

A look at the five states that legalized cannabis in 2021

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By WM Policy Tean

2021 was a momentous year for cannabis legalization. The states of Connecticut, New Jersey, New Mexico, New York, and Virginia legalized adult-use cannabis – all but one through their state's legislature. (New Jersey legalized by a 2020 ballot measure to amend their constitution.) But what happens next once legalization is passed is a bit murky – and varies from state to state.

"Legalization is really just the first step in opening a market," said <u>Bridget Hennessey</u>. Vice President for Government Relations at Weedmaps. "Regulations must be promulgated. Staff and leadership must be hired. A whole bureaucracy must be created."

If it sounds daunting, that's because it is. Hennessy noted that there's often a lot of momentum into ensuring legalization becomes a reality, but that momentum has to continue through the implementation process.

"State leaders understand that businesses want to set up quickly, and patients and consumers are eager to shop in a regulated, legal marketplace," Hennessy said. "Government leaders have a vested interest too, including minimizing the illicit market, creating jobs for their constituents, and the tax revenue generated from this new industry. In general, everyone involved wants to get the marketplace open quickly."

For each of the five states that legalized cannabis in 2021, each is in a different stage of bringing the plant to market. Here is the state-of-play for each of them as of February 2022:

- Connecticut is expected to see adult use cannabis sales begin in the Constitution State by the end of 2022. Since the state legislature took action to legalize cannabis in June 2021, Connecticut has issued regulations and is currently accepting applications for some license types. Although Connecticut has capped the number of adult-use retail licenses at 12 (half to social equity applicants), there will be additional points of retail that serve both adult-use and medical. We also expect there will be opportunities to increase the number of licenses as the program develops and succeeds.
- New Jersey legalized cannabis by ballot measure in November 2020, with enabling legislation passing in February 2021. Sales are projected to begin late in the fourth quarter of 2022. Although nearly 70% of municipalities in the Garden State have initially opted to prohibit cannabis retail, we expect more jurisdictions to opt in once the program is up and running. Additionally, the state's Cannabis Regulatory Committee is currently operating under temporary regulations. The CRC will begin accepting retail license applications in mid-March.
- New Mexico's legislature legalized adult use cannabis in March 2021 and has moved quickly to open the market. Their regulations have been promulgated and the applications process is currently open, on a rolling basis. Sales in the Land of Enchantment are expected to begin in April.
- New York legalized adult-use cannabis in March 2021 via the State Legislature. The Empire State's Executive Director of the Office of Cannabis Management and members of the Cannabis Control Board have been appointed. At this time, they do not expect sales to begin until 2023. They have not promulgated regulations for adult-use or announced a calendar for license applications. New York has a goal of issuing 50% of licenses to social equity applicants. According to the Rockefeller Institute's tracker: 770 of the 1520 municipalities have opted-out of licensing cannabis retail establishments; and 885 have opted out of allowing consumption lounges.
- Virginia, the first state in the Old South to legalize adult-use cannabis, did so in April 2021 via the State Legislature. The original legalization bill included a "reenactment clause" (meaning that regulations would have to be re-voted on by the new 2022 Legislature). The 2021 election resulted in the Democrats conceding control of the Legislature, as well as the Governor's Office. The Democrat-led Cannabis Oversight Commission has recommended that sales begin in 2022

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The WM Policy staff has decades of legislative, regulatory and public policy experience, as well as an impressive record of achievement in local, state and national political campaigns. The team's work is far reaching and impactful when it comes to policy development, effective and creative public awareness efforts, and powerful, change-making coalition building. WM Policy works closely with lawmakers, advocates, industry groups and other allies to forge safe, fair and accessible cannabis policy across the country and around the world