

# Cannabis Industry Quarterly Update

Q3 2025

A quarterly update from Benesch's Cannabis Industry Group

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## Key Issues

### **Congress targets cannabis and hemp reforms amid DOJ, DEA, Tax clashes**

A U.S. House subcommittee [advanced](#) a bill barring the DOJ from rescheduling cannabis, directly opposing the Biden administration's move to reclassify marijuana under the Controlled Substances Act. Simultaneously, both House and Senate appropriations committees [approved](#) measures to redefine hemp and ban most hemp-derived THC products, including delta-8 and THCA, sparking industry concerns. Meanwhile, the DEA has [stalled](#) its cannabis rescheduling appeal for over six months, citing administrative delays and leadership turnover. Lawmakers also [passed](#) an amendment allowing VA doctors to recommend medical cannabis, while a federal court ruled cannabis firms ineligible for pandemic-era tax credits. Lastly, Sen. Warren and Rep. Stansbury [urged](#) President Trump to end federal cannabis arrests and embrace reform.

### **Texas hemp industry avoids blanket ban, Governor signs executive order**

Gov. Greg Abbott issued an executive order directing state agencies to ban THC product sales to minors, require ID checks, and increase enforcement of existing rules. The order also calls for stricter labeling, testing, and oversight, as well as higher licensing fees to support compliance. While Lt. Gov. Dan Patrick continues to push for a full ban, hemp industry leaders welcomed Abbott's regulatory approach, saying it will support consumer safety while allowing legitimate businesses to operate.

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## Key Issues (continued)

### Medical marijuana use tied to better health, lower ER visits, reduced reliance on prescription drugs

A Pharmacy journal study [found](#) chronic pain patients using medical marijuana for a year had fewer emergency room and urgent care visits and reported higher quality of life, with a 2-3% drop in urgent care usage. A separate federally funded study [showed](#) significant reductions in anxiety and depression symptoms within three months of cannabis use, with the strongest results seen from THC-dominant products. A NuggMD [survey](#) revealed 80% of cannabis users substitute it for prescription drugs, particularly for pain, depression, and anxiety, posing a potential multi-billion-dollar threat to the pharmaceutical industry. Despite growing public preference and scientific support, a federal judge in New Mexico [ruled](#) that insurance companies aren't required to cover medical cannabis due to federal law.

### Cannabis industry losing jobs in mature markets, emerging markets continue to grow

Despite \$30.1 billion in revenue in 2024, the U.S. cannabis industry [lost](#) 15,000 jobs - a 3.4% drop - due to price compression, oversupply and high taxes in saturated markets like California and Illinois. Comparatively, emerging markets such as New York, Maryland, and Ohio saw strong job growth, with New York tripling its workforce.

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## Industry Regulations

### Federal

#### House subcommittee advances bill blocking DOJ from rescheduling cannabis

A U.S. House subcommittee approved a spending bill on July 15 that would bar the Department of Justice from using federal funds to reschedule or declassify cannabis under the Controlled Substances Act. The bill, which allocates \$77 billion in discretionary funds, includes a clear provision prohibiting any reclassification of marijuana. While the Biden administration is pursuing a move to Schedule III, this measure seeks to remove that authority from the executive branch. The bill also preserves protections for state medical cannabis programs from DOJ interference, despite a Trump budget proposal to eliminate them.

*Source: Cannabis Business Times*

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## Industry Regulations (continued)

### **Senate panel advances bipartisan bill to ban most hemp-derived THC products**

The Senate Appropriations Committee unanimously approved a bipartisan [proposal](#) to redefine hemp and effectively ban over 90% of hemp-derived THC products, including THCA flower and synthetic cannabinoids like delta-8 and delta-10. The bill, led by Sens. Mitch McConnell and Jeff Merkley, aims to close the “hemp loophole” created by the 2018 Farm Bill, with changes taking effect in one year. It creates distinct definitions for industrial hemp and hemp-derived cannabinoid products, mandating total THC (including THCA) remain below 0.3%. Advocates warn the bill would devastate the hemp consumables market, though others see the one-year delay as time to refine the language.

Source: *MJBiz Daily*

### **DEA stalls cannabis rescheduling appeal for six months with no progress made**

The DEA failed to take any action on a cannabis rescheduling appeal for 180 days, submitting a second identical status update to its administrative law judge without providing a briefing schedule or progress update. The delay follows allegations of agency bias and improper communication with anti-rescheduling groups, which triggered the appeal and halted the rescheduling hearing in January. Leadership turnover and the Senate’s delay in confirming Trump nominee Terrance Cole as DEA administrator have further stalled the process.

Source: *Cannabis Business Times*

### **Veteran-Lawmaker secures House approval for VA to recommend medical cannabis**

Rep. Brian Mast, a double amputee and Army veteran, successfully attached an amendment to the House’s military funding bill that allows Veterans Affairs doctors to recommend medical cannabis. The amendment, backed by the Congressional Cannabis Caucus, lifts restrictions preventing VA providers from helping veterans access state-licensed cannabis programs. Currently, veterans must choose between VA care and medical cannabis, even though 40 states have legalized it. The bill, passed 218-206, does not fund cannabis treatment but removes barriers to physician guidance.

Source: *Cannabis Business Times*

### **House Committee advances bill to ban intoxicating hemp, redefine THC products**

The U.S. House Appropriations Committee approved a fiscal 2026 spending [bill](#) that includes a provision to ban hemp products containing synthetic or intoxicating cannabinoids like THCA and delta-8 THC. Led by Rep. Andy Harris, the measure aims to close what lawmakers call a loophole in the 2018 Farm Bill, which legalized hemp but left finished products largely unregulated. Critics argue the bill could effectively ban most CBD products and devastate the \$28 billion hemp industry. The bill heads to the House floor.

Source: *Cannabis Business Times*

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## Industry Regulations (continued)

### Politicians urge Trump to end costly cannabis arrests

Sen. Elizabeth Warren and Rep. Melanie Stansbury called on President Trump to decriminalize cannabis and end federal marijuana arrests, citing them as a wasteful burden on taxpayers. In a June 11 [letter](#), the lawmakers proposed over \$2 trillion in government savings, including through cannabis reform, and criticized Trump's DOGE team led by Elon Musk. They cited FBI data showing over 217,000 cannabis-related arrests in 2023, mostly for possession. Warren and Stansbury said Trump should abandon failed DOGE policies and prioritize reforms backed by most Americans, including federal cannabis legalization.

*Source: Cannabis Business Times*

### Federal court rules cannabis companies ineligible for employee retention credit tax refunds

A U.S. district court ruled that state-licensed cannabis businesses cannot claim tax refunds under the Employee Retention Credit (ERC) program due to [Section 280E](#) of the Internal Revenue Code, which bars tax credits for companies trafficking Schedule 1 or 2 substances. The ruling dismisses claims from cannabis firms that had applied for ERC refunds despite federal restrictions. Many cannabis businesses, including multistate operator Jushi Holdings, had sought millions in ERC claims during the COVID-19 pandemic. The ERC program was designed to support eligible employers who paid wages between March 2020 and January 2022; however, cannabis companies remain excluded under federal tax law.

*Source: MJBiz Daily*

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## State

### New York, Ohio lead U.S. cannabis market growth amid stagnation elsewhere



New York's cannabis market is emerging as a key national growth driver, with annualized sales reaching \$842 million by May 2025 and projections of up to 1,500 dispensaries, up from the current 428. New York and Ohio sit as the top two markets powering the U.S. cannabis sector's growth, which is expected to expand from \$32 billion to \$55 billion by 2030. May sales in New York reached a monthly record of \$150.9 million, but per-store sales have declined as more dispensaries have opened. Despite below-average per-resident sales, New York's dispensaries are nearing \$2 billion in total sales and remain central to the sector's future expansion.

*Source: Crain's New York Business*

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## Industry Regulations (continued)

### California senate panel backs five-year pause on marijuana tax hike



California senators approved a [bill](#) to delay a recent cannabis excise tax hike from 15% to 19% until 2030, aiming to provide relief to the struggling legal industry. Assemblymember Matt Haney's bill passed the Senate Revenue and Taxation Committee 5-0 and is now set to take effect in October rather than immediately. The delay was excluded from recent budget legislation despite support from Gov. Gavin Newsom and Assembly Speaker Robert Rivas, with Senate leader Mike McGuire citing concerns over lost tax revenue for public programs. Haney argued the pause is critical to prevent the legal market from collapsing under competition from illicit operators.

Source: *Marijuana Moment*

### Anxiety drives Pennsylvania's \$1.7B medical cannabis market



Since anxiety was added as a qualifying condition in 2019, it has become the top reason Pennsylvanians seek medical cannabis, surpassing chronic pain and PTSD. A [study](#) shows this change helped propel the state's program to \$1.7 billion in sales and 440,000 active certifications in 2024. Anxiety now appears on 68% of patient certifications, and average spending per patient nears \$4,000 annually. Researchers caution that the shift may mislead patients, as evidence for cannabis as an anxiety treatment remains limited.

Source: *Cannabis Business Times*

### Ohio recreational marijuana sales hit \$600M, doubling medical cannabis revenue



The state's adult-use marijuana market generated \$600 million in sales since launching in August 2024, averaging \$1.8 million daily, twice the rate of medical marijuana sales. Medical cannabis revenue has held steady at about \$925,000 per day over the past six years. Legislative efforts to regulate intoxicating hemp products like delta-8 and delta-9 THC have stalled, though industry leaders continue to push for tighter rules as recreational cannabis sales are projected to reach \$650 million in 2025.

Related: [Ohio senate passes bill to limit hemp product sales to licensed dispensaries, liquor stores](#)  
— *Cannabis Business Times*

Source: *MJBiz Daily*

### Most Colorado cannabis flower mislabeled for THC potency: study



A University of Colorado Boulder [study](#) found most marijuana flower products in Colorado list inflated THC levels, with actual potency significantly lower than labeled. Only 56.7% of flower samples tested within 15% of their labeled THC content, while concentrates were more accurate at 96%. On average, flower THC was overstated by 5.19%, often labeling products as 22% when they tested in the high teens. Researchers called for independent verification of lab results, as lab inflation remains a known but largely unaddressed issue in the state. Colorado regulators are reviewing the findings but have not yet implemented stricter oversight.

Source: *MJBiz Daily*

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## Industry Regulations (continued)

### Delaware to launch adult-use cannabis sales Aug. 1



Delaware will begin adult-use cannabis sales on August 1, 2025, 831 days after legalization, starting with the state's 13 medical dispensaries. The rollout was delayed by FBI-related issues with criminal background check requirements for new licensees. The program prioritizes equity, with half of the 30 new dispensary licenses reserved for social equity applicants, though only medical operators will participate initially. The market is projected to generate \$215 million in economic activity and over \$40 million in annual tax revenue.

Source: *Cannabis Business Times*

### Maine delays medical marijuana testing, tracking requirements until 2026



The state's lawmakers have postponed legislation requiring testing and tracking of medical marijuana until 2026. The state currently mandates testing for adult-use cannabis but remains the only U.S. state without similar rules for medical products. The delayed legislation, [LD 104](#), proposed seed-to-sale tracking and contaminant testing; and an updated version, [LD 1847](#), added potency caps on edibles. Maine Cannabis Union President Jennifer Belcher said if either bill is passed as written, it would likely kill Maine's medical marijuana program.

Source: *MJBiz Daily*

### California marijuana sales decline as consumers shift to cheaper products, tax hike looms



Legal cannabis sales revenue in the state dropped to \$1.08 billion in Q1 2025, the lowest since 2020, despite a slight increase in units sold, as consumers buy less expensive products amid economic uncertainty and inflation. The industry also faces added pressure from a planned state excise tax increase from 15% to 19% starting July 1, which could drive more buyers to the illicit market. Experts note that while usage remains stable or rising, revenue and profitability are under strain, likening the current state to the dot-com bubble, where volume masks financial challenges.

Source: *MJBiz Daily*

### Minnesota decriminalizes bong water in drug cases, expands cannabis market



Minnesota Governor Tim Walz [signed](#) a law decriminalizing bong water containing drug residue, overturning a controversial policy that allowed charges equivalent to possessing pure drugs based on bong water volume. Previously, over four ounces of bong water could trigger first-degree felony charges, a practice based on a 2009 state Supreme Court ruling. The new law, part of a broader public safety bill, is retroactive to August 2023 and nullifies pending cases. Lawmakers are also weighing further reforms including safe drug consumption sites and legal access to psilocybin.

Source: *Marijuana Moment*

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## Industry Regulations (continued)

### Pennsylvania could net \$2.1B in Cannabis tax revenue in 5 years if legalized: report



Pennsylvania could generate up to \$2.1 billion in marijuana tax revenue over five years if it legalizes adult-use cannabis, according to a [Marijuana Policy Project](#) report. The projection, based on tax models from states like Michigan and Maryland, comes as lawmakers remain deadlocked after the Senate rejected a House-passed bill proposing state-run cannabis stores. Governor Josh Shapiro and Democratic leaders continue pushing for legalization, citing broad public support and lost revenue to neighboring legal states. Meanwhile, competing proposals—including private sales models—are circulating, but GOP resistance in the Senate has stalled progress. With a looming budget deadline, lawmakers are still seeking a bipartisan compromise.

Source: *Marijuana Moment*

### Minnesota signs landmark tribal cannabis compact, allowing off-reservation dispensaries



Gov. Tim Walz signed Minnesota's first tribal-state cannabis compact, granting the White Earth Nation the right to open up to eight cannabis dispensaries off tribal land. This agreement, enabled by the state's 2023 legalization law, comes as Minnesota's commercial cannabis market remains delayed. The compact allows the tribe to sell, deliver, and cultivate cannabis under regulations aligned with or exceeding state standards. The White Earth Nation's first off-reservation store will open in Moorhead, with more planned statewide. While the compact doesn't shield the tribe from federal enforcement, it reflects ongoing federal tolerance toward state-compliant cannabis activity.

Related: [Minnesota governor, legislative leaders to increase cannabis excise tax in budget](#)  
—Cannabis Business Times

Source: *Cannabis Business Times*

### Utah medical marijuana program tops 100K patient



Utah's medical marijuana program has surpassed 100,000 registered patients, a major milestone seven years after voters approved legalization. The patient count grew by 20% in the past year alone, with pain, PTSD and nausea being the most common qualifying conditions. Monthly cannabis sales now exceed \$15 million, with patients spending more on vapes than flower, with cumulative sales since launch nearing \$600 million.

Source: *Marijuana Moment*

### New York marijuana sales near \$1.5B as retail stores triple in 2024



New York's Office of Cannabis Management's 2024 market [report](#) found the number of licensed retail stores nearly triple in 2024, reaching 260 locations statewide and generating \$869 million in sales for the year. Since launch, total sales have topped \$1 billion, with 2025 figures pushing the market close to \$1.5 billion. Social and economic equity applicants hold 55% of licenses, including 81% of dispensaries, reflecting state efforts to promote inclusion. Sales were strongest in urban areas like Manhattan and Queens, and the market continues to expand with 368 retailers licensed as of April 2025. Regulators use this data to guide policies that support a sustainable and equitable cannabis industry in New York.

Source: *Marijuana Moment*

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## Industry Regulations (continued)

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### Hemp

#### **Texas hemp industry avoids blanket ban, Governor signs executive order**

Gov. Greg Abbott issued an executive order directing state agencies to ban THC product sales to minors, require ID checks, and increase enforcement of existing rules. The order also calls for stricter labeling, testing, and oversight, as well as higher licensing fees to support compliance. While Lt. Gov. Dan Patrick continues to push for a full ban, hemp industry leaders welcomed Abbott's regulatory approach, saying it will support consumer safety while allowing legitimate businesses to operate.

*Source: Marijuana Moment*

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#### **One in four U.S. tribes now operate hemp or cannabis programs**

A [map](#) from the Indigenous Cannabis Industry Association and law firm Vicente shows that 26% of the 358 federally recognized tribes in the continental U.S. are now involved in hemp or marijuana programs. Many tribes have developed their own regulatory systems, contributing to job growth, economic development, and sovereignty. States like Minnesota have enabled tribes to enter the legal market ahead of state licensing, with tribes such as the Red Lake Band and White Earth Nation leading the way.

*Source: Marijuana Moment*

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### Payments

#### **Crypto offers cannabis businesses a payment workaround, but risks limit adoption**

New Jersey cannabis retailer Pipe Dreams is using a crypto-to-cash system from PDX Beam that allows instant checkout via digital currency, offering a workaround to the cannabis industry's banking restrictions. While about 28% of U.S. adults own cryptocurrency, uptake remains low, as Pipe Dreams sees only about 12 crypto transactions per month out of 2,000. Experts say crypto could help marijuana businesses bypass federal banking barriers, but legal uncertainty, tax implications, and cost concerns make most operators hesitant.

*Source: MJBiz Daily*



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## General Cannabis Business Trends

### **Medical marijuana linked to better outcomes, lower healthcare use in chronic pain patients: study**

A [study](#) published in Pharmacy found chronic pain patients using medical marijuana for at least a year experienced fewer emergency room and urgent care visits, and reported a higher quality of life compared to non-users. Researchers analyzed data from over 5,200 patients and found a 2-3% drop in urgent and emergency care usage among cannabis users. Additional findings suggest medical marijuana may help reduce reliance on opioids and lower healthcare costs, with evidence pointing to improved outcomes across multiple demographics, including veterans, seniors, and minors. The research supports expanding access and insurance coverage for medical cannabis as a cost-effective pain management alternative.

Source: *Marijuana Moment*

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### **Medical marijuana reduces anxiety, depression symptoms**

A federally funded [study](#) published in the Journal of Affective Disorders found medical marijuana use significantly reduced self-reported anxiety and depression symptoms within three months. The six-month observational study tracked 33 Maryland adults with clinically significant mental health conditions, showing sustained improvements over time. Most participants used THC-dominant products, with 10-15 mg of oral THC or at least three puffs of vaporized cannabis yielding the strongest results. While the findings are promising, researchers stress that controlled clinical trials are needed to confirm efficacy and safety.

Related: [New federally backed marijuana research center launches](#) — *Marijuana Moment*

Source: *Marijuana Moment*

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### **8 in 10 cannabis users substitute it for prescription drugs: survey**

A [NuggMD](#) survey finds nearly 80% of marijuana consumers use cannabis in place of prescription medications, even among those without medical marijuana cards. The trend reflects growing public preference for cannabis over pharmaceuticals, especially for pain management. Multiple recent studies support this substitution effect, linking marijuana legalization to reduced opioid prescriptions, lower overdose deaths, and decreased use of antidepressants and antipsychotics. Federally funded and peer-reviewed research has also found medical cannabis to be as or more effective than prescription drugs in treating chronic pain. Experts say the shift could cost Big Pharma billions annually.

Source: *Marijuana Moment*

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### **Cannabis industry sees job losses in mature states, growth in emerging markets**

The Vangst's "[U.S. Cannabis Jobs Report 2025](#)" says the U.S. cannabis industry lost 15,000 jobs in 2024 despite \$30.1 billion in revenue, driven by challenges like oversupply, high taxes, and price compression in mature markets. States like California and Illinois saw steep employment declines, while emerging markets such as New York, Maryland, and Ohio experienced strong job growth. Salaries in the U.S. cannabis sector outpace those in Canada by up to 20%, particularly in newer markets, due to demand, higher cost of living, and incentive structures. Leadership pay rose 10-15% year-over-year, with East Coast markets offering significant equity to attract talent.

Source: *MJBiz Daily*

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## General Cannabis Business Trends (continued)

### **Printed, dyed marijuana rolling papers may contain dangerous heavy metals: study**

A [study](#) from Lake Superior State University found printed marijuana rolling papers contain significantly higher levels of toxic metals, such as copper, chromium and vanadium, compared to unprinted versions. Experts warn that despite rigorous cannabis testing in legal markets, smoking accessories like papers and cones often escape scrutiny. Industry insiders also flagged other unsafe materials like rose petals, which may carry pesticide residue, and gluten-based tips.

Source: *MJBiz Daily*

### **Cannabis industry leaders expect federal reform under Trump despite mixed signals**

Cannabis advocates Weldon Angelos and Trulieve CEO Kim Rivers predict President Trump will eventually support federal marijuana reform, citing ongoing discussions and past endorsements. Both pointed to Trump's endorsement for adult-use marijuana legalization, which Trulieve backed for \$150 million. However, Trump's administration has sent mixed signals, including DEA leadership failing to take taking a solid stance on rescheduling, but industry figures argue Trump's personal connections to medical cannabis users could influence future policy. Past federal reform efforts under Biden also stalled, leaving stakeholders cautious but hopeful despite no real forward momentum.

Source: *MJBiz Daily*

### **Canada's cannabis legalization offers U.S. lessons in taxation, market hype, federal reform**

Canada's 2018 nationwide cannabis legalization has provided valuable lessons for U.S. cannabis producers and policymakers. While the legal market created over 98,000 jobs annually and captured 75% of cannabis consumption from the illicit market, high excise taxes and market overvaluation caused significant financial strain, especially for smaller businesses. However, Canadian cannabis companies have collectively lost billions in market value due to early hype and regulatory burdens. Experts warn the U.S. to avoid similar mistakes, particularly around excessive taxation and inflated market expectations.

Source: *Cannabis Business Times*

### **Majority of Americans support marijuana use at casinos, resorts: poll**

A University of Nevada Las Vegas survey finds 70% of U.S. adults support allowing marijuana use at casinos and resorts, with 40% saying it would make them more likely to visit. Most respondents also back designated smoking rooms for cannabis, similar to tobacco accommodations. Nearly 60% said marijuana wouldn't affect their gambling habits, while 20% would gamble more and another 20% less. The findings will help inform a forthcoming report to Nevada lawmakers on integrating cannabis into the gaming sector.

Source: *Marijuana Moment*

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## General Cannabis Business Trends (continued)

### U.S. cannabis industry lost over 15K jobs in 2024 despite record sales

The U.S. legal marijuana industry saw a 3.4% drop in jobs from 2023 to 2024, shedding over 15,000 full-time roles—its largest decline since 2017—even as sales hit a record \$30.1 billion. Job losses were concentrated in mature markets like Arizona and Illinois, while emerging states such as New York and Mississippi saw major employment gains. Analysts attribute the decline to market saturation, regulatory hurdles and a shift toward more efficient staffing. The [report](#) projects a sales rebound to \$34 billion in 2025, with job growth expected in states expanding licenses.

Source: *Marijuana Moment*

### U.S. marijuana industry to add \$123.6B to economy in 2025, despite regulatory gridlock

Legal marijuana is projected to generate \$123.6 billion in total U.S. economic impact in 2025, a 9% increase from last year, according to the [MJBiz Factbook](#). While industry growth is slowing in mature states like California and Colorado, emerging markets such as New York and Ohio are helping stabilize the sector. Direct cannabis sales are expected to reach \$35.3 billion, with another \$88.3 billion added via indirect economic activity like real estate and local services. Despite federal inaction on legalization or rescheduling, cannabis continues to boost tax revenues and job creation.

Source: *MJBiz Daily*

### Federal judge: medical cannabis not covered by insurance due to federal law preemption

A U.S. District Court judge in New Mexico ruled health insurers are not required to cover medical cannabis, citing both state law ambiguity and federal law preemption. The lawsuit, brought by Ultra Health and four individuals, argued that New Mexico's 2021 [Senate Bill 317](#) mandates insurance coverage for cannabis used to treat behavioral health conditions. However, Judge Martha Vázquez found the law does not explicitly require such coverage, and even if it did, federal prohibition under the Controlled Substances Act overrides state mandates. Despite this, another bill ([HB 527](#)) aims to mandate coverage, though it faces similar federal roadblocks.

Source: *Cannabis Business Times*

### Tariffs squeeze cannabis industry, driving up costs, disrupting supply chains

U.S. tariffs, 54% on Chinese imports and 10% across the board, are driving up costs for cannabis businesses that rely heavily on Chinese hardware and inputs. Vape manufacturers like Jaunty and cultivators like Lume Cannabis are already absorbing steep increases in component prices, with vape hardware tariffs rising from 36% to 46%. Some companies, like Lume, pre-stocked inventory ahead of expected tariffs, while others warn that consumer prices could rise if costs hit unsustainable levels. Domestic manufacturers like Sana Packaging are weathering the storm, but most cannabis operators say the trade war is compounding already thin margins and regulatory pressure.

Source: *Cannabis Business Times*

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## General Cannabis Business Trends (continued)

### **CDC: Edibles, vaping, dabbing gain ground as cannabis consumption methods**

A CDC [report](#) finds that while smoking remains the dominant form of marijuana use, edibles, vaping and dabbing are rising in popularity, especially among younger adults. In 2022, 15.3% of U.S. adults reported current cannabis use, with 7.9% using daily; 41.6% ate cannabis products, 30.3% vaped, and 14.6% dabbed. Nearly half of users reported using multiple methods, most commonly smoking with either eating or vaping. Cannabis use was highest among adults aged 18-34 and was more prevalent among males and certain racial and ethnic groups.

*Source: Marijuana Moment*

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## Regulation / Enforcement

### **Nebraska governor signs emergency cannabis rules banning smoking, vaping ahead of licensing launch**

Nebraska Gov. Jim Pillen approved emergency regulations on June 29 to launch the state's medical cannabis market by October, following voter-approved legalization in 2024. The temporary rules prohibit smokable, combustible, and vape products, limiting allowable forms to tablets, oils, topicals, and inhalers. Licensing will be restricted by geography, ownership, and prior convictions, with vertical integration barred and strict packaging, tracking, and labeling requirements imposed. Despite legal threats from the state attorney general, the Nebraska Medical Cannabis Commission plans to move forward with issuing business licenses.

*Source: Cannabis Business Times*

### **Texas Senators Unanimously Pass Hemp THC Ban Bill Hours After Governor Convenes Second Special Session**

The governor of Texas has convened another special session—again directing lawmakers to advance legislation regulating consumable hemp and setting an age limit to access cannabinoids. Within hours, a Senate committee quickly and unanimously approved a reintroduced bill that would simply ban hemp THC products in contravention of Gov. Greg Abbott's (R) call for regulation.

*Source: Marijuana Moment*

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## Regulation / Enforcement (continued)

### Missouri regulators begins surprise cannabis product inspections

Missouri's Department of Health and Senior Services started performing unannounced inspections of final cannabis products, as of July 1, to ensure safety and quality. Initially, the state will test 50 products monthly, backed by a \$2.4 million budget. The inspections also come amid increased enforcement against companies selling THCA flower marketed as federally compliant hemp, with the state Attorney General warning multiple hemp businesses to cease such sales.

Source: *MJBiz Daily*

### Alabama bans smokable hemp, imposes new THC product regulations, 10% tax

Alabama Gov. Kay Ivey signed [HB 445](#) into law on May 14, banning smokable hemp products and imposing new regulations on hemp-derived THC goods. The law grants the state's Alcoholic Beverage Control Board authority to license, inspect, and enforce rules on manufacturers and sellers, including warrantless product seizures. A 10% excise tax on consumable hemp sales will apply, along with age restrictions (21+), labeling requirements, and a ban on online sales and deliveries. While the law takes effect July 1, enforcement of product regulations begins Jan. 1, 2026.

Source: *Cannabis Business Times*

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