the buzz:

Cannabis News & Policy Update

November 2026 Edition

ELECTION RESULTS

State Government Elections: The November election resulted in Democrats establishing state government trifectas in Arizona, Michigan, Minnesota, Nevada, Pennsylvania, and Wisconsin, potentially opening paths for cannabis legalization, tax changes, and regulatory revisions in 2027. Governorships flipped from Republican to Democrat in Georgia, Iowa, Nevada, Ohio, and Texas, and Democrats took control of both legislative chambers in Arizona, New Hampshire, and Wisconsin. They also gained control of the Pennsylvania Senate and the state houses in Georgia, Michigan, Minnesota, North Carolina, and Texas.

State Ballot Measures: Massachusetts Question 8 was soundly defeated (24-76), preserving licensed adult-use sales and legal home cultivation. The citizen-initiated measure would have dismantled the adult-use market while retaining medical cannabis and limited adult possession. The initiative was backed by leading national anti-cannabis organization Smart Approaches to Marijuana, which spent more than $3.7 million on the campaign.

Idaho voters rejected House Joint Resolution 4 (33-66), a proposed constitutional amendment referred to the ballot by state lawmakers that would have reserved the authority to legalize marijuana or other psychoactive substances exclusively to the legislature. Failure of the measure preserves voters' ability to use the citizen initiative process to legalize medical and adult-use marijuana, which are both still illegal in the state.

Missouri voters approved Amendment 6 (60-40), which significantly limits the legislature's ability to overturn voter-approved laws, including those that legalized medical marijuana in 2018 and adult use in 2022. A supermajority (80%) in both legislative chambers is now needed to send proposed changes to the voters.

FEDERAL UPDATES

Federal Medical Marijuana Registration — Where Things Stand: DEA's rollout of Schedule III registration for state-licensed medical marijuana businesses is moving forward, but a November 29 DEA deadline—now being challenged in court—will determine who can keep doing business with whom.

- **Registrations and denials** DEA has issued an initial round of federal registrations to more than 900 medical marijuana dispensaries in Alabama, Florida, Mississippi, South Dakota, Texas, Virginia, and West Virginia; manufacturers and distributors remain under review. DEA has also reportedly denied applicants in several states and issued orders to show cause in California, Delaware, Illinois, Minnesota, North Dakota, Oregon, and D.C. Those objections are aimed at how the state programs are designed (for example, combined medical/adult-use licensing or dispensing without a written practitioner certification), not at individual operators. Affected businesses may remain ineligible until the orders are overturned, DEA changes course, or the state changes its rules.

- **The November 29 supply-chain cutoff** Under the April rescheduling order, operators that applied in the first 60 days (timely applicants) may keep operating under their state licenses while DEA reviews their applications, with no end date and no limit on who they trade with. Then, on October 30, DEA emailed timely applicants guidance that sets a hard date and restricts their trading partners: beginning November 29, timely applicants and registrants may not buy from or sell to any operator outside the federal system, or risk denial of their application or loss of their registration.

  In practice, timely applicants must cut off non-timely suppliers and customers, and non-timely state licensees lose those trading partners until they are registered. That group will include any applicant whose application is ultimately denied, and it already includes many cultivators and processors that, petitioners say, could not apply in time because DEA did not open manufacturer and distributor applications until October 5.

- **The court challenge** Operators in Utah, Arizona, and Oklahoma have **asked the D.C. Circuit** to put the deadline on hold, arguing DEA cannot change its own rule by email without notice and comment (Standard Wellness Utah, LLC v. DEA, No. 26-1324, consolidated with a **similar case** brought by Pennsylvania operators). DOJ **responded November 23** that the guidance merely restates existing law. A ruling could come any day; unless the court acts, the deadline takes effect November 29.

Rescheduling: The administrative proceeding regarding broader rescheduling is moving forward following supplemental briefing on the Government Accountability Office's (GAO) report that identified "gaps" in federal scheduling procedures. Chief Administrative Law Judge Derek Julius **admitted the GAO report** on October 22 but declined to reopen testimony or discovery. Julius allowed limited briefing on how much weight the report should be given and whether the procedural issues it identifies undermined DEA's rescheduling recommendation.

DEA and opponents filed initial supplemental briefs on October 29, followed by reply briefs on November 5. **DEA's initial brief** and **reply** argue that the GAO report does not undermine the scientific and medical evidence supporting Schedule III, while **opponents' briefs** argue that the procedural gaps warrant rejecting the proposal. With briefing completed, Julius is expected to issue a recommendation that will then be acted on by the DEA administrator. There is no deadline or expected date for the judge's recommendation or the DEA administrator's final decision.

Federal Banking: Sixteen Democratic governors, led by Maryland Gov. Wes Moore, sent a **letter** to congressional leaders on November 9, urging them to advance the SAFE Banking Act. The letter highlights security risks associated with cash-based operations and obstacles to processing cannabis tax receipts and licensing fees. There are significant hurdles to passing the legislation during the Republican-controlled lame-duck session, but Democrats' major gains in the November election may result in a more favorable legislative environment once they take control of both chambers in January. A key question is whether banking reform becomes a standalone priority or part of broader cannabis policy negotiations.

Medical Marijuana Production Quotas: In a November 10 **notice** published in the Federal Register, the DEA said it will propose separate production quotas for marijuana and related substances moved to Schedule III. Its current 2027 quota proposal covers Schedule I only. DEA is still evaluating data and methods for estimating legitimate medical demand under Schedule III. This creates another federal implementation issue for manufacturers planning production under DEA's registration framework. Comments on the current Schedule I proposal are due December 10.

NEW MARKETS & LICENSING OPPORTUNITIES

Illinois: The state Department of Agriculture **proposed rules** for 45 new cannabis infuser licenses reserved for social equity applicants. If qualifying demand exceeds the available licenses, a lottery could give an additional entry to applicants with qualifying hemp-business experience. Comments are due November 30.

Minnesota: The state Department of Agriculture **announced** November 5 that the application process for 2027 hemp cultivation and processing licenses is open until April 30, 2027. Businesses growing hemp indoors beyond the end of the 2026 calendar year must renew their current licenses before they expire to avoid interruption.

Oregon: The Oregon Liquor and Cannabis Commission released **draft rules** establishing how applications for new licenses would be accepted when licenses in a category fall to or below statutory population thresholds. Under the proposed rules, OLCC would announce available application slots and open a 45-day submission window, using random selection if qualifying submissions exceed available slots. The framework could create new entry opportunities as license counts decline or population grows.

Rhode Island: **Applications** for up to 24 adult-use retail licenses are due November 23. Applicants will be selected through a lottery on a date to be announced. The relaunched **process** eliminates the previous residency requirements, broadening access for out-of-state applicants.

Texas: State lawmakers pre-filed adult-use legalization bills for the 2027 session. **HB 369** and **HB 362** would establish a licensed commercial marijuana market and allow adults to possess up to two ounces and grow up to 12 plants. They would impose a 15% cultivation-transfer tax, plus a 20% retail excise tax, in addition to ordinary sales taxes. **SB 237** offers an alternative framework without the new excise taxes, and it would allow county prohibitions. Democrats' **election wins** in the governor's race and Texas House improve the prospects for consideration, but Republicans' control of the Senate remains a significant hurdle.

STATE POLICY UPDATES

California: The Department of Cannabis Control (DCC) intends to readopt emergency rules allowing businesses with combined medical and adult-use designations to obtain separate licenses. Existing emergency rules that took effect June 4 are scheduled to expire December 2. The DCC also opened parallel permanent rulemaking on the same topic, with comments due December 14 and a hearing scheduled for December 15. Separating licenses may help operators address DEA's objections to combined licenses and pursue medical registration and associated tax benefits.

Colorado: A state performance audit released October 19 identified "deficiencies and gaps" in the state's product safety framework, including weaknesses in sampling, testing, inspections, public warnings, case records, and laboratory oversight. The report also included some recommendations that were agreed upon by the responsible agency, including reviewing testing exemptions, improving advisories, and coordinating surveillance testing with state health officials. They were assigned estimated timelines for implementation, and further regulatory and legislative changes are necessary to implement portions of the recommendations.

Georgia: The Access to Medical Cannabis Commission's updated program rules took effect in October, revising licensing, production, tracking, testing and enforcement requirements. A new delivery rule expressly contemplates shipments through USPS or private carriers, subject to commission-approved delivery plans, identity verification, tracking and recipient signatures. The rule could expand patient access, but state authorization alone does not establish that USPS will accept these shipments. The USPS provision has drawn opposition from U.S. Sens. James Lankford and Ted Budd, who urged USPS to maintain its marijuana mailing prohibition.

Michigan: A bill was introduced October 28 that would suspend the state's 24% wholesale marijuana excise tax for one year beginning on the law's effective date. HB 6440 could temporarily ease costs for licensed operators facing low prices and tight margins while leaving retail excise and sales taxes in place. It was referred to the House Appropriations Committee.

Nevada: The Cannabis Advisory Commission's Subcommittee on Taxation of Cannabis issued a report evaluating the prospect of eliminating the state's 15% wholesale cannabis tax and replacing its revenue through a higher retail excise tax. The report estimated that increasing the current 10% retail excise rate to 12%–15% could be revenue neutral for the State Education Fund. Eliminating the wholesale tax could ease costs earlier in the supply chain, while a higher retail rate would shift more of the tax burden to adult-use purchases. The findings and recommendations could inform tax-restructuring legislation in the upcoming 2027 session.

New York: Gov. Kathy Hochul signed legislation on October 28 that immediately removes mandatory labor peace agreements from cannabis licensing requirements. S. 10643 also establishes a cannabis industry wage board to recommend minimum wages and requires applicants to disclose ownership structures, management agreements, pay ranges, and average scheduled hours. Hochul reportedly secured an agreement with legislative leaders to remove those provisions next session, citing concerns about added costs and burdens on licensed businesses competing with illicit sellers. Absent further action from the legislature, the wage-board and disclosure provisions will take effect January 31, 2027.

HEMP

Federal: The portion of the new federal definition of hemp that bans synthetic cannabinoids took effect November 12 in accordance with the bipartisan spending package signed into law in November 2025. An October 28 Congressional Research Service analysis flagged that FDA had not yet published required cannabinoid lists and container information, leaving unresolved questions about which formulations qualify and how the per-container limit applies. The resulting uncertainty complicates reformulation, inventory valuation, and supplier commitments ahead of December 11, when most of the remaining changes to the federal hemp definition, including the 0.4 mg total THC per container limit, are scheduled to take effect.

Illinois: The Illinois Healthy Alternatives Association and five hemp companies filed a federal lawsuit November 5, seeking a temporary restraining order and preliminary injunction against the state's new hemp restrictions. Illinois subsequently agreed to defer enforcement against the plaintiffs and covered association members through November 19, when a federal judge is scheduled to hear arguments on temporary relief. Under new state requirements that took effect November 12, consumable or topical products containing more than 0.4 mg total THC per container are classified as cannabis and subject to cannabis licensing requirements.

Missouri: A federal judge dismissed hemp industry members' challenge to HB 2641 on November 4 and denied their preliminary injunction request as moot, leaving the November 12 restrictions unblocked. The same day, state Attorney General Catherine Hanaway announced lawsuits against four retailers allegedly selling marijuana falsely marketed as legal hemp, underscoring enforcement risks under existing law as the new restrictions take effect.

New Jersey: Gov. Mikie Sherrill signed S. 4635 on November 12, replacing the state's November 13 cutoff for qualifying intoxicating-hemp beverage sales and related intermediate-product allowances with the federal compliance date of December 11 or the applicable federal effective date, whichever is later. The law gives eligible businesses additional time to manage inventory and supplier commitments while allowing the state deadline to adjust to any further federal extension.

Texas: The Fifteenth Court of Appeals canceled the oral argument scheduled for December 8 in hemp industry members' challenge to Department of State Health Services rules, stating that the appeal would be reset for a later date. The postponement follows the election defeat of all three sitting justices and is expected to move argument into 2027 before the incoming court. The appeal concerns the industry's claims that regulators exceeded their authority by counting THCA toward the THC limit for finished hemp products.

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