County of Albemarle
Community Development Department

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To: Albemarle County Board of Supervisors
From: Bill Fritz
RE: Cannabis Regulations
Date: November 4, 2026

State Cannabis Regulations

Legislation adopted during the 2026 session of the General Assembly included amendments to cannabis regulations in the Code of Virginia. As a result of the new legislation, the cultivation, processing and sale of cannabis will be legal in Virginia starting July 1, 2027.

The key features of the legislation that impact the County are:

- The County may adopt a sales tax at a rate of 1% to 3.5%. Any tax rate must be set by July 1, 2027. If the County fails to set a rate by that date, it will not be able to set any tax rate.
- The Virginia Cannabis Control Authority (VCCA) has the authority to regulate activity associated with cannabis. When considering the issuance of permits for facilities, VCCA will take into consideration if the proposed facility will be in compliance with local regulations.

The County currently has no regulations that address marijuana establishments. There are various types of establishments, and they would be permitted in various districts. For example, a retail marijuana store would be permitted wherever retail sales were permitted, and a testing facility would be permitted wherever labs are permitted. A list of the types of marijuana establishments identified by VCCA is attached.

The Code of Virginia sets out the role of the County. These regulations may be found in *Virginia Code* §§ 4.1-629 and 4.1-630 and are attached.

Things the County can't do:

- Ban cannabis activities
- Impose moratoriums on cannabis activities
- Regulate advertising of cannabis activities
- Regulate possession, types, potency or packaging of cannabis
- Limit the number of licenses
- Increase setbacks or buffers above the minimum established by the VCCA
- Impose a tax of greater than 3.5%

Things the County can do:

- Establish zoning districts for specific cannabis activities
- Require a special use permit
- Decrease setbacks or buffers established by the VCCA
- Adopt ordinances (*Va. Code* § 4.1-629(B)(1)) limiting public consumption (*Va. Code* § 4.1-1108) and possession/consumption on public school grounds, parks, playgrounds, streets, sidewalks (*Va. Code* § 4.1-1109)
- Establish penalty for violations
- Establish hours of sale (*Va. Code* § 4.1-630)
- Regulate hemp/tobacco retail location (*Va. Code* § 15.2-912.4) – 1000 feet from day care, school

The proposed regulations released by VCCA include some limited land use regulations. Marijuana establishments may not be located within 1,000 feet of day cares or schools. The proposed regulations include an additional requirement that retail marijuana store license or microbusiness license may not be located within 1,000 feet of a hospital. It is not clear from the proposed regulations if the 1,000 foot distance from hospitals applies to all marijuana establishments or just retail marijuana stores or microbusinesses.

Key Dates

February 1, 2027 - The Virginia Cannabis Control Authority may begin accepting license applications. The County may make comments on license applications within 30 days of being notified by the Virginia Cannabis Control Authority.

May 1, 2027 - Licenses may begin to be issued

July 1, 2027 – Deadline to adopt tax rate. Licensed activities may begin.

There is no deadline for the County to adopt land use regulations. Any use that is permitted prior to the County adopting regulations would not be subject to new regulations.

Recommendations

Staff request directions from the Board of Supervisors on the following:

- Does the Board of Supervisors want to consider amendments to the zoning ordinance?
- Does the Board of Supervisors want to consider establishing hours of sale?
- Does the Board of Supervisors want to consider reductions in separation of uses below those established by the Virginia Cannabis Control Authority?
- Does the Board of Supervisors want to consider a retail tax of between 1% and 3.5%?