

the buzz:

Cannabis News & Policy Update

October 2025 Edition

FEDERAL UPDATES

Government Shutdown: Hemp industry leaders are concerned that a ban on consumable hemp products could be folded into a spending package that reopens the government following the current shutdown. The House version of the FY25 agriculture appropriations bill would redefine hemp to exclude products containing any quantifiable amounts of THC. While the Senate removed similar language from its version of the bill, it could rearise in congressional negotiations because it is backed by influential legislators like former Senate Majority Leader Mitch McConnell (R-KY) and Rep. Andy Harris (R-MD), who chairs the House Freedom Caucus.

Rescheduling: The federal cannabis rescheduling process remains stalled, according to the Drug Enforcement Administration's October 6 joint status report on a pending interlocutory appeal. This is the third status report filed by the DEA since the interlocutory appeal was initially granted in January 2025. In August, President Donald Trump said he would decide on rescheduling marijuana "within weeks," but no major actions have been taken.

280E: In Tax Court, Petitioners New Mexico Top Organics dba Ultra Health filed an opening brief on October 17 arguing that marijuana is no longer within the meaning of Schedule I and therefore 280E does not apply. Alternatively, Petitioners argue that medical marijuana is not prohibited by either federal or New Mexico state law. They contend that since Congress has prohibited enforcement of the CSA against in-state medical marijuana activity, federal reliance on the Commerce Clause to enforce the CSA against state-licensed marijuana businesses is no longer constitutionally necessary. As a result, they argue the CSA is longer effective against state licensed businesses. The case is New Mexico Top Organics vs. Commissioner, Docket no. 19661-24.

The deadline for applicant Cannaprovisions Inc. to file a formal request for certiorari to review the lower court's dismissal of their claims that federal cannabis prohibition is unconstitutional as applied to state-legal intrastate cannabis businesses is due October 24, 2025. The case is Cannaprovisions Inc. et al v Bondi.

NEW MARKETS & LICENSING OPPORTUNITIES

Nebraska: On October 2, Nebraska State Sen. John Cavanaugh filed a formal complaint challenging the emergency regulations recently adopted by the Nebraska Medical Cannabis Commission, arguing they violate voters' intent. The Commission also missed its October 1 deadline to issue licenses. State Sen. Rick Holdcroft, who chairs the committee that will review the complaint, noted that regulators may be invited to an already scheduled October 31 hearing to determine what action the legislature should take to right the ship in 2026.

Virginia: The third meeting of the Joint Commission to Oversee the Transition into a Cannabis Retail Market was held on October 6. The commission, which will provide the legislature with recommendations for an adult-use cannabis sales bill in 2026, discussed issues such as local control and creating opportunities for small businesses. Early voting has begun in the state's critical gubernatorial race, which will likely determine the viability of an adult-use sales bill. The Democratic Party nominee, former U.S. Rep. Abigail Spanberger, has expressed support for establishing a regulated commercial market for adult-use cannabis sales. The Republican Party nominee, Lt. Gov. Winsome Earle-Sears is opposed. Polling shows Spanberger in the lead, with Election Day coming up on November 4.



STATE POLICY UPDATES

California: Gov. Gavin Newsom signed [SB 378](#) into law, which aims to crack down on online sales of marijuana and hemp products from unlicensed operators. The new law requires online marketplaces to build license-verification and compliant-response systems, and it prohibits platforms from engaging in unlawful paid advertising related to unlicensed sales. It also exposes platforms to liability if they profit from paid promotions that facilitate unlicensed sales resulting in consumer harm. Most provisions of the new law will take effect July 1, 2026.

Michigan: On October 8, Gov. Gretchen Whitmer signed into law the [Comprehensive Road Funding Tax Act](#), which imposes a 24% wholesale tax on adult-use marijuana beginning January 1, 2026. If it survives a [legal challenge](#) by the Michigan Cannabis Industry Association, the new tax would be levied on top of the existing 10% retail excise tax and 6% sales tax.

Ohio: Six medical cannabis business operators that recently expanded into the adult-use market are [suing](#) Ohio cannabis regulators over recently adopted rules. The lawsuit targets the Division of Cannabis Control's reliance on guidance documents versus formal rulemaking. It argues that advertising and packaging restrictions violate their free speech and lack evidence of a compelling state interest. It also claims the preapproval process for packaging and advertising is enforced arbitrarily and inconsistently, and the online preapproval application forces companies to disclose proprietary information with no way to mark data as confidential.

New Jersey: A cannabis business filed a [lawsuit](#) against the New Jersey Cannabis Regulatory Commission, alleging the state's requirement that licensees obtain labor peace agreements violates the National Labor Relations Act. This challenge follows a [ruling](#) by an Oregon federal judge in May 2025, which stated Oregon's voter-approved labor peace agreement law was preempted by the NLRA and is an impermissible restraint on employer speech. A similar [lawsuit](#) is pending in New York.

New York: On September 26, the Supreme Court of New York issued a [preliminary injunction](#) temporarily blocking the implementation of the Office of Cannabis Management's new calculation of distances between dispensaries and schools. A ruling by the court was the quickest way to reverse the reinterpretation, as Gov. Kathy Hochul [said](#) there will be no special session to fix the issue this fall. The lawsuit protects approximately 152 approved retailers who would have had their license renewals impacted.

Vermont: On September 25, the Cannabis Control Board reached a [settlement](#) with a cannabis business over a lawsuit alleging the state's advertising restrictions violate their freedom of speech. The settlement will relax existing advertising prohibitions in Vermont, allowing retailers to advertise on social media, promote discount and loyalty programs, and simplify health warnings for radio advertisements.

HEMP LITIGATION

Ohio: On October 8, Gov. Mike DeWine issued an [executive order](#) banning the sale of hemp products with more than 0.5 mg THC per serving or 2 mg THC per package. In response to a [lawsuit](#) from hemp businesses, the Franklin County Court of Common Pleas issued a 14-day [temporary restraining order](#) blocking implementation of the executive order. The temporary restraining order will remain in effect until at least October 28, when the court will hold a hearing to consider a preliminary injunction. According to the lawsuit, the product ban would impact more than 4,000 retailers selling hemp products in the state.

California: On October 2, Gov. Gavin Newsom signed [AB 8](#) into law, folding consumable hemp products into the adult-use market beginning January 1, 2028. The new law will erase the distinction between hemp and marijuana products and align the regulations and taxes for both. California currently bans the sale of all hemp products that contain any detectable THC, and this new law will provide a pathway for these products to be sold starting in 2028.

Minnesota: On October 1, the Office of Cannabis Management [opened](#) the application window for lower-potency hemp edible licenses. Available licenses include retailers, manufacturers, and wholesalers. Applications will remain open until October 31.

New Mexico: The state Environment Department proposed new [rules](#) regulating the manufacturing and sale of consumable hemp products. Notably, the proposal would limit products to 2 mg total THC per serving, 20 mg per package, and a minimum 15:1 CBD to THC ratio. Comments on the rules will be accepted until a scheduled hearing on the proposal on December 2.

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