

# Considerations Regarding Preparing for and Administering an Adult Use Cannabis Program for the City of Virginia Beach

Virginia Beach Cannabis Advisory Task Force

**Draft Document 9-1-25**



# Preface

- The Cannabis Advisory Task Force (CATF) was formed by City Council to “review state and federal laws related to cannabis consumption, sale and manufacture; to make recommendations of best practices related to zoning and other policies to protect public safety and quality of life of residents and visitors; to gather public input on the issue; and to perform any additional duties assigned to the Task Force by the City Council”. As such, the CATF serves in an advisory capacity and any information contained in this or any document are **merely recommendations to aid** the City in contemplating an Adult Use cannabis program if and when such a program is legalized by the State. The City should follow any and all procedures and requirements in codifying elements of any such program.

# Summary

- Adult Use(Recreational) cannabis is illegal at the federal level; however the federal government has taken a hands-off approach when individual states adopt cannabis programs. The sale of medical cannabis has been legalized in Virginia however Adult Use (AU) remains illegal. This report used text from two previously submitted AU bills for its creation. While it is expected that any future bills will be similar in content to those previously submitted, considerations and recommendations may change based on any future bills that are signed into law.
- A significant portion of regulatory rule making, oversight and enforcement will reside at the state level, with certain permissions and responsibilities granted to the localities. Those permissions and responsibilities include an allowance to opt out, taxation, a role in in license approvals and zoning, among others.
- We recommend that the City consider further citizen/constituent involvement when crafting regulations to ensure all viewpoints are considered.

# Summary - Continued

- We expect that there will be an initial wave of applications if/when Adult Use is legalized. We recommend that the City, including the City Council and the City Manager, plan for this from a staffing and other resources standpoint. Thereafter, there will continue to be a need for resources as licenses are renewed and transferred.
- We recommend that the City implement a community outreach/education program to include subjects such as health and safety, youth prevention, allowable areas for consumption, and first responder training (including enforcement and health events).
- We recommend that the City address potential zoning issues regarding different land uses such as cultivation, processing, testing, retail and consumption areas, including different zoning districts and how each use will be permitted within each zoning district.
- We recommend that the City consider whether it wishes to levy a tax on the sale of AU cannabis.

# Overview of Proposed Legislation

# Overview

- House Bill #2485 details the framework for an adult use cannabis program in the Commonwealth of Virginia. Any future Bills are expected to be similar but could have different provisions.
- Primary oversight for rule making, oversight and enforcement of the program is granted to the Cannabis Control Authority
- Certain permissions are provided to the localities; however, locality requirements must be in compliance with provisions of The Act

# Cannabis Control Act Provisions

- Establishes requirements for participants and provides for licensure:
- Govern the cultivation, transport, sanitary standards testing, health and safety warning labels.
- Implementation of a seed to sale tracking system
- Nature, form and capacity of all containers
- Establish a THC level per serving and per package
- Reasonable time, place and manner restrictions on all advertising, including outdoor advertising
- Limit allowable retail stores to 2,500 sq ft of retail floor space
- Prohibits vending machines, drive-through windows, internet-based platforms and delivery services

# Permissions Granted to Localities

- Local referendum on prohibition of retail marijuana stores “Opt-Out”
  - Specific language as to the referendum questions required
  - If majority of qualified voters vote “no” retail stores shall be permitted to operate within the locality within 60 days of the results or January 1, 2026, whichever is later
  - If the majority of qualified voters vote “yes” retail cannabis stores shall be prohibited January 1 of the year immediately following the referendum
  - A referendum on the same question may be held subsequent to the vote to prohibit retail cannabis stores but not earlier than four years following the date of the previous referendum



# Permissions Granted Localities - Continued

- Ordinances Prohibiting Sale or Use
  - Public parks
  - Playgrounds
  - Public Streets
  - Any sidewalk adjoining a public street
- Other limitations set at State level:
  - No retail cannabis stores within 1,000 ft of each other
  - Interference with orderly conduct of churches, schools, child-care facility, substance abuse facilities, federal, state or local government and hospitals (locality could object and CCA could deny application)
  - Quietude and tranquility of a residential area (locality could object and CCA could deny application)
  - An establishment where alcoholic beverages, tobacco or tobacco products are manufactured, sold or used. (locality could object and CCA could deny application)

# Permissions Granted Localities – Continued<sup>2</sup>

- Nothing in this chapter shall be construed to supersede or limit the authority to adopt and enforce local ordinances to regulate businesses licensed pursuant to this chapter, including local zoning and land use requirements and business license requirements
- The governing body or each locality may adopt ordinances...fixing hours during which marijuana and marijuana products may be sold. Such governing bodies shall provide for fines and other penalties for violations

# Permissions Granted Localities – Continued<sup>3</sup>

- The Board shall notify the local governing body or each license application. Local governing bodies shall submit objections to the granting of the license within 30 days of the filing of the application.
- Notes:
  - This process may be similar to establishments seeking alcohol licenses
  - Other states have experienced a significant first wave of applicants
  - Certain states have issued Conditional Use Permits (CUPs)

# Permissions Granted Localities – Continued<sup>4</sup>

- Any locality may by ordinance levy a 2.5% tax on any sale taxable under subsection A. Subject to subsection C the tax shall be in addition to any local sales taxes imposed under the Virginia Retail Sales and Use Tax Act.
  - Nothing in this subsection shall be construed to (1) prohibit a locality from imposing any tax authorized by law on a person or property regulated under this subtitle or (ii) limit the authority of any locality to impose a license or privilege tax or fee on a business.

# Public Safety



# Public Safety - Recommendations

- Recommendation #1
- That the City consider whether to hold a referendum on prohibition of retail cannabis stores. Activities may include”
  - Holding public forums to obtain citizen’s input
  - Reviewing appropriate timelines and statutes for putting a referendum on the ballot
  - Ensuring that any language of the Question is compliant with regulations

# Public Safety Recommendations - Continued

- Recommendation #2
  - That the City consider setting up a review and approval procedure for cannabis businesses. Considerations/activities may include:
    - Zoning review and approval
    - Sanitary safety review
    - Physical security review, including appropriate fencing/screening, cameras and safeguarding of product
    - Signage compliance (see zoning recommendations)
    - Business license compliance
    - Process for objecting to a license being granted by the state. Must be within 30 days of application
    - Consider resources needed to administratively handle a “first wave” of applications
    - Consider timelines for Conditional Use Permits (CUPs)

# Public Safety Recommendations – Continued<sup>2</sup>

- Recommendation #3
- The City may want to consider drafting ordinances that limit or prohibit the sale or use of cannabis in its parks, playgrounds, public spaces, public street or any sidewalk adjoining any public street. Considerations/activities may include:
  - Reviewing the definition of public spaces to ensure all intended spaces are included
  - The posting of signage warning of the prohibition
  - Training on enforcement



# Public Safety Recommendations – Continued<sup>3</sup>

- Recommendation #4
- That the City consider creating ordinances regarding the allowable times for the sale of cannabis and cannabis products.  
Considerations/activities may include:
  - Open and closing hours on weekdays and weekends
  - Is it feasible to have different regulations for differently zoned areas? I.e. resort area vs. the rest of the city
  - What constitutes cannabis products? Does this interfere with existing smoke shops and/or convenience stores?
  - Enforcement of such ordinances and penalties

# Public Safety Recommendations – Continued<sup>4</sup>

- Recommendation #5
- That the City consider what taxes/fees to charge applicants/businesses. Considerations/activities may include:
  - Reviewing taxes/fees imposed by similar localities in current adult use markets
  - The effect that taxes/fees may have on the regulated market, potentially allowing unregulated markets to thrive
  - Methods for collecting any taxes and fees
  - Use of taxes and fees- designated or general fund?
  - Use for Economic Development/TIP to reduce loss in tobacco tax revenue?

# Public Safety Recommendations – Continued<sup>5</sup>

- Recommendation #6
- That the City develop policies regarding the use of cannabis on City owned and leased property, considering that cannabis remains illegal on a national level. Considerations activities may include:
  - Researching affects on federal and other funding
  - Researching affects on other tenants
  - Researching affects on partners in housing programs
  - Developing policies and procedures regarding the above
  - Developing policies and procedures regarding enforcement

# Community Outreach

# Community Outreach Recommendations

- Recommendation #1
- That the City consider implementing campaigns focused on responsible use, youth prevention, and health risks associated with misuse. Considerations/activities may include:
  - Consider whether any taxes/fees should be allocated to outreach programs
  - Collaboration with local health departments and schools to provide accurate, age-appropriate information
  - Advertising/social media campaigns for public awareness

# Community Outreach Recommendations - continued

- Recommendation #2
- Engage residents, business owners (to include minority, women-owned and disabled), appropriate public officials and other stakeholders early and often in the policy-making progress. Have transparent communication to build trust and help identify public concerns before they escalate. Considerations/activities might include:
  - Holding town hall meetings
  - Polling citizens regarding relevant issues
  - Use of the CATF to aid in outreach

# Community Outreach Recommendations – continued<sup>2</sup>

- Recommendation #3
- Encourage workplace education for employers and employees. Collaborate with local businesses to provide guidance on maintaining safe and compliant workplaces, including education on workplace drug policies and employee rights. Considerations/activities may include:
  - Building tool kits that outline laws and regulations, resources and points of contact

# Community Outreach Recommendations – continued<sup>3</sup>

- Recommendation #4
- Offer training to law enforcement and first responders.  
Considerations/activities may include:
  - What is acceptable legal carry and use.
  - Procedures for cannabis-related incidents/infractions with a focus on public safety and civil rights.
  - How to recognize impairment and procedures for enforcement
  - How to recognize individuals in distress from use and procedures for administering aid



# Community Outreach Recommendations – continued<sup>4</sup>

- Recommendation #5
- Develop and communicate clear rules regarding where cannabis can and cannot be consumed, particularly public spaces.  
Considerations/activities may include:
  - Consider whether private consumption spaces shall be allowed (if permitted by statute). Consider age restrictions and rights of general public to enjoy smoke-free environments.
  - Consider how rules regarding public spaces are communicated in conjunction with recommendations 1 & 3 above.
  - Consider how enforcement or rules as part of recommendation #4 above.

# Community Outreach Recommendations – continued<sup>5</sup>

- Recommendation #6
- Consider whether to prioritize social equity in licensing processes to ensure that communities disproportionately impacted by past cannabis enforcement have a fair opportunity to participate in the legal market. Considerations/activities may include:
  - Technical assistance
  - Reduced fees
  - Grants funded by program taxes/fees

# Community Outreach Recommendations – continued<sup>6</sup>

- Recommendation #7
- Consider whether to allow private event venues to apply for private consumption permits for adult-only events (i.e. Art shows, educational seminars, music events). Considerations/activities may include:
  - Type of events that are appropriate
  - Type of venues that are appropriate
  - Duration of events
  - How to appropriately mitigate impact to non-consumers
  - Processes for application and approval

# Zoning

# Zoning Recommendations

- Recommendation #1
- That the City considers text amendments to the City Zoning Ordinance regulating the various land uses within the cannabis industry. Considerations of land uses may include:
  - Cultivation – Outdoor, greenhouse, indoor
  - Processing
  - Testing
  - Retail
  - Consumption

# Zoning Recommendations - Continued

- That the City considers which zoning districts will allow/restrict cannabis-related uses. Such Zoning Districts may include:
  - Agricultural Districts
  - Business Districts
  - Residential Districts
  - Oceanfront Resort
  - Central Business Core

# Zoning Recommendations - Continued<sup>2</sup>

- Recommendation #3
- That the City considers how each cannabis-related use will be permitted within each zoning district. Examples:
  - Permitted By-Right
  - Conditional Use Permit
  - Prohibited
  - Establishment of Overlay Districts
- Additional City Permit/Registration opportunities, similar to Short Term Rental Requirements

# Zoning Recommendations – Continued<sup>43</sup>

- Recommendation #4
- That the City considers how signage will be regulated for cannabis-related uses. This may include:
  - Limited square footage
    - Wall signs
    - Free standing signs
  - Number of signs for each establishment
  - Restrictions on window signage