

Cannabis Retailer Best Practices and Guidelines

Virginia has a unique opportunity to lead the nation by adopting comprehensive, public-health-supported retail cannabis legislation grounded in evidence-based practices. By proactively applying the lessons learned from decades of tobacco and nicotine retailer regulation, the Commonwealth can establish a robust regulatory framework designed to prioritize public health, prevent youth access, and promote social equity.

As of January 2026, Virginia must seize the critical opportunity to implement a "gold standard" retail cannabis legislation. Drawing from decades of evidence-based practices, this framework will proactively mitigate health risks to the people of the Commonwealth.

Definition – A robust cannabis control policy is contingent upon a comprehensive definition of “cannabis product.” By precisely delineating the scope of regulated items, the policy empowers effective compliance and enforcement efforts, leaving no ambiguity as to what is being controlled.

A comprehensive definition will cover all current, known cannabis products, including flowers, edibles, vapes, concentrates, topicals, tinctures, oils, pipes, bongs, rolling papers, electronic smoking devices, and other related devices. A strong definition will also be broad enough to capture future products.

- Flower: The dried, cured buds, often smoked in joints, pipes, or vapes, offering the most traditional experience.
- Edibles: Infused into foods (gummies, chocolates, drinks, etc.) for delayed, longer-lasting effects.
- Vapes: Cartridges or pens containing cannabis oil, heated for inhalation, offering a faster effect than edibles but smoother than smoking.
- Concentrates: Highly potent extracts like wax, shatter, or oil, often used in vaporizers to dab rigs.
- Topicals: Creams, balms, and lotions applied to the skin for localized relief, with little to no psychoactive effect.
- Tinctures/oils: Liquid extracts taken sublingually (under the tongue) or added to food/drinks.

Annual Licensing – Implementing an annual cannabis retailer license offers a robust framework for comprehensive state regulation, generating revenue to fund essential enforcement programs and oversight initiatives. This system enhances public safety through consistent monitoring and ensures all retailers operate within legal guidelines. In addition, an annual license allows for a penalty structure that suspends or revokes a retailer’s license for continued violations of policy. Revocation serves as a critical deterrent against violations that could jeopardize public health and safety, such as the sale of contaminated products, sales to minors, or operating in an unsafe facility. This measure helps to protect consumers and the community from potential harm.

Each cannabis retailer engaging in the distribution of cannabis products, at each location shall secure, and display at all times, a cannabis retail license before engaging in business. No cannabis retailer may distribute cannabis products without a valid cannabis retail license.

Fees from the annual licenses create a dedicated, recurring revenue stream. This funding is crucial for supporting regulatory bodies, enforcement agencies, and public education programs, relieving the burden on general state funds.

A cannabis retail license cannot be renewed if the cannabis retailer has outstanding fines pursuant to the legislation.

Any business found to be selling cannabis products without a license shall be issued a No Sales Order for Cannabis Products and be ineligible to receive a cannabis retail license for a period of three (3) years.

Required background checks – Prior to licensure, all cannabis retailers will be subjected to a background investigation, to include a Virginia criminal history records search, and fingerprints of the applicant, or the responsible principals, managers, and other persons engaged in handling cannabis products at the licensable locations. There shall be the ability to refuse to issue a license and may suspend, revoke, or refuse to renew a distributor's license issued to any person,

partnership, corporation, limited liability company, or business trust if it determines that the principals, managers, and other persons engaged in handling cannabis products at the licensable location of the applicant have been

- found guilty of any fraud or misrepresentation in any connection,
- convicted of robbery, extortion, burglary, larceny, embezzlement, fraudulent conversion, gambling, perjury, bribery, treason, or racketeering; or
- convicted of a felony.

Anyone who knowingly and willfully falsifies, conceals, or misrepresents a material fact or knowingly and willfully makes a false, fictitious, or fraudulent statement or representation in any application for a license shall be guilty of a Class 1 misdemeanor.

Compliance checks - The cannabis retailer shall be subject to at least two unannounced compliance checks per year. The Designated Authority shall conduct compliance checks by engaging persons between the ages of 18 and 20 to enter the cannabis retail establishment to attempt to purchase cannabis products. Unannounced follow-up compliance checks of all non-compliant cannabis retailers are required within three months of any violation of this requirement. The results of all compliance checks shall be shared with other state offices working on cannabis initiatives at least annually and made available to the public upon request.

Any cannabis retailer found to have violated this requirement shall be subject to:

- (1) For a first violation, a fine no less than \$2000;
- (2) For a second violation within a 36-month period, a fine no less than \$5000 and the cannabis retailer shall be prohibited from distributing cannabis products for a minimum of thirty days;
- (3) For a third violation within a 36-month period, a fine no less than \$10,000 and the cannabis retailer shall be prohibited from distributing cannabis products for a period of three years.

Limit Retail Density and Operating Hours - Regulate the total number of cannabis licenses issued and restrict operating hours to help mitigate potential public safety concerns and prevent over-saturation in specific communities.

Density – Set limits on the number of new licenses or capping the number of licenses (e.g., based on population or geographic area). Capping the total number of licenses can help reduce the disproportionate density of outlets in disadvantaged neighborhoods. § 4.1-606 sets a limit of 400 “retail marijuana stores”

For comparison, density for known nicotine retailers across municipalities range from 0.3 retailers per 1000 people to 4.2 retailers per 1000 people.

Hours of operation – Cannabis retailers shall have restricted hours of operation. An example of limited hours of operation would be to allow sales from 9 a.m. to midnight and requiring cannabis retailers close between midnight and 9 a.m.

Implement Strict Zoning and Location Restrictions - Learn from the historical placement of tobacco retailers in disadvantaged communities and implement strong zoning regulations that restrict cannabis retailers from operating within a specified distance of schools, parks, and other youth-centric areas. This evidence-based approach helps prevent the concentration of outlets in vulnerable neighborhoods.

Zoning – Cannabis retailers shall not be allowed to open businesses in areas zoned as residential.

Proximity – Consider restricting how close cannabis retailers can be to other cannabis retailers, as well as other youth-friendly areas (schools, parks, daycare centers, etc.). Consider not allowing any cannabis retailer to be within at least 2000 feet of any school or other area frequented by youth. Also consider not allowing a cannabis retailer within at least 1000 feet of another cannabis retailer. We know tobacco retail outlet density and proximity is associated with high rates of youth and adult tobacco use, as well as higher rates of tobacco use initiation among youth and young adults.

Enforce Plain and Standardized Packaging - Mandate plain, standardized packaging with clear, prominent health warnings. This approach, effective in reducing the appeal of tobacco products, shifts the focus from brand imagery to product safety and public health information.

Packaging and Labeling Restrictions – Laws should be established that consider restrictions on the following:

Packaging - that is resealable, child-resistant and not see-through. The packaging protects children, teens and adults from accidentally eating something that they don't realize contains Cannabis. Using the packaging from the store is an important first step in safe storage.

Labeling - requiring that all retail cannabis products use the THC symbol on packaging and contains safe dosing information.

Look-a-like packaging – do not allow the use of look-a-like packaging as it makes it difficult for children to discern the difference thus endangering them.



Potency - VA. CODE ANN. § 4.1606 Establishes a maximum tetrahydrocannabinol level for retail marijuana products. The code states that THC levels shall not exceed five milligrams per serving for edible marijuana products or 50 milligrams per package for edible marijuana products. Retailers found in violation of these levels shall be held responsible and penalized for failure to comply. Likewise, when products are found to contain other drugs/compounds/chemicals, the retailer shall also be penalized. The penalty structure may be similar to those established for underage sales.

Restrict Product Marketing and Advertising - Prohibit marketing tactics that appeal to minors, such as the use of cartoon characters, celebrity endorsements, or appealing flavor names (e.g., "gummy bear"). Public health data from the tobacco industry demonstrates the direct link between appealing marketing and increased youth initiation rates.

Advertising restrictions – Prohibit all cannabis advertising in television, radio, billboard, transit ads, and online marketing as well as, inside retail stores, on store windows, and in store parking lots. This should include the use of neon/flashing lights. This marketing often targets children and adolescents, a particularly susceptible audience. For tobacco, studies

have shown that even brief exposure to tobacco advertising can influence the attitudes and perceptions of youth about smoking and the use of tobacco products.

Cannabis purchase limit is important for both regulatory and public health reasons. Creating a purchase limit minimizes diversion into the illicit market and promotes responsible consumption. As part of a regulated market, purchase limits serve as a control mechanism to prevent legal cannabis from falling into the wrong hands. They help ensure compliance with state laws by limiting the supply that could otherwise be redirected to the illicit market and sold without age verification or regulatory oversight.

Imposing single-transaction limits influence social norms around minimal consumption. This regulatory approach is intended to restrain excessive use and the public health risks it presents.

Purchase limits – Limits the amount of cannabis products that a person can purchase or possess at one time to no more than one ounce.

Specialized nature of cannabis commerce - Cannabis retailers shall be restricted to selling only cannabis products and paraphernalia associated with use. No other products including nicotine-based products, food, or beverages, shall be sold at cannabis retailers.

By limiting the product range, regulatory bodies can better oversee compliance with specific cannabis laws, preventing the co-mingling of regulated cannabis sales with the sale of items that may have different age restrictions, licensing requirements, or health regulations.

Minimum clerk age – All employees of all cannabis retailers shall be required to be a minimum of 21 years of age to handle any and all cannabis products.

Self-serve displays - No cannabis retailer or their employee shall sell or otherwise distribute cannabis products by or from a self-service display. A self-serve display is defined as any display from which customers may select a cannabis product without assistance from the cannabis retailer or the cannabis retailer's employee and without a direct person-to-person transfer between the purchaser and the cannabis retailer or cannabis retailer's employee.

Mandate Comprehensive Age Verification Protocols - Adopt rigorous age verification requirements, potentially more stringent than those for alcohol and tobacco, including mandatory ID scanners and severe penalties for sales to minors. Data from tobacco control efforts consistently shows that effective age verification is a primary barrier to youth access.

Age verification software - The sale of any cannabis product to a person under the age of 21 is prohibited. Before selling any cannabis product, the cannabis retailer shall verify that the purchaser is at least 21 years of age. Each cannabis retailer shall examine the purchaser's government-issued photographic identification using age verification software.

Required retailer education - No cannabis retail license shall be issued or renewed to a cannabis retail licensee unless the cannabis retailer signs a form stating that the cannabis retailer has read the legislation and has provided training to all employees on the sale of cannabis products. Such training shall include information that the sale of cannabis products to persons under 21 years of age is illegal, the types of identification legally acceptable for proof of age, and that sales to persons under 21 years of age shall subject the cannabis retailer to penalties.

Delivery – No cannabis product shall be eligible for delivery, i.e. DoorDash, UberEats, or similar services. Retail cannabis purchases must be made in person at a licensed cannabis retailer.

Establish a Dedicated Public Health Fund - Earmark a significant portion of tax revenue generated from cannabis sales for a dedicated public health fund. This fund should support statewide education and prevention campaigns, substance abuse treatment programs, and data collection initiatives, mirroring successful models used for tobacco cessation programs.

Ensure Social Equity Provisions - Integrate strong social equity components into the licensing process to support individuals and communities disproportionately harmed by the war on drugs. This includes providing assistance with licensing applications, access to capital, and workforce development programs.

By integrating these evidence-based principles into its regulatory framework, Virginia can move beyond simply legalizing cannabis and instead create a gold standard system that is both economically viable and a national model for effective public health policy.

References:

[Comprehensive Tobacco Retailer Licensing Ordinance.](#)

[Tobacco 21: Model Policy.](#)

[Colorado Laws About Cannabis Use](#)

[Licensing, Zoning, and Retailer Density.](#)

[Restricting Tobacco Advertising](#)