CITY OF HARRISONBURG

November 12, 2026, Planning Commission Meeting

Title
Consider a request to amend the Zoning Ordinance to regulate uses licensed by the Virginia Cannabis Control Authority — Thanh Dang, Community Development

Summary

Zoning Ordinance	Amend Sections 10-3-24, 10-3-91, 10-3-93, 10-3-97, and 10-3-99
Purpose	To define a marijuana establishment. To establish that marijuana establishments may operate by special use permit in B-2 and M-1.
Ordinance Initiation	By City Council on October 13, 2026
Planning Commission	November 12, 2026 (Public Hearing)
City Council	Anticipated December 8, 2026 (First Reading/Public Hearing) Anticipated December 22, 2027 or January 12, 2027 (Second Reading)

Recommendation
Option 1. Recommend approval of the Zoning Ordinance amendments.

Context & Analysis
In June 2026, as part of the 2026 Special Session Budget Bill (HB30), the Virginia General Assembly established a state-regulated retail marijuana market (also known as adult-use cannabis) and assigned the Virginia Cannabis Control Authority Board (CCA Board) responsibility for administering licenses and implementing the program. Oversight of Virginia's medical cannabis program has been under the CCA Board since January 1, 2024, when it transitioned from the Virginia Board of Pharmacy.

Medical Cannabis Program

Virginia's medical cannabis program allows qualified patients to access cannabis for medicinal use. In 2020, the first official medical dispensaries opened in Virginia to registered patients. The CCA Board issues two types of permits under the medical cannabis program and they are defined in Virginia Code § 41.1600 as:

> "Pharmaceutical processor" means a dual-use facility that (i) has obtained a permit from the Board pursuant to § 4.1-1602; (ii) cultivates Cannabis plants intended for

> the production of cannabis oil, botanical cannabis, and usable cannabis, produces cannabis products, and dispenses cannabis products to a patient pursuant to a written certification, his registered agent, or, if such patient is a minor or a vulnerable adult as defined in § 18.2-369, such patient's parent or legal guardian; and (iii) has been verified by the Board pursuant to § 4.1-1602.1 to hold and exercise all privileges to operate as a marijuana cultivation facility pursuant to § 4.1-800, marijuana processing facility pursuant to § 4.1-801, and retail marijuana store pursuant to § 4.1-802.
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> "Cannabis dispensing facility" means a dual-use facility that (i) has obtained a permit from the Board pursuant to § 4.1-1602; (ii) is owned, at least in part, by a pharmaceutical processor; (iii) dispenses cannabis products produced by a pharmaceutical processor to a patient, his registered agent, or, if such patient is a minor or a vulnerable adult as defined in § 18.2-369, such patient's parent or legal guardian; and (iv) has been verified by the Board pursuant to § 4.1-1602.1 to hold and exercise all privileges to operate as a retail marijuana store pursuant to § 4.1-802 on the premises of the cannabis dispensing facility.

Currently, in Harrisonburg, pharmaceutical processors are allowed by right in the M-1, General Industrial District per ZO Section 10-3-96 (1), and allowed by SUP in the B-2, General Business District, per ZO Section 10-3-91 (1). Cannabis dispensing facilities are allowed anywhere a pharmacy is allowed; by right in the B-1, Central Business District and the B-2, General Business District, and by SUP in the R-5, High Density Residential District.

In June 2026, Virginia Code § 4.1-1602.1 was created and it allows existing medical cannabis pharmaceutical processors to apply for dual-use privileges to serve both registered medical patients and retail consumers. Virginia Code § 4.1-1602 states that "[e]ffective June 1, 2027, no previously issued [pharmaceutical processor or cannabis dispensing facility] permit shall remain valid unless the pharmaceutical processor has received dual-use verification from the [CCA] Board."

As of the date of this memorandum, there are no pharmaceutical processors or cannabis dispensing facilities operating in Harrisonburg.

Retail Marijuana Market

The retail marijuana market includes the following types of licenses, and they are defined in Virginia Code § 4.1-600 as:

> "Marijuana cultivation facility" means a facility licensed by the Board to cultivate, label, and package marijuana; to purchase or take possession of marijuana plants and seeds from other marijuana cultivation facilities; to transfer possession of and sell marijuana, immature marijuana plants, and marijuana seeds to retail marijuana stores; to transfer possession of marijuana, immature marijuana plants, and marijuana seeds to marijuana transporters; to transfer possession of and sell

marijuana, marijuana plants, and marijuana seeds to other marijuana cultivation facilities; to transfer possession of and sell marijuana to marijuana processing facilities; and to transport marijuana, immature marijuana plants, and marijuana seeds from the marijuana cultivation facility's licensed premises to another licensed marijuana establishment.

"Marijuana processing facility" means a facility licensed by the Board to process, label, and package marijuana and marijuana products; to purchase or take possession of marijuana from a marijuana cultivation facility or another marijuana processing facility; to transfer possession of and sell marijuana and marijuana products to retail marijuana stores or other marijuana processing facilities; to transfer possession of marijuana and marijuana products to marijuana transporters; and to transport marijuana and marijuana products from the marijuana processing facility's licensed premises to another licensed marijuana establishment.

"Retail marijuana store" means a facility licensed by the Board to purchase or take possession of marijuana, marijuana products, immature marijuana plants, or marijuana seeds from a marijuana cultivation facility or marijuana processing facility; to take possession of marijuana, marijuana products, immature marijuana plants, or marijuana seeds from a marijuana transporter; to sell marijuana, marijuana products, marijuana paraphernalia, immature marijuana plants, or marijuana seeds to consumers on premises approved by the Board; to deliver marijuana, marijuana products, marijuana paraphernalia, immature marijuana plants, or marijuana seeds only in person to consumers; to transfer possession of marijuana, marijuana products, marijuana paraphernalia, immature marijuana plants, or marijuana seeds to marijuana delivery operators; and to transport marijuana, marijuana products, marijuana paraphernalia, immature marijuana plants, and marijuana seeds from the retail marijuana store's licensed premises to another retail marijuana store.

"Microbusiness" means a facility licensed by the Board to conduct any activities authorized for marijuana cultivation facilities, marijuana processing facilities, and retail marijuana stores, as determined by the Board.

"Marijuana transporter" means a facility licensed by the Board to take possession of marijuana, marijuana products, immature marijuana plants, and marijuana seeds from a marijuana cultivation facility, a marijuana processing facility, a retail marijuana store, a microbusiness, or another marijuana transporter; to transfer possession of marijuana, marijuana products, immature marijuana plants, and marijuana seeds to a marijuana cultivation facility, marijuana processing facility, retail marijuana store, microbusiness, or another marijuana transporter; and to transport marijuana, marijuana products, immature marijuana plants, and marijuana seeds from one licensed establishment to another.

"Marijuana delivery operator" means an entity licensed by the Board to take possession of marijuana or marijuana products from a retail marijuana store,

> microbusiness, pharmaceutical processor, or cannabis dispensing facility and deliver such marijuana or marijuana products only in person to patients or consumers at their residence or business.
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> "Marijuana testing facility" means a facility licensed by the Board to develop, research, transport, or test marijuana, marijuana products, or other substances.

Additionally, there are dual-use privileges granted by the CCA Board to allow a pharmaceutical processor and its cannabis dispensing facilities to dispense medical cannabis to qualified patients under the medical cannabis program while also exercising the privileges of marijuana cultivation facilities, marijuana processing facilities, and retail marijuana stores.

For marijuana cultivation facilities, Virginia Code § 4.1-606.C.1 states that the CCA Board may "[s]et the number of licenses issued by type or class to operate a marijuana establishment in order to ensure that there is a significant supply of marijuana to meet demand, provide market stability, avoid market dominance, ensure a competitive market that considers small business opportunities and concerns, and limit the sale of unregulated marijuana; however, only five Tier V marijuana cultivation facilities licenses shall be issued before January 1, 2027." Tier V marijuana cultivation facilities are large-scale (up to 35,000 square feet), indoor-only commercial cannabis grow operations. Information on the different Tiers can be found in Virginia Code § 4.1-800 and the September 2026 draft CCA Board regulations.

For retail marijuana stores, Virginia Code § 4.1-606.C states that the CCA Board shall not issue more than 350 retail marijuana store licenses.

The CCA Board may, on and after February 1, 2027, begin accepting license applications for retail marijuana market uses, and the CCA may, on and after May 1, 2027, begin issuing licenses for retail marijuana market uses.

Proposed Zoning Districts Where Medical Cannabis and Retail Marijuana Market Uses Can Operate

The proposed ZO amendments do not regulate state licensing, product standards, or business operations; those will be regulated by the CCA Board. The proposed ZO amendments establish local land use regulations identifying the zoning districts in which marijuana establishments may be considered and require approval of a SUP by City Council.

The ZO amendment proposes the following definition:

> *Marijuana establishment*: Has the meaning assigned to that term in § 4.1-600 of the Code of Virginia, as amended, and includes a proposed use of premises that would constitute a marijuana establishment under that section if the required state authorization were granted.

Virginia Code § 4.1-600 defines "Marijuana establishment" as:

> "Marijuana establishment" means a marijuana cultivation facility, marijuana microbusiness, marijuana delivery operator, marijuana testing facility, marijuana processing facility, marijuana transporter, retail marijuana store, or pharmaceutical processor or cannabis dispensing facility authorized to exercise dual-use privileges.

The ZO amendment proposes to allow marijuana establishments only by SUP in the B-2 and M-1 districts. While CCA Board licenses allow cultivation outdoors, the ZO amendment proposes to only allow cannabis processing facilities (which include cultivation) and marijuana cultivation facilities to operate within indoor cultivation facilities. Outdoor cultivation and cultivation in greenhouses would be prohibited. See attached *Current Ordinance Reflecting Recommended Amendments.*

In the M-1 district, the ZO amendment proposes to allow retail sales and medical dispensing as accessory uses to another activity of a marijuana establishment on the same premises. This is consistent with the current abilities allowed by right in the M-1 district by ZO Section 10-3-96 (9): "Mercantile establishments and office facilities accessory to and supportive of the sale, processing and storage of goods and materials as permitted in this district."

Finally, the ZO amendment proposes to require SUPs for marijuana establishments to meet the following requirements:

> The special use permit application shall identify all cannabis- and marijuana-related activities proposed for the premises. A material change in the activities conducted on the premises shall require approval of an amendment to the special use permit before the change occurs.

Requiring a SUP for marijuana establishments would enable the City to evaluate the proposed operations, location, access, parking, building configuration, compatibility with nearby uses, and any other site-specific considerations.

Option to Reduce Location Restrictions for Retail Marijuana Stores and Microbusinesses

For retail marijuana stores and microbusinesses, Virginia Code § 4.1-810(B)(3)(c) requires the CCA Board to refuse a license when the proposed location is within 1,000 feet of a hospital; public, private, or parochial school; institution of higher education; or child day program, subject to the locality's authority per Virginia Code § 4.1-629.B.2 to adopt an ordinance decreasing the applicable minimum distance requirement. Additionally, the CCA Board may refuse a license when the proposed location would adversely affect or interfere with the normal and orderly conduct of such facilities, programs, or institutions. Note that the location prohibition details are different from the authority granted to localities for retail tobacco establishments in Virginia Code § 15.2-912.4. That code section does not include hospitals and institutions of higher education and it also uses the term "child day care center" instead of "child day program," the latter of which includes home-based day cares.

The CCA Board's September 2026 draft regulations for the adult-use retail market establishes proposed locations be at least 1,000 feet from a school or day care; missing are references to

hospitals, institutions of higher learning, and other uses under the umbrella term "child day program." Because the State Code independently establishes mandatory license-refusal criteria, those requirements remain applicable.

At this time, staff does not recommend adopting a local ordinance to reduce the 1,000-foot separation distance. Accordingly, applicants would remain subject to the applicable state minimum distance requirement unless City Council adopts an ordinance providing otherwise.

Option to Decrease Minimum Distance Between Marijuana Stores, Microbusinesses, and Other Facilities

Virginia Code § 4.1-629(B)(2) authorizes localities to adopt an ordinance decreasing minimum distance requirements established by the CCA Board between retail marijuana stores and microbusinesses. Staff reviewed the September 2026 draft regulations and did not identify a proposed statewide minimum separation distance between retail marijuana stores and microbusinesses. Because the Board's regulations remain subject to revision and final adoption, staff does not recommend establishing a local reduction or alternative separation standard at this time. Any applicable standard established by the CCA Board would continue to apply, unless City Council adopts an ordinance providing otherwise.

Conclusion
As Virginia's retail marijuana market program is newly established and the CCA Board's implementing regulations remain under development, staff recommend a cautious, incremental approach. Requiring a SUP for each and any marijuana establishment would allow the City to evaluate proposed locations on a case-by-case basis to consider site-specific issues. Staff recommend approval of the proposed Zoning Ordinance amendments.

Options

1. Recommend approval of the Zoning Ordinance amendments.
2. Recommend approval of the Zoning Ordinance amendments with modifications.
3. Recommend denial of the Zoning Ordinance amendments.

Attachments

- Current Ordinance Reflecting Recommended Amendments
- Medical Cannabis Program Statutory Provisions (Virginia Code), https://law.lis.virginia.gov/vacode/title4.1/chapter16/
- CCA Medical Cannabis Program Regulations, https://law.lis.virginia.gov/admincode/title3/agency10/
- Adult-Use Retail Marijuana Market Statutory Provisions (Virginia Code), https://law.lis.virginia.gov/vacode/title4.1/chapter8/ and definitions, https://law.lis.virginia.gov/vacode/title4.1/chapter6/section4.1-600/
- CCA webpage Adult-Use Retail Marijuana Market, including draft program regulations, https://cca.virginia.gov/retailmarijuanamarket