

the buzz:

Cannabis News & Policy Update

November 2024 Edition

2024 ELECTION

Overview: Republicans won the presidency, flipped the Senate, and retained their majority in the House of Representatives, giving them full control of the federal government come January.

President: Donald Trump's victory does not pose any clear threats to the legal cannabis industry and he recently expressed support for rescheduling, adult-use legalization, and working with Congress on a marijuana banking solution. The new administration's approach to cannabis policy will depend largely on who is appointed to lead key agencies, such as the Department of Justice (DOJ), which oversees the Drug Enforcement Administration (DEA), and plays a key role in drug scheduling and enforcement, and the Food and Drug Administration, which is overseen by the Department of Health and Human Services (DHHS), and is likely to play a significant role in managing consumable hemp and federal marijuana legalization.

Administration: President-elect Donald Trump's nominee for attorney general, Matt Gaetz, just withdrew from consideration, so whether the new leader of the DOJ is cannabis-friendly remains to be seen. Concern has been expressed about Trump's choice to head up the DHSS, Robert F. Kennedy Jr., so Senate confirmation is not a given; although Kennedy has expressed support for legalizing cannabis and certain psychedelics. The incoming administration may attempt to sidestep the typical Senate confirmation process through recess appointments.

Congress: House Speaker Mike Johnson of Louisiana will remain in his leadership role, and Senate Republicans elected Sen. John Thune of South Dakota to serve as Majority Leader. Neither is friendly to cannabis legalization, so cannabis bills may receive less traction under a GOP-controlled Congress, especially if members hostile to cannabis are selected to head key committees. But there is still hope for a banking fix in light of Trump's comments in September that he will work with Congress on a solution.

Ballot Measures: **Election Results for Marijuana Ballot Measures** – Ballot initiatives to legalize marijuana for adult use were defeated in Florida, North Dakota, and South Dakota. While Florida's Amendment 3 received a solid majority, it fell short of the 60% threshold needed to amend the state constitution. Voters in Nebraska overwhelmingly approved initiatives to legalize and regulate medical cannabis, but an ongoing legal challenge threatens to block implementation of the measures. A judge is expected to reach a decision in coming weeks.

Hawaii: Democrats retained their government trifecta, setting the stage for a renewed cannabis policy reform push in 2025. The current House Speaker, who has been a roadblock to adult-use legalization, lost his primary, and the front-runner to replace him is favorable on the issue.

New Hampshire: Republican Kelly Ayotte, a staunch legalization opponent, won the gubernatorial race, and Republicans made gains in both chambers. This will likely put adult-use legalization on the back-burner for at least a couple years.

North Carolina: Democratic state Attorney General Josh Stein defeated Republican Lt. Gov. Mark Robinson in the race to replace Democratic Gov. Roy Cooper, who is term-limited. Democrats broke Republicans' supermajority in the state House, which may give the new governor more negotiating power on medical cannabis legislation.

Pennsylvania: Republicans held onto their majority in the state Senate, and Democrats retained their slim majority in the House. With legislative control remaining unchanged, lawmakers will continue discussing bipartisan compromises for adult-use legalization in 2025.

Wisconsin: Democrats broke Republicans' supermajority in the state Senate, which may help Democratic Gov. Tony Evers, a cannabis legalization supporter, negotiate a medical cannabis bill. Democrats also gained 11 seats in the state Assembly.

FEDERAL UPDATES

Rescheduling: [Rescheduling Hearing Delayed](#) – DEA Chief Administrative Law Judge John Mulrooney issued an order to delay the rescheduling hearing until January or February 2025. A hearing will still be held December 2, but no evidence or testimony will be presented. Mulrooney indicated he delayed the hearing because the DEA did not provide him with sufficient information about the 25 “designated participants” selected to provide testimony, which include representatives from the cannabis industry, anti-cannabis groups, government agencies, medical organizations, law enforcement groups, and other interest groups.

Earlier this month, a cannabis and psychedelics researcher filed a federal [lawsuit](#) claiming the DEA improperly set the ALJ hearing. The complaint requests the proceedings be halted until those issues are resolved.

LICENSING OPPORTUNITIES

Kentucky: [Medical Cannabis Licensing](#) – More than 140 cities and counties have approved allowing medical cannabis operations in their jurisdictions, and just 20 have banned them. The Office of Medical Cannabis awarded medical cannabis cultivation licenses to 16 cultivators and 10 processors through a lottery on October 28. They will award 44 dispensary licenses through a lottery on November 25, then another 4 on December 16.

Delaware: [Adult-Use Licensing](#) – The Office of the Marijuana Commissioner awarded the state’s first adult-use licenses through a lottery on October 23, including 15 social equity retail licenses, 60 cultivation licenses, 30 manufacturing licenses, and 4 testing licenses. 15 additional retail licenses not reserved for social equity applicants will be awarded at a separate lottery on a yet-to-be-determined date in December. Regulators say sales are expected to begin March 2025.

STATE POLICY UPDATES

Pennsylvania: [SB 1051](#) – On October 29, Gov. Josh Shapiro signed a bill allowing medical cannabis dispensaries to receive state tax deductions that offset the federal tax implications of section 280E of the Internal Revenue Code. The law corrects an earlier tax reform oversight that had unintentionally excluded medical marijuana dispensaries from state tax relief granted to medical cannabis growers and processors.

Massachusetts: [New Executive Director and Rulemaking](#) – The legislature’s Joint Committee on Cannabis Policy held hearings in late October and early November to explore potential changes to the structure of the Cannabis Control Commission (CCC). Meanwhile, the CCC selected David Lakeman as its next executive director. Lakeman is the current Cannabis Division manager for the Illinois Department of Agriculture. The hire is not final, but he is expected to start by the end of the year.

HEMP

Georgia: [Consumable Hemp Rulemaking](#) – On October 22, the Department of Agriculture proposed new rules increasing THC caps for consumable hemp products. The rules would allow the sale of hemp edibles with up to 10 mg of delta-9 THC per gummy and 300 mg per package, along with hemp beverages containing 10 mg per 12 fluid ounce serving. The proposed THC caps for hemp edibles per package and hemp beverages per serving are double what was initially proposed in August 2024. Public comments are being accepted until November 21.

Louisiana: [Hemp Lawsuit](#) – On October 18, the Hemp Association of Louisiana filed a lawsuit challenging [Act No. 752](#) in federal court as violating provisions of the US Constitution and is seeking an injunction to prevent enforcement of the act. The lawsuit alleges that the law criminalizes consumable hemp products with total THC over 0.3% THC in violation of the 2018 Farm Bill.

Washington, DC: [Hemp Lawsuit](#) – On October 22, hemp businesses filed a lawsuit against the Alcoholic Beverage and Cannabis Administration in state court, alleging the state has unlawfully embargoed legal hemp products. The hemp plaintiffs are seeking injunctive relief and compensatory damages. The businesses allege they have been targeted by regulators in an attempt to close unlicensed cannabis stores despite their products – including hemp beverages, edibles, and flower – being federally legal.

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