stuck in a procedural appeal for months as the agency operated without a permanent leader. Cole, who has 22 years of experience at the DEA, has voiced concerns about marijuana but is generally expected to fall in line with the president. Cole said examining rescheduling would be “one of [his] first priorities.”

**U.S. Supreme Court:** A group of marijuana companies challenging the authority of Congress to regulate intrastate commerce (challenging the Court’s 2005 Gonzales v. Raich decision) were granted a 60-day extension to file their petition with the U.S. Supreme Court. Lawyers representing Canna Provisions, Gyasi Sellers, Wiseacre Farm, and Verano Holdings now have until October 24 to file their writ of certiorari.

**280E:** On August 11, 2025, the Tax Court scheduled briefing in New Mexico Top Organics, Inc. v. Commissioner, a case arguing that Section 280E no longer applies to state-licensed cannabis businesses. The taxpayer’s opening brief is due October 17th, the IRS reply is due January 16th and the taxpayer’s reply is due February 27th. The case is U.S. Tax Court Dkt. No. 19661-24.

**SAFER Banking:** A bipartisan group of 32 state attorneys general sent a letter to congressional leadership calling for the passage of the SAFER Banking Act of 2025. The letter was notably signed by attorneys general in several Republican-controlled states that only have medical programs, including Georgia, Oklahoma, South Dakota, Utah, and West Virginia. The letter emphasizes the public safety issues related to conducting business in cash and how the inability of cannabis businesses to use banking services interferes with state tax collection.

**Hemp:** Kentucky’s U.S. senators, Republicans Rand Paul and Mitch McConnell, are working with members of the House on a compromise regarding the federal definition of hemp. An agriculture appropriations bill that passed the House earlier this year included a prohibition on hemp products, while the Senate version did not. The conflict between the two chambers must be resolved before the legislation can advance.

### NEW MARKETS & LICENSING OPPORTUNITIES

**Texas:** The state Department of Public Safety will issue licenses accepting for 12 vertically-integrated dispensing organization over a two-phased selection period, with new and updated applications due by September 15. Nine licenses will be awarded by December 1 to businesses that applied in the 2023 application cycle. Three more licenses will be awarded by April 1, 2026, to first-time applicants.

**Kentucky:** Gov. Andy Beshear announced that Kentucky approved its first medical cannabis dispensary for operation. The facility is expected to open this fall in Beaver Dam, marking a major milestone in the rollout of the state’s medical marijuana program.

### STATE POLICY UPDATES

**Missouri:** The Missouri Supreme Court ruled that it is unconstitutional for local and county governments to stack taxes on cannabis. The ruling will reduce tax burdens for dispensaries in 74 counties where the city and county have each imposed a 3% marijuana sales tax. The decision will reportedly help consumers save \$3 million every month.

**California:** The state auditor published a report assessing youth advertising and marketing enforcement by the Department of Cannabis Control. It found that vague and unspecific laws are resulting in subjective and inconsistent enforcement. It recommends that the Legislature clarify design elements that are prohibited from cannabis packaging, potentially opening the door to advertising and marketing changes in the country’s biggest cannabis market.

## New York:

- **Buffer Distances:** The Office of Cannabis Management issued a [notice](#) that it incorrectly measured the distances between adult-use retailers and schools. The misstep will impact 108 retail licensees and 44 retail applicants currently awaiting licensure. It will also have wider-ranging impacts, as more than 25% of licensed retailers in the state and nearly half of the licensed retailers in New York City are now in restricted locations. A group of licensed cannabis retailers in New York City is [suing](#) the state, arguing these restrictions are retroactive and unfairly punitive.
- **Licensing lawsuit:** The U.S. Court of Appeals for the Second Circuit ruled that New York's cannabis licensing scheme violates the dormant Commerce Clause by giving priority only to applicants with marijuana convictions under New York state law, effectively discriminating against out-of-state applicants with similar convictions from other jurisdictions. The court rejected New York's argument that the federal marijuana prohibition exempts state licensing from dormant Commerce Clause scrutiny, holding that Congress has not clearly authorized such 'economic protectionism.'

**Colorado:** The Colorado Marijuana Enforcement Division released its first set of proposed rules and held the first of three scheduled meetings of its 2025 rulemaking session. The initial rules focus on implementing [HB 25-1209](#), a bill enacted earlier this year that aims to improve regulatory efficiency and reduce unnecessary burdens on businesses. Details are being ironed out on everything from licensing and recordkeeping to digital employee ID cards and R&D samples, which should produce cost savings for businesses. A rulemaking meeting on September 9 will focus on science recommendations and miscellaneous topics. The anticipated final hearing and the deadline for public comments are October 22.

## HEMP LITIGATION

**Texas:** Gov. Greg Abbott [called](#) a second 30-day special session, after the first special session was derailed by a redistricting fight. The special session agenda still reflects Abbot's call for legislation to regulate hemp products, but the state Senate is again moving forward with a [bill](#) that would ban hemp products with any amount of THC.

**Alabama:** The Alabama Alcoholic Beverage Control Board proposed [rules](#) covering licensing and operational standards for consumable hemp products, including hemp beverages. Notably, the rules allow off-premises Lounge Liquor Retail Licenses to sell hemp products, and they allow retail food stores to sell hemp beverages. A deadline for public comment has not been announced but is expected soon.

**Tennessee:** The Alcoholic Beverage Commission proposed [rules](#) covering licensing and operational standards for suppliers, wholesalers, and retailers of hemp-derived cannabinoid (HDC) products. A public hearing on the rules will be held September 26. Regulatory oversight of the HDC product industry will [transition](#) from the Department of Agriculture to the TABC beginning January 1, 2026.

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