

# 2022 has been a dynamic year for the cannabis industry...and it's not over yet.

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### By WM Policy

From sales in new states, to government agencies airing their own cannabis commercials during major sporting events, the needle continues to move in favor of the legalization and normalization of cannabis in the U.S. The momentum will continue through the 2022 election season, as several states are set to vote on whether or not to legalize cannabis via ballot measures. As we head into the final quarter of 2022, we reflect on some of the cannabis policy highlights from the first half of the year.

#### West Coast

- Adult-Use Sales Began in New Mexico: On April 1st, 2022, adult-use cannabis sales officially began in New Mexico. From uncapped licenses, low barriers to entry, and consumption lounges, there's a lot to be <a href="excited">excited</a> about in the Land of Enchantment. Hundreds of new cannabis businesses have opened up, and the state now enjoys <a href="millions">millions</a> of dollars in cannabis tax revenue every month. The New Mexico cannabis industry, though still in its infancy, continues to expand and flourish. Just as the state motto says: It grows as it goes.
- California's Local Government Grant Program: Today, more than 60% of local governments in California prohibit cannabis retailers in their jurisdiction. California governor Gavin Newsom wants to change that and help expand the legal cannabis industry in the state. Earlier this year he announced a "Cannabis Local Jurisdiction Retail Access Grant Program," to incentivize local governments to license more cannabis dispensaries. This <a href="mailto:grant program">grant program</a> includes a one-time appropriation of \$20.5 million and aims to help with the start-up costs of developing and implementing local retail licensing programs. California also <a href="mailto:eliminated">eliminated</a> its cannabis cultivation tax this year, bringing much-needed tax relief to the struggling cannabis industry.

### **East Coast**

- Adult-Use Legalization in Rhode Island: In May, Rhode Island became the 19th state to legalize adult-use cannabis.
   The state will issue 24 new retail licenses across six geographic zones. For each zone, one retail license will be issued to a worker-owned cooperative, and one other will be issued to a qualified social equity applicant. The legalization bill also includes automatic expungement provisions for certain cannabis-related convictions. Adult-use cannabis sales could begin as early as the end of this year.
- Adult-Use Sales Began in New Jersey: Adult-use cannabis sales <u>began</u> in New Jersey at select alternative treatment centers (ATCs). ATCs are vertically-integrated cannabis businesses serving medical patients, and several centers have received approval from their local government and the State to begin selling cannabis to adults 21 years of age and older. Meanwhile, the Cannabis Regulatory Commission (CRC) has been actively engaged in the rulemaking process and began issuing conditional licenses to new retailers, cultivators, manufacturers and testing laboratories.
- **Delivery Allowed in Maine**: Maine passed a bill this year allowing cannabis delivery and curbside pickup. Under the new law, cannabis can be delivered to any part of the state regardless of whether a municipality allows cannabis retail sales. For more information on cannabis delivery, check out the **delivery page** on the WM Policy website.
- Adult-Use Legalization Ballot Measure in Maryland: Earlier this year, the Maryland Legislature <u>voted</u> to place an
  adult-use cannabis legalization measure on the November ballot, allowing voters to decide on legalization in their state.
  The Legislature passed a <u>separate</u> implementation bill that sets up a basic cannabis regulatory framework, should the
  ballot measure pass. Recent <u>polling</u> indicates that 59% of Maryland voters intend to vote in favor of the ballot measure.
- New York's Office of Cannabis Management's Cannabis Ad during the NBA Finals: During the NBA finals, New York's Office of Cannabis Management (OCM) <u>aired</u> a TV commercial highlighting the racially disparate enforcement of cannabis prohibition laws and the steps New York is taking to address the harms of cannabis criminalization. The commercial was the first cannabis-related advertisement to air on TV discussing social equity and the disproportionate impact cannabis criminalization has had on Black and Latino New Yorkers. Meanwhile, New York has issued regulations for the new adult-use cannabis program and is accepting retail license applications—the first batch reserved for <u>applicants</u> with prior cannabis-related convictions or an immediate family member with a conviction.

### **Emerging Markets**

- Medical Legalization in Mississippi: At the beginning of this year, Mississippi legalized medical cannabis... for the second time. Mississippi residents overwhelmingly voted in favor of a legalization ballot measure in 2020, but it was overturned months later by the State Supreme Court. This time the new law took effect immediately after the Governor signed it. The state has since issued medical dispensary licenses, and sales will likely begin in the coming months.
   Medical cannabis can be purchased by patients with qualifying conditions and a registered patient identification card.
- Stay on Retail Licenses Lifted In Illinois: In Illinois, a judge lifted the stay on 185 retail licenses and more than 60 craft grower licenses. Since then, the State held a series of corrective lotteries and awarded all 185 conditional retail licenses to qualified social equity applicants.
- First Consumption Lounges Opened Up in Michigan: Cannabis consumption lounges in <a href="Hazel Park"><u>Hazel Park</u></a> and <a href="Kalkaska">Kalkaska</a>, Michigan received a license and opened this year. Consumption lounges provide a location option to legally consume cannabis—especially important for those prohibited from consuming cannabis inside their residences. Want to know more about consumption lounges? Check out WM Policy's <a href="#special report">special report</a>!

#### **Federal**

• The MORE Act Passed the House For the Second Time: The U.S. House of Representatives passed the Marijuana Opportunity, Reinvestment, and Expungement bill (MORE) for the second time in April. MORE is a federal cannabis de-scheduling and decriminalization bill that includes several important criminal justice reform provisions, such as automatic expungement for federal cannabis convictions. While MORE faces an uphill battle in the Senate, it's the first cannabis decriminalization bill to pass any chamber of Congress since the Nixon Administration. For MORE (pun intended), check out the bill analysis from the WM Policy team.

## Say What?

High-Ranking Elected Officials Celebrating the Holidays: This year several high-ranking elected officials wished their constituents a happy 4/20 or used the cannabis holiday as an opportunity to highlight the injustices of cannabis prohibition. There were tweets from Senate Majority Leader <a href="Chuck Schumer">Chuck Schumer</a>, Congressman <a href="Ted Lieu">Ted Lieu</a>, New Mexico Governor <a href="Michelle Lujan Grisham">Michelle Lujan Grisham</a>, Congresswoman <a href="Barabara Lee">Barabara Lee</a>, and many more. Politicians openly embracing, and in some cases even <a href="bragging">bragging</a> about the cannabis industry in their states, is certainly a welcomed departure from the days of

Reefer Madness and treating cannabis like a forbidden topic of discussion.

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Stay tuned for more cannabis policy coverage from the WM Policy team, including a special post-election update covering all statewide cannabis legalization initiatives on the November ballot.

Follow WM Policy on social media and check out the Higher Authority blog to stay on top of cannabis policy developments across the country and around the world.