Looking Ahead: Virginia's Retail Marijuana Market

October 13, 2026

VML 2026 Conference

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Regulated Cannabis in Virginia

2018	Medical Cannabis Program Authorized
2020	First Medical Cannabis Sales
2021	CCA Established by General Assembly
2022	CCA Hires First Staff
2024	Medical Cannabis Oversight Transitioned to CCA

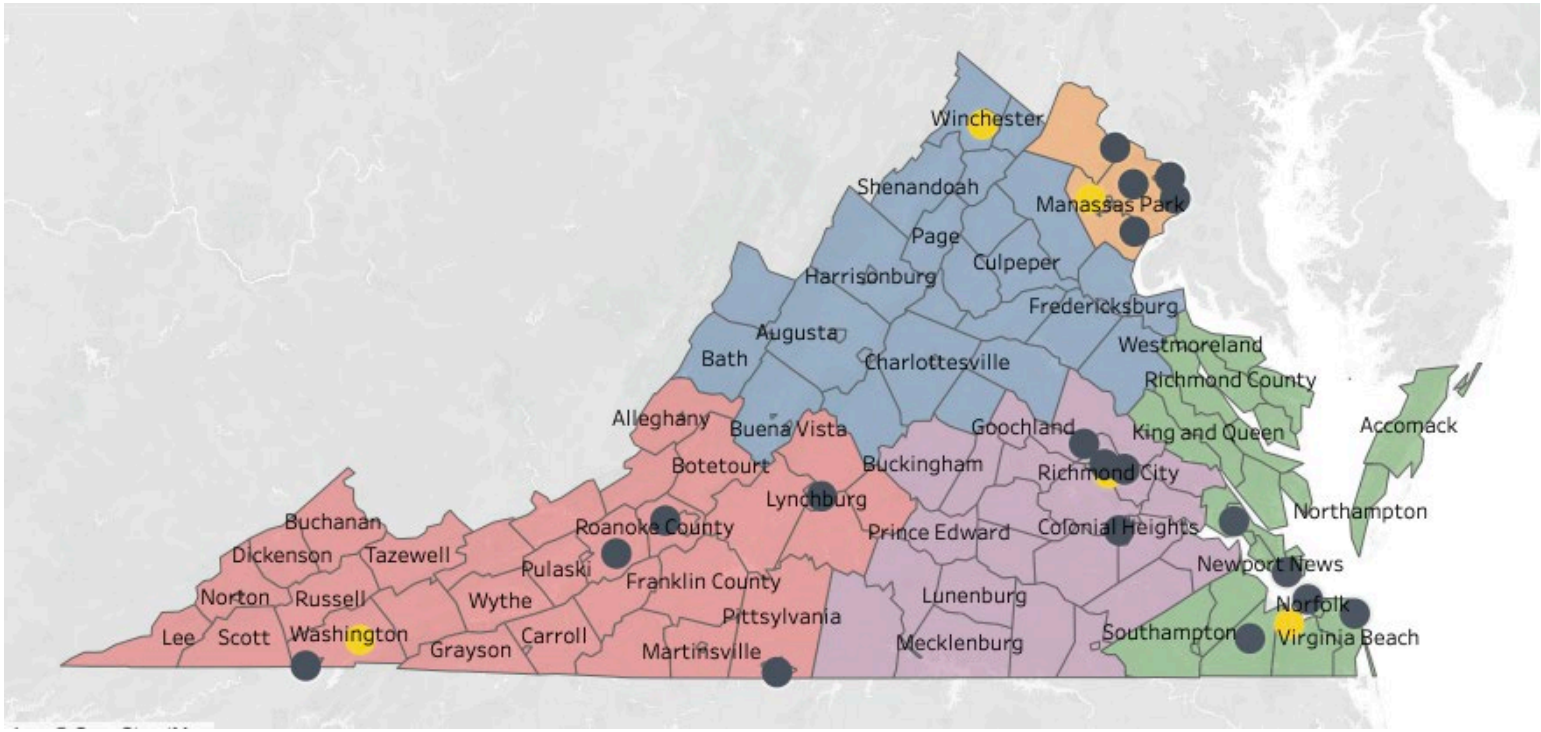
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Medical Cannabis Program

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Program Overview

- Virginia divided into 5 Health Service Areas (HSA)
- Limit on number of facilities in each HSA:
  - 1 facility with cultivation, processing, and dispensing operations
    - 1 separate cultivation location
  - 5 additional standalone dispensaries
- Currently 25 facilities (across all types)



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Facility Requirements

- Distance restrictions (may not be within 1,000 feet of a school or daycare)
- Comprehensive security requirements, including video surveillance and secure entry points
- Background checks required for owners and employees
- Seed-to-sale tracking
- Annual inspections
- Nondescript exteriors
- Age verification before entry
- Must comply with all state and local laws and ordinances

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NAVIGATION

- Sales
- Plants
- Map
- Licensees
- Information

Medical Sales Overview

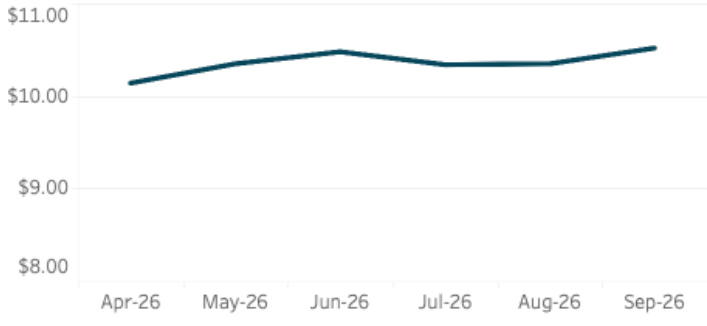
Total Sales Amount 2026 (YTD)	Total Sales Transactions 2026 (YTD)	Average Flower Price per Gram 2026 (YTD)	Median Flower Price per Gram 2026 (YTD)
$138,339,330	1,166,861	$10.31	$10.10

Monthly Sales Detail

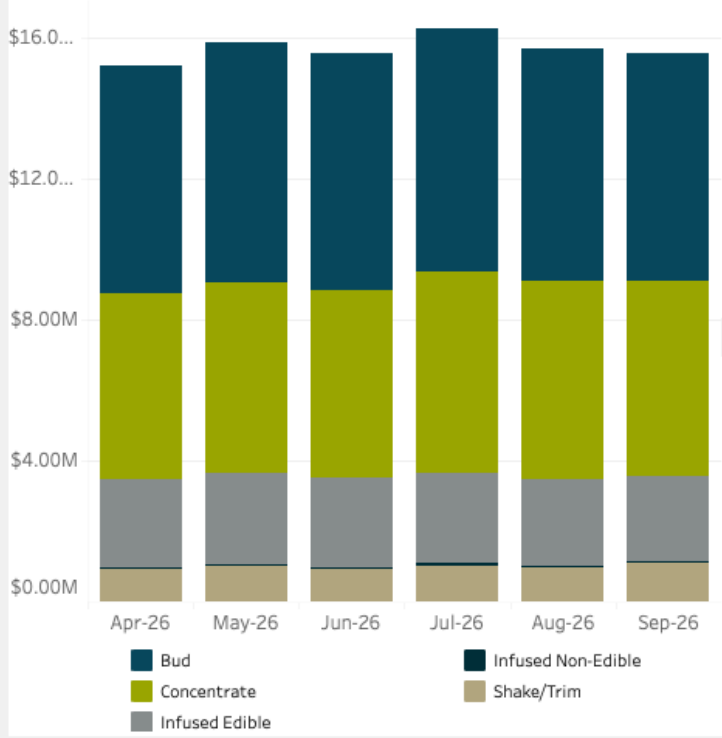
Total Monthly Sales



Average Price per Gram



Total Monthly Sales by Product



Data Last Updated: 10/6/2026

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Retail Marijuana Legislation Overview

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Highlights

- CCA to administer retail marijuana licensing beginning in 2027
  - License types
    - Cultivation facilities
    - Processing facilities
    - Retail stores
    - Transporter
    - Delivery operators
    - Testing facilities
    - Microbusinesses
    - Dual-use (medical and retail)
- Cannot be an establishment where alcoholic beverages, tobacco, or tobacco products are manufactured, sold, or used
- **No local opt-out referendum**
- Public consumption penalty increased from $25 to $250

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License Types

- Cultivation Facilities
  - Authorized to cultivate, label, and package marijuana
  - Broken into 5 tiers based on canopy square footage (5,000 sq. ft. to 35,000sq. ft.)
- Processing Facilities
  - Authorized to process, label, and package marijuana and marijuana products
- Testing Facilities
  - Authorized to develop, research, transport, or test marijuana, its products, and other substances
  - Cannot hold an interest in any other license

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License Types (cont.)

- Retail Marijuana Stores
  - Authorized to sell retail marijuana to consumers
  - Limited to 2,500 sq ft of retail floor space
  - Only 350 licenses available
- Microbusinesses
  - Authorized to perform same duties as cultivation facilities, processing facilities, and retail stores, but on a smaller scale.
- Delivery operator
  - Authorized to delivery marijuana to consumers
- Transporter
  - Authorized to transport marijuana between licensees

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Timeline

January 2027	CCA Files Regulations To Be Effective February 1, 2027
February 1, 2027	CCA Begins Accepting Applications
May 1, 2027	Initial Licenses Awarded
July 1, 2027	Retail Sales Begin

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Initial Licensing

- Dual-use licenses (existing medical operators)
  - One-time conversion fee: $10 million
  - CCA may approve installment payments for up to 3 years
- Hemp growers and processors may apply to operate retail marijuana cultivation and processing facilities
  - Up to 20 total (10 cultivation and 10 processing)
  - One-time conversion fee: $500,000
  - CCA may approve installment payments for up to 3 years
- Microbusinesses
  - Up to 100 licenses available to impact applicants, VDACS-registered processors or growers, and USDA-qualified farmers that meet financial, security, and operational readiness criteria established by the CCA
- All issued by May 1, 2027

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Additional Licensing

- CCA must issue an additional 55 licenses, across license types, by July 1, 2027
- Initial license caps
  - Retail marijuana stores: 350
  - Tier 5 cultivation: 5 (until 2028)
  - CCA to establish limits for other license types
- Preference for verified impact licensees

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Licensing Process

- CCA will announce licensing periods in advance
  - Anticipate multiple licensing periods in 2027
    - Not all licenses will be issued in a single round (except for required conversions)
  - Regional allocation of retail marijuana store licenses
- CCA will conduct a lottery if number of qualified applicants exceeds number of licenses available
  - Anticipate using lottery process for most license types
- Winners of lottery granted “preliminary license approval”
- Preliminary license approval expires in 18 months

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Local Authority

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Local Roles

1. Ordinances
2. Licensing objections
3. Tax rates

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Local Ordinances

- Cannot regulate or prohibit cultivation, processing, possession, sale, distribution, transportation, advertising, or dispensing of marijuana or marijuana products by ordinance or resolution, except:
  - May prohibit public consumption and possession in **public parks, playgrounds, public streets, and adjoining sidewalks**.
  - May **decrease minimum distance requirements** between:
    - Retail stores and microbusinesses, and
    - Such establishments and hospitals, schools, higher-education institutions, or child day programs.
- Local authority preserved for zoning, land-use, and business-license requirements, except where specifically preempted

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Local Ordinances (cont.)

- Any existing local acts, charter provisions, or ordinances inconsistent with this subtitle are **repealed to the extent of the conflict**.
- Authorized to adopt ordinances limiting hours on marijuana sales
  - Must send a certified copy of the ordinance to the CCA

Virginia Code § § 4.1-629, 4.1-630

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Objection Process

- CCA shall notify locality after receiving:*
  1. The address and legal property description of the location where the marijuana establishment will operate;
  2. The name of the local governing body where the marijuana establishment will be located;
  3. If applicable, an updated description of the location where the marijuana establishment will operate, an updated security plan, and any other additional information required by the CCA; and
  4. Proof of inspection by VDACS or proof of a pending request for such inspection, if required.
- Local governing bodies **shall submit any objections to the granting of a license within 30 days** of the CCA's notification

** Notification may be up to 18 months after preliminary license approval awarded*

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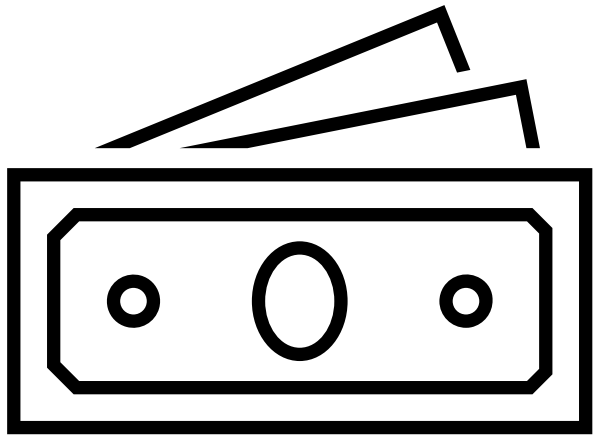
Relevant Grounds for Denial

- The place to be occupied by the applicant:
  - **Does not conform to the requirements of the governing body of the county, city, or town** in which such place is located with respect to sanitation, health, construction, or equipment, or to any similar requirements established by the laws of the Commonwealth or by Board regulation
  - **Is so located** that granting a license and operation thereunder by the applicant **would result in violations of . . . local ordinances relating to peace and good order**
- There exists any law, ordinance, or regulation of the United States, the Commonwealth, or any political subdivision thereof that warrants refusal by the Board to grant any license.
  - Board shall consider any objections filed by the local governing body
- **There exists any** law, **ordinance**, or regulation of the United States, the Commonwealth, or **any political subdivision thereof that warrants refusal by the Board to grant any license**.

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Local Retail Marijuana Tax

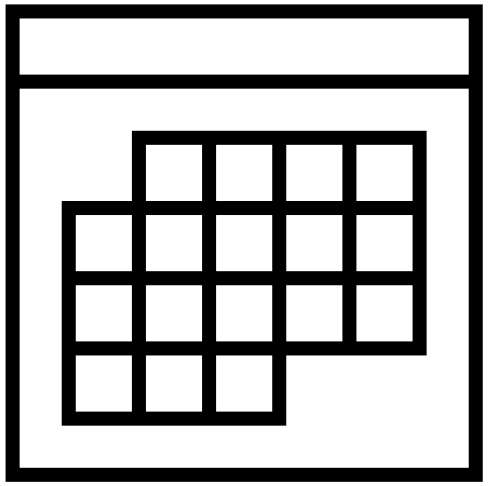
- Local marijuana tax adopted by ordinance
- Rate must be **between 1% and 3.5%**
- No other local tax may be imposed on marijuana sales beyond the authorized local tax
- County taxes do **not** apply within incorporated towns.



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Local Tax (cont.)

- **Implementation timeline**
  - Locality must notify the CCA and local marijuana retailers/microbusinesses within 30 days of adopting the ordinance
  - Ordinance becomes effective on the **first day of the second month** after enactment.
  - Rate must remain in effect for **at least three years**.
- **Local authority remains intact for other taxes/fees**
  - Localities may still impose any other legally authorized taxes



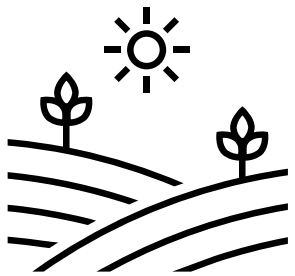
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Other Cannabis Laws in Virginia

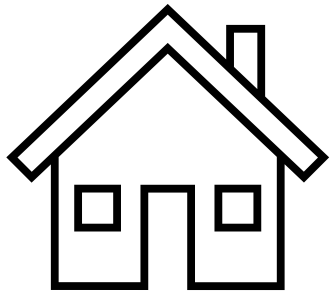
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What is Legal?

Hemp



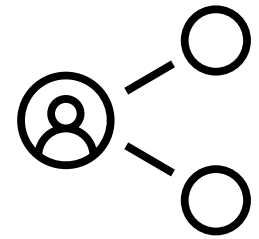
Limited Home Cultivation



Limited Possession



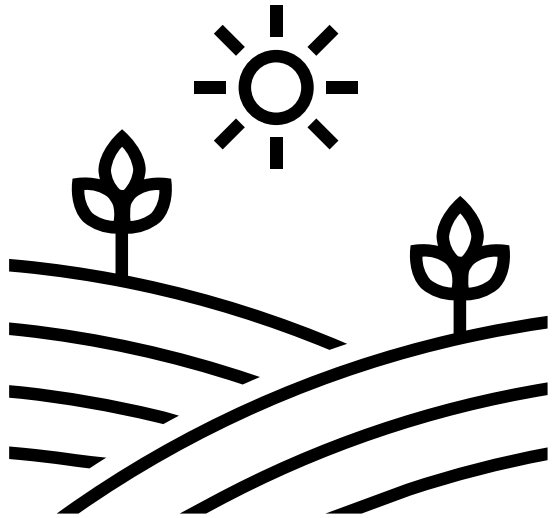
Limited Adult Sharing



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Hemp

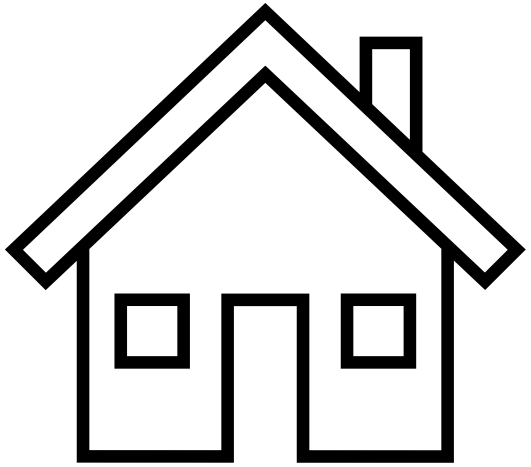
- Cannabis plants with less than .3% delta-9 THC by weight
- Legal under federal law*
- Products must have less than .3% total THC and no more than 2 mg THC per package
  - Exception for products with a 25:1 CBD:THC removed
- Oversight of regulated hemp products transferred from VDACS to the CCA on August 10, 2026



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Home Cultivation

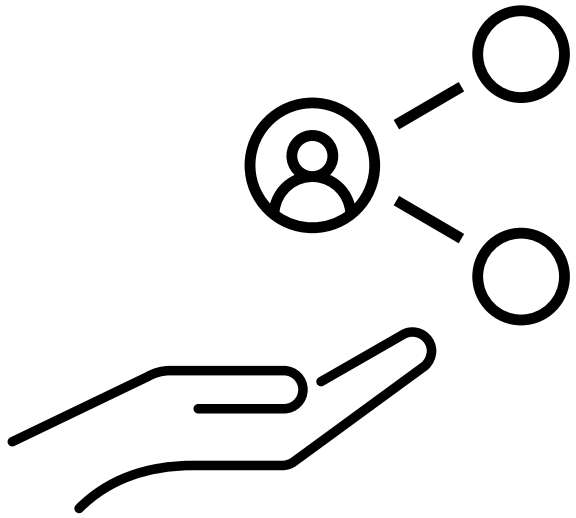
- Cultivation of up to 4 plants in primary private residence for those 21+
- Plants must be properly labeled
- Must not be visible from public areas
- Must prevent access by minors
- Production of concentrate is prohibited



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Limited Possession & Adult Sharing

- Possession for personal use at residence for adults 21+
- Public possession up to 2 oz. for adults 21+
- Adults 21+ can privately share up to 1 oz. of marijuana with other adults 21+ without compensation
- Public sharing prohibited



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Safe Driving

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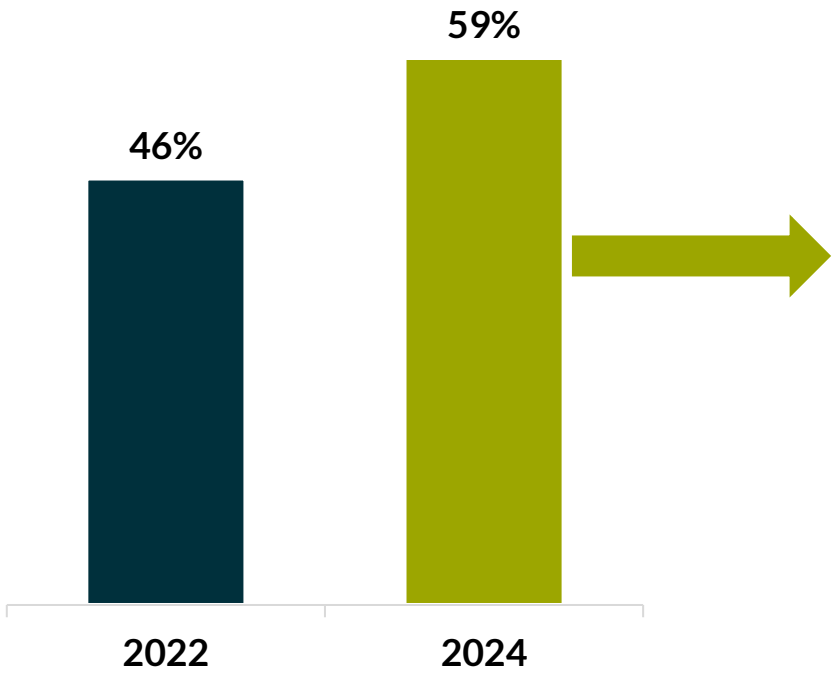
Impaired Driving Survey

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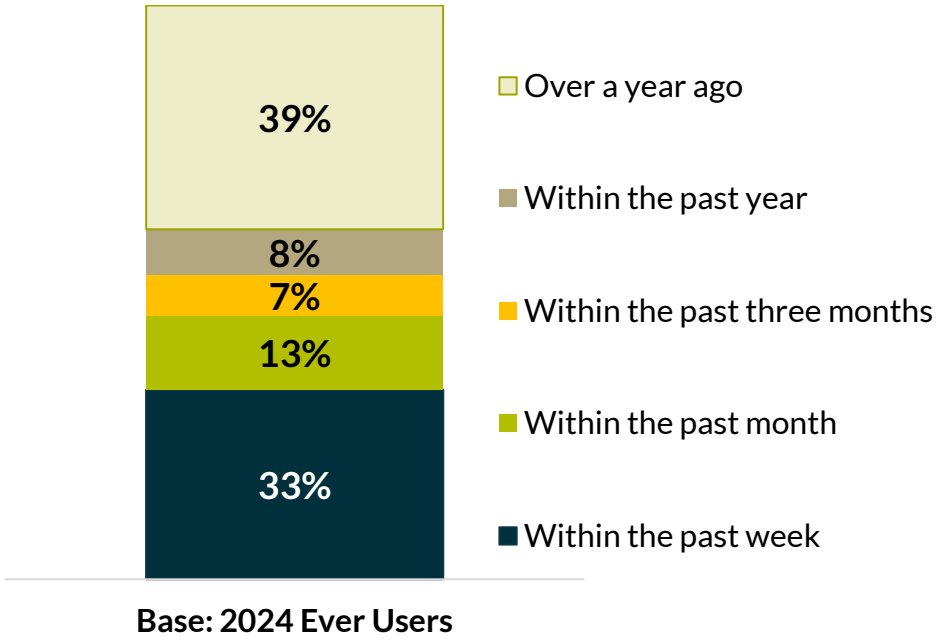
Marijuana Use

In 2024, three out of five Virginia drivers (59%) have ever used marijuana. Of those users, one-third (33%) have used marijuana within the past week.

HAVE EVER USED MARIJUANA



LAST TIME USED MARIJUANA



Base: 2024 Ever Users

Q8. Have you ever used marijuana, in any form, for medical or recreational purposes? Base: Total Respondents (2022 n=783; 2024 n=783)
Q8a. When was the last time you used marijuana? Base: Marijuana Users (2022 n=468, 2024 n=510)

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Perceptions of Drivers

Almost one third (30%) of Virginia drivers believe those who consume marijuana are usually safer drivers. These perceptions are unchanged from 2022.

People who consume marijuana are a danger to others while driving and their driving behavior is impaired

70%



People who consume marijuana tend to drive slower and more cautiously and are usually safer drivers

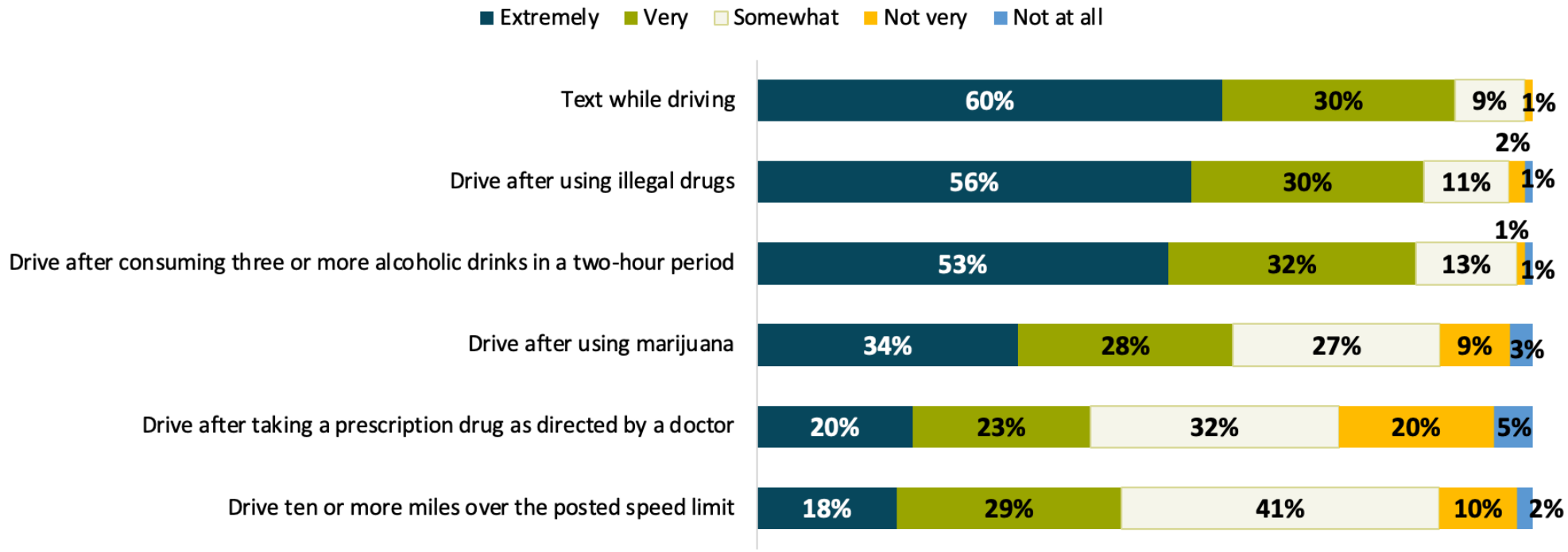
30%

Q14. Which of the following statements comes closest to your view (even if neither is exactly right)? Base: Total Respondents (2022 n=783; 2024 n=783)

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Perceived Danger Levels of Various Behaviors and Driving

More Virginia drivers continue to rate texting while driving, as well as driving after using illegal drugs or consuming alcohol, as extremely dangerous compared to driving after using marijuana.

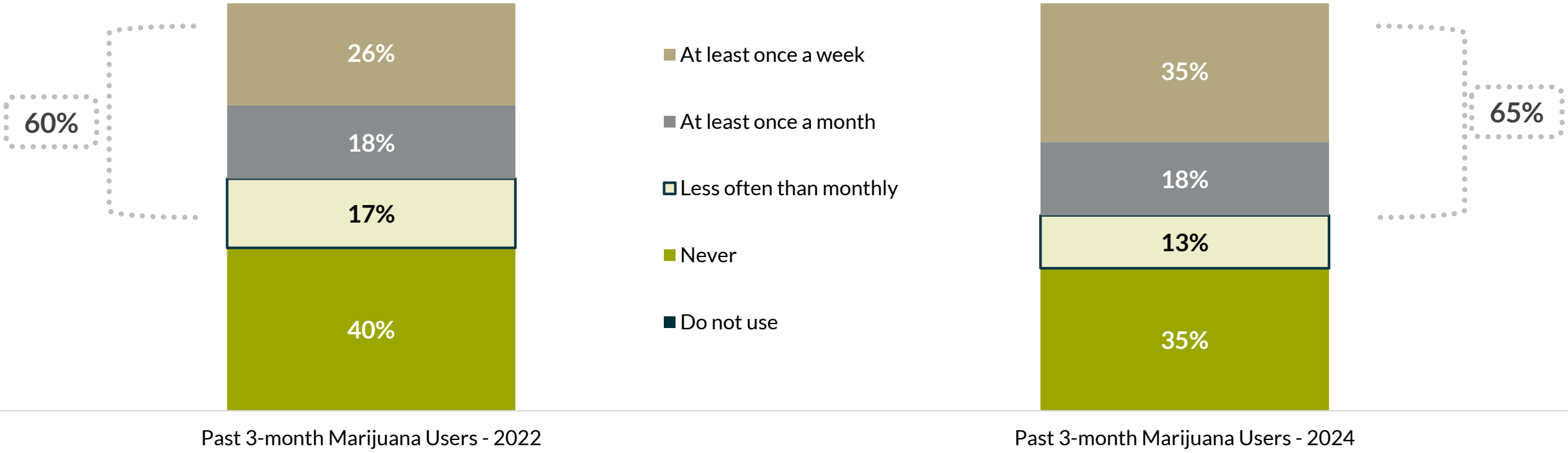


Q11. How dangerous do you believe it is to (INSERT ITEM)? Base: Total Respondents (2022 n=783; 2024 n=783)

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Frequency of Driving Under the Influence of Marijuana

35% of past 3-month users drive under the influence of marijuana at least once a week. This percentage is up from 26% of users in 2022 who drove under the influence at least once a week.



Frequent users are three times as likely to drive under the influence compared to total Virginia drivers.

Q19. In the past year, how often have you driven after using marijuana (within a few hours of use)? Base: Total Respondents (2022 n=783; 2024 n=783)
Q19. In the past year, how often have you driven after using marijuana (within a few hours of use)? Base: Past 3-Month Marijuana Users (2022 n=304; 2024 n=310)

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Current Campaign

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Bad Combinations







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Target Audience

- Adults 18-49
- Targeted outreach in:
  -Northern Virginia
  -Richmond
  -Hampton Roads
  -Roanoke
  -Harrisonburg



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Campaign Next Steps

- Next phase of campaign in development
- CCA awarded $3,450,000 in NHTSA grant through DMV to supplement and expand our current safe driving campaign
- Passenger empowerment campaign to encourage friends, family, and other passengers not to ride high and to stop others from getting behind the wheel high
- Free downloadable toolkits tailored to different audiences





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Education & Outreach

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Educational Resources

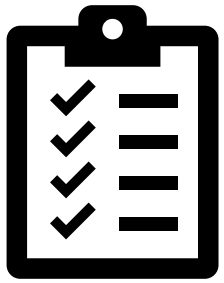
Cannabis laws in Virginia



Health Risks



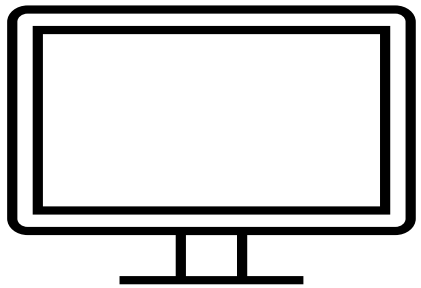
Responsible Use



Available for bulk order!

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Save the Date



Municipality Webinar
November 19, 2026
10 a.m.

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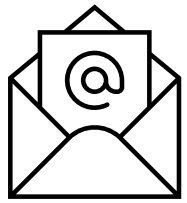
Questions?

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Connect with the CCA



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