

the buzz:

Cannabis News & Policy Update

March 2026 Edition

FEDERAL UPDATES

Gun Rights: On March 2, the U.S. Supreme Court heard [oral arguments](#) in *U.S. v. Hemani*, a case challenging the federal law prohibiting “unlawful users” of controlled substances from possessing firearms. Justices across the ideological spectrum appeared skeptical of the federal government’s argument that marijuana use alone justifies restricting Second Amendment rights. Conservative justices Neil Gorsuch, Amy Coney Barrett, and Clarence Thomas questioned whether the law appropriately defines who qualifies as a drug user and whether Congress has demonstrated that marijuana users are inherently dangerous to restrict a constitutional right.

The case has significant implications for millions of Americans who legally consume cannabis under state law and are prohibited from possessing firearms under this federal law, a dynamic that has served as a disincentive for individuals to register as medical cannabis patients. The Supreme Court is expected to issue a decision by this summer.

Hemp Products: The [2026 Farm Bill](#) approved by the House Agriculture Committee on March 5 did not include language that would delay implementation of the new federal definition of hemp. The new definition, which is set to take effect in October, recriminalizes most consumable hemp products. Rep. Jim Baird (R-IN) filed an amendment that would have delayed the new definition by one year, but Chairman Glenn Thompson (R-PA) determined it was not germane to the bill.

280E: On March 6, the IRS filed its [brief](#) in the *New Mexico Top Organics v. Comm’r* case. U.S. Tax Court Dkt. No. 19661-24. The IRS primarily argues that marijuana is a controlled substance for purposes of 280E because it has not been rescheduled, suggesting that if 280E does not apply to marijuana that would be akin to rescheduling marijuana. The IRS contends that 280E and the Controlled Substances Act (CSA) must be read in harmony and the Tax Court does not have the authority to determine that marijuana is not a Schedule I or II controlled substance for purposes of 280E.

Insurance Reimbursement: On March 5, the U.S. Court of Appeals for the Second Circuit [ruled](#) that a resident of Puerto Rico who is injured on the job as a construction worker and permanently disabled is not entitled to health insurance reimbursement for cannabis-infused edibles recommended by his doctor to treat chronic pain. The court upheld the denial of benefits under the Longshore and Harbor Workers’ Compensation Act, citing marijuana’s Schedule I classification under the CSA. The court concluded that because the CSA defines Schedule I substances as having no currently accepted medical use, marijuana cannot qualify as a reasonable and necessary medical expense under the federal workers’ compensation statute.



NEW MARKETS & LICENSING OPPORTUNITIES

Virginia: Lawmakers in Virginia agreed to pass a [bill](#) to establish a regulated adult-use cannabis retail market within the next year. Under the compromise, adult-use cannabis sales would begin January 1, 2027, adopting the Senate's later timeline rather than the House's proposed November 2026 launch. The final bill establishes a 6% cannabis excise tax, in addition to the 5.3% state sales tax, while allowing local governments to impose an additional tax of up to 3.5%. The legislation has been sent to Gov. Abigail Spanberger (D) for her consideration. Spanberger has until April 13 to act on the bill.

Alabama: Alabama Medical Cannabis Commission Chair Rex Vaughn said the state's long-delayed medical cannabis market could begin sales by late April or early May. The program will launch with significant limitations: Only five physicians statewide are currently authorized to recommend medical cannabis, and regulators have awarded licenses to four dispensaries. In conjunction with the impending start of sales, AMCC proposed [rules](#) that set fees for patients and caregivers, establish various procedures for ownership changes, and create a universal symbol for products containing cannabis. Public comments on the rulemaking package are due April 3.

Massachusetts: The Cannabis Control Commission will hold a [public listening session](#) on March 18 to consider a temporary moratorium on new cultivation licenses and canopy capacity increases for existing licenses. Regulators are also seeking public input at this hearing on whether to extend the moratorium to other license types.

Oklahoma: On February 25, the Oklahoma House of Representatives passed two bills affecting licensing for the state's medical cannabis market. [HB 3143](#) would extend the existing moratorium on new medical cannabis business licenses to August 1, 2028, two years beyond the current expiration date of August 1, 2026. [HB 3144](#) would cap the number of medical cannabis cultivation licenses in the state at 2,500 (Oklahoma currently has 2,164 licensed cultivators). Both bills are now up for consideration in the Senate.



STATE POLICY UPDATES

Massachusetts: A University of New Hampshire Bay State Poll [found](#) 63% of Massachusetts voters oppose a proposed ballot initiative that would repeal the state's adult-use marijuana law. Only 20% of respondents support the proposal. Opposition spans party lines, including 73% of Democrats, 69% of independents, and a plurality of Republicans (42%). The legislature has until May 5 to act on the initiative. If lawmakers decline to enact it directly, repeal proponents must gather an additional 12,429 certified signatures by July 1 to qualify for the November ballot.

Michigan: Michigan adult-use retailers [reported](#) approximately \$227 million in sales in January, down nearly 16% from December (\$270 million) and well below the \$246 million recorded in January 2025. The drop coincides with a new wholesale tax on adult-use cannabis that took effect on January 1. Product volume sold also fell sharply, from roughly 682,000 pounds in December to 518,000 pounds in January, indicating the decrease in sales was partially due to reduced purchasing activity and not just falling prices.

On February 26, a bipartisan group of eight state senators—five Republicans and three Democrats—filed [SB 810](#) to repeal the wholesale tax. The bill was referred to the Senate Government Operations Committee and needs majority support in both chambers to reach the governor's desk.

Los Angeles, California: The Los Angeles City Council voted 13–0 on March 3 to direct city staff to develop a [tax amnesty program](#) for licensed cannabis businesses that have fallen behind on local taxes. City officials estimate that more than 500 cannabis operators collectively owe roughly \$400 million in unpaid taxes, penalties, and interest, including about \$100 million in penalties and \$35 million in interest. The proposed program would waive penalties and interest while allowing remaining tax balances to be repaid through installment plans of up to 36 months. Officials estimate it could generate approximately \$30 million in recovered revenue in its first year.

The city council separately placed a [measure](#) on the June 2 ballot to tax unlicensed cannabis businesses at existing local tax rates, which they estimate will generate \$30–\$35 million in annual tax revenue.

HEMP

Texas: The Texas Department of State Health Services finalized new rules governing the state's consumable hemp market after receiving more than 1,400 public comments on its December proposal. After incorporating public comments, the rulemaking was revised to decrease proposed fees for manufacturers (from \$25,000 to \$10,000 per facility) and retailers (from \$20,000 to \$5,000 per location), although the new fees are a major increase from the existing fees of \$250 for manufacturers and \$150 for retailers. The revised regulations maintain several provisions that significantly affect how hemp products are tested and sold, including accounting for THC-A in the state's THC limit. The rules took effect on March 20.

Missouri: On February 19, the Missouri House of Representatives passed HB 2641, which would align state law with the new federal definition of hemp (as noted above, slated for October) by classifying hemp products as marijuana if they exceed 0.4 mg THC per package or 0.3% total THC. Missouri lawmakers have tried and failed to regulate hemp products four years in a row, making the bill's strong House approval and its status as one of the first bills to pass the chamber this session notable. HB 2641 is now being considered by the Senate, where hemp legislation has stalled in prior sessions, including via a seven-hour bipartisan filibuster last year.

Nebraska: The Nebraska Department of Agriculture released draft regulations to implement Gov. Jim Pillen's executive order restricting certain hemp-derived products. A public rulemaking hearing will be held April 21. The proposed rules would classify foods containing certain cannabinoids, including delta-8 THC, delta-9 THC, THCA, HHC, and THC-O, as adulterated and misbranded. Written public comments will be accepted through April 20, and a public rulemaking hearing will be held April 21.

Ohio: Four breweries filed an emergency complaint to the Ohio Supreme Court seeking to overturn Gov. Mike DeWine's line-item veto of SB 56 that eliminated a temporary legal pathway for hemp THC beverages. It argues DeWine's veto was unconstitutional because it "fundamentally rewrote the legislation" when it improperly removed the entire regulatory framework included by lawmakers.



WANT THE BUZZ DELIVERED MONTHLY?

Never miss a cannabis news and policy update. Use the button below to sign up for future monthly newsletters.

SIGN UP



visit us online