



CATALYST BC
Harvest Success

A BUSINESS OWNER'S GUIDE

Virginia Cannabis Licensing

2027

Winning a License in the Commonwealth's New Adult-Use Market:
Licensing, License Types, Equity Pathways & Facility Build-Out

Prepared by the Catalyst BC Cannabis Consulting Team • catalyst-bc.com



Virginia Cannabis Licensing 2027

The Complete Guide to the Commonwealth's Adult-Use Market

Prepared by the Catalyst BC Cannabis Consulting Team

Catalyst BC National Cannabis Business Consulting
Denver, Colorado · catalyst-bc.com

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Informational use only. This guide reflects Virginia's adult-use cannabis framework as enacted through HB 30, the 2026–28 biennial budget bill, which became law in June 2026 and took effect July 1, 2026. Where relevant we note provisions arising from SB 543, a separate 2026 enactment. References to SB 542 — the standalone retail bill vetoed May 19, 2026 — are provided as legislative context only and do not state operative law. Formal codification of the HB 30 provisions is in process; confirm all Code citations against the current Code of Virginia. This guide does not constitute legal, financial, tax, labor, real-estate, or construction advice. The Virginia Cannabis Control Authority (CCA) continues to publish regulations, application forms, fee schedules, and licensing-period announcements that will govern each application window. Confirm current requirements with the CCA and consult qualified Virginia counsel and advisors before acting.



A NOTE FROM OUR CO-FOUNDER

A Letter From Leif Olsen

Leif Olsen · Co-Founder & Chief Executive Officer

Hi,

Thank you for downloading our Virginia Adult-Use Cannabis Licensing Guide. As someone born, raised, and living in the Commonwealth, helping Virginia entrepreneurs navigate this new market is genuinely important to me. I hope this guide answers some of your questions, reduces some uncertainty, and provides a practical foundation as you evaluate your opportunity.

While obtaining a license is an important milestone, building a successful cannabis business requires much more than a winning application. The strongest operators are already thinking about capital, site strategy, local zoning, operations, compliance, long-term financial viability, and exit strategy. Our goal is to help clients make informed decisions early, before costly mistakes are made.

If you've reached the point where you're actively preparing to move forward and are looking for experienced guidance, we'd be happy to explore whether Catalyst BC is the right partner for you. Before scheduling a meeting, please send us a summary of your desired license type, target locality, property status, ownership group, available capital, relevant experience, and whether you're seeking licensing support alone or assistance from planning through opening. This allows us to make the best use of everyone's time and come to the conversation prepared with meaningful guidance tailored to your situation.

Thank you again for your interest and your trust. We wish you the very best as Virginia's cannabis industry takes shape, and if the time comes when experienced support can make the difference, we'd be honored to help you build something exceptional.

Warm regards,

Leif Olsen

Co-Founder & Chief Executive Officer

Catalyst BC



About Catalyst BC

Catalyst BC brings together a cannabis consulting team including industry experts with decades of experience and a verifiable track record of performance and several successful exits over the past 14 years, including a 9 figure transaction. Our cannabis consulting team leverages a true passion for the plant, years of hands-on operational knowledge to help you avoid catastrophic pitfalls to guide and sherpa you through the gauntlet of funding, designing, building, and operating a profitable cannabis or hemp business; we call this “planning to win”. From aspirational to operational, Catalyst BC supports you when and where you need it most.



Leif Olsen

Co-Founder & Chief Executive
Officer



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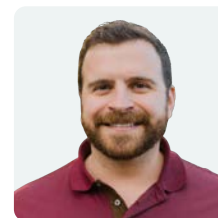
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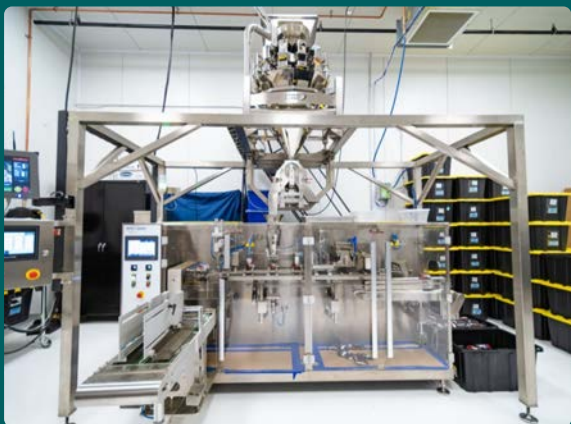


CATALYST BC IN THE FIELD

From Site to Sale

Licensing is the beginning. What follows is site selection, design, construction, commissioning, cultivation, and production — the work that turns an approved application into an operating business.





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Co-Founder & Chief Executive Officer

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Virginia Cannabis Market Overview and Resource Hub

The Complete Guide & License Resource Hub

After years of vetoes, stalemates, and false starts, Virginia has enacted a framework for a legal adult-use cannabis market. For the first time since the Commonwealth legalized adult possession and limited home cultivation in 2021, prospective business owners have a statutory roadmap. The retail market framework was enacted through HB 30 in June 2026, took effect July 1, 2026, and authorized regulated adult-use sales beginning July 1, 2027. Having guided operators into newly opening markets across the country, our team views Virginia as being in one of the most valuable phases a cannabis market offers entrepreneurs: the period before licensing periods and detailed regulations are finalized, when disciplined planning can create a lasting advantage.

One structural point shapes everything that follows. Virginia's adult-use framework was not enacted as standalone legislation. After Governor Spanberger vetoed SB 542 and its identical House companion HB 642 on May 19, 2026, the framework was revived through the 2026 - 28 biennial budget bill, HB 30, whose enactment clauses carry the retail marijuana provisions. Both chambers accepted the Governor's budget amendments in full in late June, which made the measure law without further gubernatorial action. HB 30 is therefore the governing legal authority for all requirements in this guide. SB 542 remains valuable as legislative context since it is where the policy architecture was built and where the General Assembly's intent is most legible, but it is not law.

This guide is the hub for what you need to understand about Virginia cannabis licensing in 2027: how the Commonwealth arrived here, what the enacted framework establishes, the principal license types, the implementation timeline, and where to go deeper on each part of the process. Each section routes you to a detailed resource. Throughout, we distinguish what the law already confirms from the application forms, fees, technical standards, and licensing periods that the Virginia Cannabis Control Authority (CCA) must still publish, because building a plan around assumptions can waste both time and capital.

The Virginia Cannabis Market in 2026

Virginia's path to a retail market has been long and contested. Adults 21 and older have been permitted to possess cannabis and grow up to four plants per household since 2021, but the Commonwealth has not had a general adult-use retail market. HB 30, effective July 1, 2026, authorizes regulated sales beginning July 1, 2027, and raises the adult public-possession limit to two ounces. The CCA must implement the licensing system, including regulations and the seed-to-sale tracking system, by February 1, 2027. The law allows the CCA to begin accepting license applications on or after that date. Still, the Authority must announce each licensing period, including the available license types, license counts, opening date, and closing date.

The CCA is the agency responsible for implementing the program: developing regulations for licensing, compliance, testing, product safety, transportation, delivery, and enforcement; administering license applications; maintaining records and registries; and reviewing ownership, financing, management, and other business relationships. Separately, SB 543, enacted in the same 2026 session, transfers regulation of intoxicating and regulated hemp products to the CCA and expands the Authority's enforcement powers, with the hemp provisions taking effect August 15, 2026. HB 30 and SB 543 are two distinct instruments and should be tracked separately. Understanding that the statutory framework is enacted while the detailed operating rules are still being developed is essential for intelligent preparation.

What Virginia Established and What's Still Being Finalized

Precision matters here. Virginia did not legalize possession in 2026; adult possession and limited home cultivation have been legal since 2021. What HB 30 established, effective July 1, 2026, was the framework for licensed adult-use cultivation, processing, testing, transportation, delivery, and retail sales. The legal structure now exists, but the CCA still must promulgate implementation regulations, establish the seed-to-sale system, set license fees, and announce the licensing periods for each license type. The General Joint Commission to Oversee the Transition of the Commonwealth into a Cannabis Retail Market will also continue to study specific policy questions and market implementation.

CODIFICATION NOTE

Because HB 30 carried the framework through budget enactment clauses rather than as a codified, standalone act, cross-references between the new provisions and existing Code sections required reconciliation. In early July 2026, a short-lived public disagreement among prosecutors, State Police, and legislative officials over which provisions took effect when. This was resolved when the Code Commission revised the online Code of Virginia to reflect legislative intent. Formal codification is still in process. Practical implication: cite HB 30's enactment clauses as your authority, verify any Code section against the current online Code before relying on it, and expect section numbering to firm up as codification completes.

The practical takeaway: prepare against the enacted structure while monitoring the CCA for the details that will govern each application period. The law provides the framework; the CCA's regulations and licensing announcements will determine how applicants must document compliance and be held accountable for it.



Leif Olsen
Co-Founder & Chief
Executive Officer

EXPERT INSIGHT

An enacted framework is a starting gun, not a finish line. The July 1 enactment converts Virginia from a possibility into an implementation process. Still, it does not mean every license application opens on February 1 or that operators should make irreversible commitments before the rules are published. The statute does not require applicants to secure premises until the final stage of license approval. Use the runway for site screening, contingent negotiations, entity and capital planning, labor peace discussions, and facility programming while preserving flexibility for the CCA's final requirements.

The HB 30 Framework at a Glance

<u>Element</u>	<u>Detail</u>
Regulator	Virginia Cannabis Control Authority (CCA)
Application timing	The CCA may begin accepting applications on or after February 1, 2027, and must announce each licensing period; microbusiness and transition pathways have separate statutory milestones
Retail sales begin	July 1, 2027
Retail license cap	No more than 350 retail marijuana store licenses; the CCA controls rollout and geographic distribution
Microbusiness licenses	Up to 100 may be issued by May 1, 2027, to qualifying legacy hemp operators, impact applicants, and USDA qualified farmers; one license may use up to two locations within 20 miles, subject to statutory limits
Dual-use conversion	Existing pharmaceutical processors: \$10 million fee paid or installment plan entered by May 1, 2027, plus an approved medical preservation plan and three-year impact accelerator commitment
State marijuana tax	6% before July 1, 2029, and 8% on and after that date, in addition to existing sales and use taxes
Local marijuana tax	Each locality may impose an additional tax between 1% and 3.5%

<u>Element</u>	<u>Detail</u>
Local authority	General opt out is not permitted, but localities retain zoning, land use, business license, and related authority
Possession and home grow	Adults 21+ may possess up to two ounces and cultivate up to four plants per household, subject to statutory restrictions
Equity funding	75% of annual marijuana establishment license fees collected from May 1, 2027, through May 1, 2028 go to the Cannabis Equity Business Loan Fund
Location rule	Retail stores and microbusinesses generally must be at least 1,000 feet from hospitals, schools or institutions of higher education, and child day programs; localities may reduce the buffer

The Virginia License Landscape

HB 30 creates several distinct marijuana establishment license types, each suited to a different business model. It also creates an Impact Licensee applicant status, which is not a separate license type but a designation that may provide licensing preferences, fee relief, financing support, and other accommodations. Choosing the appropriate license type and determining whether the applicant qualifies for impact status will drive the ownership, capital, facility, and operating strategies.

<u>License type</u>	<u>What it authorizes</u>	<u>Best fit</u>
Retail marijuana store	Consumer retail sales and authorized delivery; retail floor limited to 2,500 square feet	Retail, compliance, inventory, and customer experience operators
Microbusiness	Board selected combination of cultivation, processing, and retail privileges; limited canopy and no interest in another license	Qualifying small, impact, farming, and legacy hemp applicants seeking limited vertical integration
Cultivation (Tiers I-V)	Indoor or outdoor cultivation under canopy tiers ranging from 5,000 to 35,000 square feet	Operators with horticulture, environmental control, and facility expertise
Processing facility	Manufacturing, processing, labeling, and packaging marijuana and marijuana products	Product manufacturers, extractors, food production, and quality system operators

<u>License type</u>	<u>What it authorizes</u>	<u>Best fit</u>
Transporter	Business-to-business possession and secure transportation between licensed establishments	Secure logistics and chain-of-custody operators
Delivery operator	Last mile delivery from retail stores or microbusinesses to consumers	Consumer delivery and route management operators
Testing facility	Independent research and ISO/IEC 17025 accredited testing	Qualified analytical laboratories with no prohibited ownership interests
Pharmaceutical processor (dual-use)	Existing medical operators adding authorized adult-use cultivation, processing, and retail privileges	Virginia's incumbent medical cannabis operators

Equity and Anti-Predatory Architecture

Equity is built into HB 30 through impact applicant preferences, fee relief, grants, or low-interest loan programs, and technical support from the Cannabis Impact Business Support Team. From May 1, 2027, through May 1, 2028, the CCA must deposit 75% of the annual marijuana establishment license fees it collects into the Cannabis Equity Business Loan Fund. Impact applicant status generally requires at least 51% ownership and direct control by qualifying individuals. The five-year transfer restriction applies specifically to impact licensees: a controlling interest greater than 49% generally may not be sold, assigned, or transferred during the first five years. All licensees, however, remain subject to CCA review and prior written approval for changes in ownership or control, and the Authority must scrutinize financing, management, intellectual property, and other agreements for undisclosed control or undue influence.

Taxes and Why They Were Set Low

Virginia's tax structure was designed in part to help the regulated market compete with illicit sales. The marijuana excise tax is 6% before July 1, 2029, and 8% on and after that date, in addition to Virginia's existing retail sales and use taxes. Each locality may also impose an additional marijuana sales tax between 1% and 3.5%. For operators, the full consumer tax burden, not just the marijuana excise rate, should be included in pricing, demand, and margin models.

Your Complete Virginia Cannabis Resource Library

This hub links to seven in-depth guides, each covering a critical aspect of Virginia licensing. Read them in this order for a full picture or jump to the one that addresses your immediate question.

- **Start here: the complete application guide.** Our flagship resource covers the HB 30 framework, the licensing process, the principal license types, the 2027 implementation timeline, and how to use the preparation runway. Begin with the complete Virginia cannabis license 2027 application guide.
- **Opening a retail store: the dispensary guide.** A step-by-step roadmap for the retail store license, including location rules, costs, and the build to opening day. Read how to open a dispensary in Virginia.
- **The one-stop shop: Microbusiness.** Virginia's microbusiness model may combine cultivation, processing, and retail privileges, allowing up to two locations within 20 miles under one license, with specific limits on where each privilege may be exercised. The initial round is limited to qualifying legacy hemp operators, impact applicants, and USDA-qualified farmers. Explore the Virginia cannabis microbusiness license guide.
- **For growers: the cultivation tiers.** How Virginia's tiered cultivation system works and why facility engineering decides profitability under a canopy cap. See the Virginia cannabis cultivation license guide.
- **Equity preference: impact on applicant status.** Impact status is a licensing designation rather than a separate license type. It includes potential preferences, funding support, and a five-year restriction on the transfer of controlling interests. Read the Virginia impact cannabis license guide.
- **Build it right: facility design and build out.** Why the facility, not just the license, determines whether you open on time and operate profitably. Explore Virginia cannabis facility design and build out.
- **For incumbents: dual-use conversion.** The \$10 million medical-to-adult-use pathway requires payment or an approved installment plan by May 1, 2027, an approved medical program preservation plan, and participation in an impact licensee business accelerator for at least 3 years. Read the Virginia dual-use cannabis conversion guide.

The Path from Framework to Open Doors

Stepping back from the individual guides, here is the full arc, so you can see how the pieces fit together:

- **Choose your license type.** Select retail, microbusiness, cultivation, processing, transportation, delivery, testing, or a qualifying dual-use pathway based on your capital, experience, ownership structure, and operating model.
- **Conduct site diligence without overcommitting.** Screen properties against the 1,000-foot retail and microbusiness buffers, local zoning, utilities, security, access, and facility requirements. Localities generally cannot opt out of the market, but they retain meaningful authority over land use and business regulation.

Virginia does not require applicants to secure premises until the final stage of license approval, so use contingencies where possible.

- **Structure ownership and agreements carefully.** Determine whether impact applicant status applies, document all beneficial owners, and evaluate financing, management, brand, and intellectual property agreements for practical control. The five-year restriction on transferring more than 49% of a controlling interest applies to impact licensees, while all ownership and control changes require prior CCA approval.
- **Build a realistic capital plan.** Account for application and annual fees that the CCA still must set, site and build out costs, equipment, professional services, staffing, working capital, taxes, and the time between preliminary approval and revenue. Impact applicants may qualify for fee waivers, grants, loans, or relaxed site and proof-of-funds requirements.
- **Plan the facility before committing to construction.** Develop a scalable program for retail, cultivation, processing, testing, logistics, or microbusiness operations, but preserve flexibility until the CCA publishes technical rules. Applicants selected through a lottery receive preliminary approval and generally have 18 months to provide the final site and required information, with a possible six-month extension for good-faith progress.
- **Prepare for the announced licensing period.** The CCA must publish the license types, the number of available licenses, and the opening and closing dates before accepting applications. Initial applicants must also be prepared to submit a labor peace agreement attestation, which is an ongoing condition of licensure.
- **Build, commission, obtain final approval, and operate.** Complete local approvals, construction, security, seed-to-sale integration, testing, transportation relationships, SOPs, staffing, training, and CCA inspection.

Each step is covered in depth in the resource library above. July 1, 2027, is the statewide retail market launch date, not a universal opening deadline for every applicant. An operator's actual go-to-market schedule will depend on the applicable licensing period, preliminary approval, site and local approvals, and final CCA authorization.



**Michael
Williamson**
Chief Operating
Officer

EXPERT INSIGHT

Use the runway without locking in bad assumptions. HB 30 is detailed enough to support serious planning, but the pending regulations can still affect site design, application evidence, product standards, security, labor, capital, and operating procedures. Advance work that is useful under multiple scenarios: ownership diligence, capital modeling, site screening, contingent negotiations, facility programming, and compliance planning, while deferring irreversible commitments that depend on rules the CCA has not yet published.

Key Dates and Deadlines

<u>Date</u>	<u>Milestone</u>
Now - Feb. 1, 2027	Complete ownership, capital, labor, operating, and facility planning; screen sites and monitor CCA rulemaking without making avoidable irreversible commitments
By Feb. 1, 2027	CCA regulations and seed to sale system due; microbusiness and specified transition application processes must be available; CCA may begin other licensing periods on or after this date
By May 1, 2027	Up to 100 microbusiness licenses may issue; dual use payment or installment plan deadline; up to 10 qualifying legacy hemp cultivation and up to 10 processing licenses may issue
By July 1, 2027	Adult use retail sales begin; CCA must issue at least 55 additional licenses among impact licensees and other license types
July 1, 2029	State marijuana excise tax increases from 6% to 8%
Ongoing	CCA licensing-period announcements, fee setting, implementation guidance, enforcement development, and legislative oversight

WORK WITH CATALYST BC

On Your Virginia Cannabis License

Virginia has given prospective operators something valuable: an enacted framework in HB 30 and a defined implementation period before adult-use retail sales begin on July 1, 2027. The strongest applicants will use that period to choose the right license type, evaluate impact eligibility, structure ownership and financing transparently, screen compliant sites without overcommitting, address the labor peace requirement, and develop facilities and operating plans that can adapt to the CCA's final rules. Catalyst BC supports licensing strategy, site and operational diligence, capital and implementation planning, facility design coordination, commissioning, compliance systems, and Owner's Representative services across the major Virginia license categories. Explore the deep dive guides linked throughout this hub, then reach out through catalyst-bc.com to build a Virginia strategy grounded in HB 30 as enacted and flexible enough for the regulations still to come.

About the authors: This guide was prepared by the Catalyst BC cannabis consulting team. Catalyst BC advises cannabis operators on state licensing strategy, ownership structuring, site selection and zoning, regulatory compliance, and cannabis facility design and commissioning across U.S. and international markets. Our consultants bring direct experience with competitive license applications in newly opening markets, cultivation facility engineering, and Owner's Representative services for new market entrants. This article is provided for informational purposes only and does not constitute legal advice; applicants should confirm current requirements with the Virginia Cannabis Control Authority and consult qualified counsel regarding their specific circumstances.

Frequently Asked Questions

Is cannabis legal to buy in Virginia?

Medical cannabis is available through the existing program, but general adult-use retail sales do not begin until July 1, 2027. Adults 21 and older may possess up to two ounces and cultivate up to four plants per household for personal use, subject to statutory restrictions.

How do I get a cannabis license in Virginia?

Apply through the CCA during the licensing period announced for the relevant license type. The Authority may begin accepting applications on or after February 1, 2027, but must first announce the available license types, license counts, opening and closing dates. Microbusiness and certain transition pathways have additional eligibility requirements.

Who regulates cannabis in Virginia?

The Virginia Cannabis Control Authority (CCA). It develops and enforces the regulations, administers licenses, oversees testing and seed-to-sale tracking, reviews ownership and business relationships, and regulates the adult-use marketplace. Regulation of specified hemp products transfers to the CCA beginning August 15, 2026, under SB 543, a separate 2026 enactment. Depending on the business type, location, and scope of operations, additional regulatory requirements may apply at the local level or be imposed by other Authorities Having Jurisdiction (AHJs).

What license types does Virginia offer?

HB 30 includes retail marijuana stores, tiered cultivation, processing, transporter, delivery operator, and testing facility licenses, as well as microbusiness licenses, plus dual-use privileges for qualifying pharmaceutical processors. Impact applicant status is a preference designation, not a separate license type.

How many licenses will Virginia issue?

HB 30 caps retail marijuana stores at 350. By May 1, 2027, the CCA may issue up to 100 microbusiness licenses, 10 cultivation licenses, and 10 processing licenses through the qualifying legacy hemp pathway. It must issue at least 55 additional licenses among impact licensees and other license types by July 1, 2027. The CCA may set limits for other categories.

What are the cannabis taxes in Virginia?

The marijuana excise tax is 6% before July 1, 2029, and 8% on and after that date. It is imposed in addition to existing retail sales and use taxes. Each locality may also impose an additional marijuana sales tax between 1% and 3.5%.

Can localities ban cannabis retail in Virginia?

Localities generally may not prohibit the state-authorized cannabis market, but they retain zoning, land use, business licensing, and other local regulatory authority. Retail stores and microbusinesses are generally subject to a 1,000-foot buffer from hospitals, schools, and institutions of higher education, and child day programs, although a locality may reduce the minimum distance.

What support exists for equity applicants?

Impact applicants may receive licensing preferences, fee waivers, grants or low-interest loans, technical assistance, and relief from certain site control or proof-of-funds requirements. From May 1, 2027, through May 1, 2028, 75% of annual marijuana establishment license fees collected by the CCA must be deposited into the Cannabis Equity Business Loan Fund. Impact licensees are also subject to a five-year restriction on transferring a controlling interest greater than 49%.

Can existing medical operators sell adult-use cannabis?

Qualifying pharmaceutical processors may obtain dual-use privileges by paying the \$10 million conversion fee in full or entering an approved installment plan by May 1, 2027. They must also obtain approval of a medical cannabis preservation plan and participate in an impact licensee business accelerator for at least three years.

Is the framework final?

The adult-use framework is enacted through HB 30, the 2026 - 28 budget bill, and retail sales are scheduled to begin July 1, 2027. The CCA still must promulgate implementation regulations, establish the seed-to-sale system, set fees, and announce the licensing periods and application requirements. Operators should plan with the enacted law in mind while monitoring CCA rulemaking and official licensing announcements.

Virginia Cannabis License 2027

The Complete Application Guide

As of July 2026, Virginia has enacted a framework for a regulated adult-use cannabis market. The Commonwealth already legalized adult possession and limited home cultivation in 2021; HB 30 establishes the licensing, operating, tax, and enforcement structure needed for legal commercial sales. For prospective operators, the preparation period is now real, but the opportunity is more structured than a single statewide application opening. The Virginia Cannabis Control Authority (CCA) will announce licensing periods by license type and quantity as it implements the market.

The key statutory dates are clear. By February 1, 2027, the CCA must adopt implementing regulations and begin the application process for at least some license types; the Authority may begin accepting applications on or after that date and may begin issuing licenses on or after May 1, 2027. Adult-use retail sales may begin July 1, 2027. This guide explains the enacted framework, the available license types, the qualification and lottery process, site and operational deadlines, taxes and equity provisions, and the work applicants should complete before the CCA publishes each licensing period notice.

What Virginia Actually Established in June 2026

Context matters. Virginia did not legalize possession in 2026. It established the commercial adult-use marketplace through HB 30, the 2026–28 biennial budget bill, whose enactment clauses carry the retail marijuana framework. The framework authorizes the CCA to license cultivation, processing, testing, transportation, delivery, retail, and microbusiness operations; verify dual-use privileges for existing pharmaceutical processors; create seed-to-sale tracking and product testing rules; investigate ownership and financial relationships; and enforce the licensed market.

The statute establishes the operating structure, but the CCA still must set many implementation details, including application forms, fees, security standards, outdoor cultivation rules, delivery requirements, and the license types and quantities offered during each licensing period. Before accepting applications, the CCA must announce the available license types, any numerical limits, and the opening and closing dates. Applicants should therefore prepare against the enacted requirements without assuming that every license type will be available in the first general application period.



Andy Schnack
Operations Advisor

EXPERT INSIGHT

HB 30 creates a real market and real deadlines, but the CCA controls the sequence of licensing periods. Build the business fundamentals now: ownership, disclosures, capital, business plan, operating plan, labor peace plan, and a conditional site strategy while preserving enough flexibility to respond to the license types, quantities, fees, and forms the CCA announces.

HB 30 at a Glance

<u>Element</u>	<u>Enacted requirement</u>
Regulator	Virginia Cannabis Control Authority (CCA)
Regulations and applications	By February 1, 2027, regulations must be adopted and the application process for some license types must begin
Initial license issuance	The CCA may begin issuing licenses on or after May 1, 2027
Adult-use retail sales	May begin July 1, 2027
Retail store ceiling	No more than 350 retail marijuana store licenses statewide

<u>Element</u>	<u>Enacted requirement</u>
Initial microbusiness issuance	Up to 100 licenses on or before May 1, 2027 through specified initial eligibility pathways
Legacy hemp pathway	Up to 10 cultivation and 10 processing licenses for qualifying pre-2021 Virginia hemp operators; \$500,000 one-time fee
Additional first-wave licenses	At least 55 additional licenses distributed among impact licensees and other license types by July 1, 2027
Selection method	Qualification review first; impartial lottery for preliminary approval when qualified demand exceeds available licenses
Site finalization	Selected applicants generally have 18 months to finalize site information; one six-month extension may be available
Labor peace	Required for applicants, renewal applicants, and license holders; an executed attestation is required with the application
Retail cannabis tax	6% before July 1, 2029 and 8% thereafter, in addition to ordinary sales taxes
Local cannabis tax	Each locality must impose an additional 1% to 3.5% tax on taxable retail cannabis sales
Equity funding	75% of annual license fees collected May 1, 2027 - May 1, 2028 deposited into the Cannabis Equity Business Loan Fund for impact licensees

The License Types You Can Pursue

HB 30 creates several distinct license types, each suited to a different business model. Understanding which one fits your capital, expertise, and goals is the foundational decision.

<u>License type</u>	<u>What it authorizes</u>	<u>Best fit</u>
Retail store	Consumer sales, in-person delivery, and transfers to licensed delivery operators	Retail and customer experience operators
Microbusiness	Board approved combination of cultivation, processing, and retail privileges within small scale limits	Qualified smaller operators using an integrated model

<u>License type</u>	<u>What it authorizes</u>	<u>Best fit</u>
Cultivation Tiers I-V	Indoor or outdoor cultivation depending on tier, with flowering canopy limits from 5,000 to 35,000 square feet	Operators with horticulture, production, and facility expertise
Processing facility	Processing, labeling, packaging, and wholesale transfer of marijuana and marijuana products	Manufacturers, extractors, and product companies
Transporter	Secure movement of marijuana and marijuana products between licensed establishments	Specialized B2B logistics providers
Delivery operator	Consumer delivery services	Last mile delivery operators
Testing facility	Independent research and testing; ISO/IEC 17025 accreditation required	Qualified analytical laboratories

Two distinctions matter. First, an impact licensee designation is not a separate license type. It is an ownership and control designation that can attach to an available license and provides access to a priority lottery and Equity Fund support. Second, Virginia limits market concentration: a person may generally hold interests in no more than five establishment licenses (excluding transporter licenses) and no more than one Tier V cultivation license. Additionally, a microbusiness licensee shall not hold or control any other license and may operate only one licensed premises. Testing facilities must remain ownership independent, and a microbusiness owner may not hold an interest in another marijuana establishment.

Costs, Taxes, and the Equity Funding Model

The CCA will set application and annual license fees, and the statute requires annual fees to be sufficient to cover regulatory costs. Retail cannabis sales carry a dedicated state tax of 6% before July 1, 2029, and 8% thereafter, in addition to the ordinary Virginia retail sales and use tax. Each locality may also levy an additional cannabis tax between 1% and 3.5%. Applicants should model the full consumer tax burden, not just the dedicated state cannabis rate, when forecasting pricing and legal-market competitiveness.

Virginia's equity architecture centers on the impact designation. An impact applicant must be at least 51% owned and directly controlled by qualifying individuals who satisfy the statutory geographic test and at least one additional qualifying criterion. If qualified impact demand exceeds reserved licenses, the CCA first conducts an impact-only lottery; unsuccessful impact applicants then enter the general qualified pool. From May 1, 2027,

through May 1, 2028, 75% of annual license fees, not every application fee, must be deposited into the Cannabis Equity Business Loan Fund, which may provide loans, grants, and other support to impact licensees. The Cannabis Impact Business Support Team provides broader planning and application assistance.



Leif Olsen
Co-Founder & Chief
Executive Officer

EXPERT INSIGHT

Build a business that works without assuming a grant, license flip, or silent control partner.

Equity assistance is a potential capital tool, not guaranteed financing. All license assignments, transfers, and changes in ownership or control require prior Board approval. The five-year restriction applies specifically to impact licensees and prevents the transfer of a controlling interest of more than 49%, subject to limited exceptions. Investors, management agreements, brand licenses, and financing documents should be evaluated together so the disclosed owners retain the control and economics the application represents.

How the Application Process Works & What to Do Now

Virginia's process separates application qualification from final site licensure. Applicants should use the current runway to prepare for both stages:

- **Choose the license type and ownership model.** Match the license to your capital, operating experience, supply chain role, and ownership limits. Determine whether the applicant will seek an impact designation or qualify for an initial microbusiness or legacy hemp pathway.
- **Build the disclosure, capital, and labor peace file.** Prepare complete ownership and control disclosures, sources and uses of funds, evidence of financial responsibility, background check materials, and an executed labor peace agreement attestation. The CCA may examine management, financing, and brand licensing agreements for undisclosed control or undue influence.
- **Develop a disciplined site strategy.** Not an unconditional real estate gamble. State law does not require applicants to have secured premises until the final approval stage. Use zoning diligence and conditional control where practical. Retail stores and retail-authorized microbusinesses cannot be within 1,000 feet of a hospital, school, institution of higher education, or child day program, and the CCA may consider neighborhood impacts, store density, and local objections.
- **Prepare for qualification review and a lottery.** The CCA first determines which applications are complete and qualified. Applicants generally receive 10 calendar days to cure a deficiency or respond to an information request. When qualified demand exceeds supply, the CCA uses a lottery for preliminary approval, with a separate first-stage lottery for reserved impact licenses. Unselected applications are generally retained for one year for later licensing periods.

- **Plan the facility and operating system before final authorization.** A preliminary approval generally gives the applicant 18 months to finalize the site, update the security plan, satisfy zoning, complete required inspections, and pay the license fee. Build the design, permitting, seed-to-sale, security, testing, staffing, SOP, and commissioning roadmap early enough to become operational asap!
- **Monitor each CCA licensing period announcement.** February 1 is not necessarily a universal opening for every license type. The notice for each period will identify the licenses offered, the quantity available if limited, and the application opening and closing dates. Fees and final forms also remain pending.

A Realistic Word on Timing and Risk

HB 30 has been enacted, and the CCA now confirms that adult-use retail sales may begin on July 1, 2027. The remaining uncertainty is implementation rather than whether a market exists: the CCA still must adopt regulations, publish forms and fees, announce the first licensing periods, and determine which license types and quantities will be offered. That creates execution risk, especially for real estate and capital commitments, but it also creates a meaningful preparation advantage. The prudent posture is to complete work that survives regulatory change, including ownership diligence, capital planning, labor peace, operating design, site screening, and facility programming, while keeping deal terms flexible until the CCA publishes the applicable notice and rules.

WORK WITH CATALYST BC

On Your Virginia Cannabis License

Virginia has moved from legislative uncertainty to implementation. The applicants best positioned for 2027 will be those who choose the correct license and ownership structure, prepare a qualification-ready file, understand the lottery and preliminary approval sequence, screen sites without taking unnecessary risk, and design a facility and compliance program capable of achieving operational readiness within the statutory deadline. Catalyst BC supports licensing strategy across Virginia's license types, impact and ownership analysis in coordination with qualified counsel, application development, site and zoning diligence, capital and capacity planning, facility design, commissioning, and Owner's Representative services. Reach out via catalyst-bc.com to develop a Virginia strategy aligned with the enacted rules while the CCA completes implementation.

About the authors: This guide was prepared by the Catalyst BC cannabis consulting team. Catalyst BC advises cannabis operators on state licensing strategy, ownership structuring, regulatory compliance, and cannabis facility design and commissioning across U.S. and international markets. Our consultants bring direct experience with competitive license applications in newly opening markets, cultivation

facility engineering, and Owner's Representative services for new market entrants. This article is provided for informational purposes only and does not constitute legal advice; applicants should confirm current requirements with the Virginia Cannabis Control Authority and consult qualified counsel regarding their specific circumstances.

Frequently Asked Questions

Is cannabis legal to sell in Virginia now?

Not yet for general adult-use retail. Adults 21 and older may legally possess limited amounts and cultivate up to four plants per household, but licensed adult-use retail sales may begin July 1, 2027.

When can I apply for a Virginia cannabis license?

The CCA may begin accepting applications on or after February 1, 2027, and its public timeline says the application process for some license types will begin by that date. Each licensing period notice will identify the license types, quantities, and opening and closing dates.

Who regulates cannabis licensing in Virginia?

The Virginia Cannabis Control Authority. The CCA adopts regulations, administers licensing and lotteries, conducts ownership and background review, oversees seed-to-sale tracking and testing, and enforces the licensed market.

How many cannabis licenses will Virginia issue?

HB 30 caps the number of retail marijuana stores at 350 statewide. Other license types generally do not have a permanent statutory ceiling, although the CCA may limit them by licensing period. The initial rollout includes up to 100 microbusiness licenses, up to 10 legacy hemp cultivation licenses, up to 10 legacy hemp processing licenses, and at least 55 additional licenses by July 1, 2027.

What license types are available?

Cultivation facilities in five tiers, processing facilities, retail stores, microbusinesses, transporters, delivery operators, and testing facilities. Existing pharmaceutical processors may be verified for dual-use privileges. Impact is a designation attached to an underlying license, not a separate license type.

What are the taxes on adult-use cannabis in Virginia?

The dedicated state cannabis tax is 6% before July 1, 2029, and 8% thereafter. It is added to ordinary Virginia retail sales and use taxes, and a locality may impose an additional cannabis tax between 1% and 3.5%.

Can localities ban cannabis retail?

The framework does not create a general local opt-out; localities retain authority over zoning, land use, building, and business regulation, and may object during final review. Retail stores and retail-authorized microbusinesses also face a 1,000-foot buffer from hospitals, schools, institutions of higher education, and child care programs.

What support exists for impact applicants?

Qualified impact applicants receive access to reserved license priority lotteries and may qualify for loans, grants, or other support through the Cannabis Equity Business Loan Fund. The Cannabis Impact Business Support Team provides technical and planning assistance. Funding is not automatic, and impact businesses must maintain qualifying ownership and direct control.

Can existing medical cannabis companies enter the adult-use market?

Yes. Existing pharmaceutical processors can seek verification of dual-use privileges and must either pay the \$10 million conversion fee in full or commit to an approved installment plan. The process also includes medical program preservation and impact business support obligations.

Is the Virginia framework final?

The commercial framework is enacted through HB 30, and the July 1, 2027, retail launch is official. The CCA still must finalize regulations, application forms, fees, security and operating requirements, and the specific license types and quantities available in each licensing period.

How to Open a Dispensary in Virginia

The 2027 Retail Store License Guide

If you've been waiting for the chance to open a cannabis dispensary in Virginia, that chance is now real. With HB 30 enacted in June 2026, Virginia is on track to begin adult-use sales on July 1, 2027, and the Cannabis Control Authority (CCA) may begin accepting license applications on or after February 1, 2027, subject to the licensing periods it announces. As an advisory firm that has helped operators open retail cannabis stores across multiple states, we want to provide you with a clear, practical roadmap. Not a news summary. Opening a dispensary is a months-to-years-long process that begins long before the application portal opens, and the operators who treat the next seven months as preparation will be the best positioned to benefit in the upcoming adult-use rollout; the ones cutting ribbons in 2027 will be the ones who treated the next seven months as preparation.

This guide walks through exactly what it takes: the retail store license itself, the location and capital requirements, the application process as it's expected to work, and the build-out and compliance steps that follow a license award. We'll clearly flag what's confirmed in the framework versus what the CCA still needs to finalize so that you can prepare with confidence rather than guesswork.

The Opportunity: Up to 350 Retail Licenses

Virginia law allows the Board to issue no more than 350 retail marijuana store licenses statewide. That is a ceiling, not a promise that all 350 will be offered in the first licensing period. Before each period, the CCA must announce the available license types and numbers. It will first review applications for basic qualification; if qualified retail applicants outnumber the licenses offered, the CCA will use an impartial lottery to select applicants for preliminary license approval. Impact applicants receive a separate first opportunity for licenses reserved for that pool and, if not selected there, enter the general qualified applicant pool.

HB 30 does not provide localities with a separate opt-out referendum, but it preserves broad local authority over zoning, land use, construction, sanitation, business licensing, and related ordinances. Local governing bodies may also submit objections during final review, and the Board may consider store density, neighborhood character, existing licenses, and local or resident objections. In practice, local engagement remains central even though the state created a statewide retail market.

Step 1: Decide This Is the Right License for You

A retail marijuana store license authorizes a business to acquire marijuana, marijuana products, immature plants, and seeds from licensed cultivation and processing facilities; receive inventory from transporters; and sell authorized products, paraphernalia, immature plants, and seeds to consumers age 21 and older. Stores may conduct face-to-face sales, deliver in person, or use a licensed delivery operator. They may not use vending machines, drive-through sales windows, or third-party internet marketplaces, and a single transaction may not exceed two ounces of marijuana or the equivalent amount established by regulation. The Board must also limit retail floor space to no more than 2,500 square feet.



**Michael
Williamson**
Chief Operating
Officer

EXPERT INSIGHT

Treat retail as a regulated inventory and service business. Store economics depend on more than foot traffic. A strong operation combines disciplined purchasing, assortment, and pricing, inventory accuracy, cash controls, customer throughput, staff training, delivery procedures, and a layout that supports security without degrading the customer experience. Retail applicants should model basket size, gross margin, inventory turns, shrinkage, labor, taxes, and working capital before committing to a lease or build-out.

Step 2: Secure a Compliant Location

Location is critical, but Virginia does not require a selected applicant to finalize the licensed premises before the initial application and lottery process. A retail store may not be located within 1,000 feet of a hospital; a public, private, or parochial school; an institution of higher education; or a child daycare program. The Board may also

reject a location that would interfere with those institutions, substantially disturb nearby residential areas or property values, prevent reasonable observation by regulators or law enforcement, or share an establishment where alcohol, tobacco, or tobacco products are manufactured, sold, or used. Local zoning and land use compliance remain mandatory.

<u>Location requirement</u>	<u>Detail</u>
Statutory buffer	At least 1,000 feet from hospitals; public, private, or parochial schools; institutions of higher education; and child day programs
Local and neighborhood review	Must satisfy local zoning and land use laws; density, nearby residences, neighborhood effects, and objections may be considered
Prohibited co-location	May not share an establishment where alcohol, tobacco, or tobacco products are manufactured, sold, or used
Retail floor limit	Maximum 2,500 square feet of retail floor space

Applicants selected for preliminary approval generally have 18 months to provide the address, legal property description, locality, updated security information, and other site materials. The CCA may grant one extension of up to six months for good faith efforts. This structure reduces the need to carry a fully committed property through an uncertain lottery. However, serious applicants should still build a screened site pipeline and use conditional leases, options, or letters of intent that carefully allocate the risk of zoning, licensing, termination, and extension.

Step 3: Build Your Capital Plan

Opening a dispensary requires more than just application and license fees, which the CCA must still set. The capital plan should cover real estate diligence and carrying costs, design and construction, security and surveillance, compliant storage, point-of-sale and seed-to-sale integration, opening inventory, insurance, banking and cash handling, staffing, training, local approvals, and working capital through stabilization. Applicants must demonstrate financial responsibility for the proposed business, and all marijuana establishment applicants and licensees must enter into, maintain, and abide by a labor peace agreement with a bona fide labor organization. Impact applicants may receive fee, proof-of-funds, and site-control accommodations under CCA regulations and may be eligible for Equity Business Loan Fund support; that assistance should be treated as a potential resource, not as guaranteed project financing.

Step 4: Prepare and Submit Your Application

The CCA must announce each licensing period before accepting applications, including the types and quantities of licenses available, as well as the opening and closing dates. A complete application will require the CCA's form, the application fee, a sworn statement that the information is true, ownership and principal disclosures, evidence of financial responsibility, an attestation to a labor peace agreement, and the additional security, operational, background, and compliance information required by regulation. The statutory process provides 10 calendar days to cure an initial deficiency and generally 10 calendar days to answer a later information request. Applicants may submit only one application for a given license type. Qualified applications are entered into a lottery only when demand exceeds the number of licenses offered.



Andy Schnack
Operations Advisor

EXPERT INSIGHT

Prepare a decision-ready business without taking unnecessary site risk. Virginia's preliminary approval structure means a strong applicant should have its ownership, capitalization, labor strategy, security concept, operating model, and screened real estate options ready before filing, but it does not need to carry the full cost of a final site through an uncertain lottery. Use conditional site control instruments, validate statutory buffers and local approvals early, and ensure the application, financing documents, management arrangements, and ownership disclosures tell a single consistent story. All license transfers and changes in ownership or control require prior Board approval; the separate five-year restriction applies specifically to impact-designated licenses, not to every standard retail license.

Step 5: Build Out and Open

Selection in a lottery produces preliminary license approval, not an immediately operating store. The selected applicant must finalize site selection within the applicable 18-month period, maintain legal possession of the licensed premises, satisfy local zoning and land use requirements, update its security information, complete the required background process, pay the license fee, and pass the CCA's site review. The locality receives notice and has 30 days to submit objections. After the required site information and background results are received, the CCA generally has 90 days to issue the license or explain the rejection. July 1, 2027, is the earliest date for adult-use retail sales, not a universal opening deadline for all future licensees.

WORK WITH CATALYST BC

To Open Your Virginia Dispensary

Opening a Virginia dispensary requires coordinated licensing, real estate, local approvals, labor planning, financing, retail design, security, inventory controls, and commissioning. Catalyst BC helps operators evaluate the retail licensing pathway, build application-ready ownership and operating structures, screen locations without assuming unnecessary lease risk, develop capital and working capital models, and carry selected projects through design, build-out, inspection, and opening. The CCA may begin accepting applications on or after February 1, 2027, but the specific retail window and license quantity will be announced during a formal licensing period. Reach out through catalyst-bc.com to prepare for the process Virginia enacts and build a store designed to operate compliantly and profitably.

About the authors: This guide was prepared by the Catalyst BC cannabis consulting team. Catalyst BC advises cannabis operators on state licensing strategy, retail site selection and zoning, ownership and financing coordination, regulatory compliance, and dispensary design, build out, commissioning, and Owner's Representative services across U.S. and international markets. This article is provided for informational purposes only and does not constitute legal, financial, labor, real estate, or construction advice; applicants should confirm current requirements with the Virginia Cannabis Control Authority and consult qualified Virginia professionals regarding their specific circumstances.

Frequently Asked Questions

Can I open a cannabis dispensary in Virginia?

Yes. Virginia has enacted an adult-use retail framework, but you must obtain a retail marijuana store license from the CCA and complete final site approval, inspection, and other operating requirements. Adult-use retail sales may not begin before July 1, 2027.

How many dispensary licenses will Virginia issue?

The Board may issue no more than 350 retail marijuana store licenses statewide. The CCA will decide how many retail licenses are available in each licensing period; 350 is a ceiling, not a guaranteed first-round issuance.

When can I apply for a dispensary license?

The CCA may begin accepting applications for marijuana establishments on or after February 1, 2027. It must first announce the retail licensing period, the number of licenses available, and the opening and closing dates.

Where can I locate a dispensary in Virginia?

A retail store may not be within 1,000 feet of a hospital, public, private, or parochial school, institution of higher education, or child day program. It must comply with local zoning and land use laws, cannot be located in an establishment where alcohol or tobacco is sold or used, and may be rejected based on neighborhood or residential impacts.

How much does it cost to open a dispensary in Virginia?

CCA application and annual license fees are still to be set. Project costs also include real estate, design, build-out, security, seed-to-sale and POS systems, inventory, insurance, banking and cash controls, staffing, labor peace compliance, local approvals, and working capital.

Do I need to grow my own cannabis?

No. A retail marijuana store buys or receives products from licensed cultivation and processing facilities and transporters. The license may also authorize sales of immature plants, seeds, and paraphernalia. Cultivation and processing require separate privileges or licenses.

What support is available for smaller or impact applicants?

The Cannabis Impact Business Support Team is intended to assist potential applicants. The Cannabis Equity Business Loan Fund provides grants, loans, and other support to impact licensees, and CCA regulations may provide impact applicants with fee waivers, proof-of-funds requirements, or site-control accommodations. Support is not automatic financing for every retail applicant.

Can I sell or transfer my dispensary license later?

Any assignment, sale, transfer, or change in ownership or control requires prior written approval of the Board. The five-year limit on transferring more than a 49% controlling interest applies specifically to impact-designated licenses, not to every retail license.

What happens after preliminary approval?

You generally have 18 months to finalize the site and submit the required property, locality, security, and related information, with one possible extension of up to six months. The CCA then notifies the locality, schedules an inspection, completes the final review, and requires the license fee.

Is the retail framework final?

HB 30 has been enacted, including the 350-license ceiling, licensing period, lottery process, site review sequence, labor peace requirement, location rules, retail floor limit, and operating restrictions. The CCA must still finalize regulations, application forms, fees, security standards, and the timing and number of retail licenses offered.

Virginia Cannabis Cultivation License (2027)

The Tiered System Explained

For operators whose strength is cultivation, Virginia's emerging adult-use market presents a significant opportunity, and securing a cultivation license is the critical first step toward participating. HB 30, enacted June 2026, authorizes the Virginia Cannabis Control Authority (CCA) to begin accepting license applications on or after February 1, 2027, and issuing licenses on or after May 1, 2027. It also establishes five cultivation tiers, with maximum canopy areas ranging from 5,000 to 35,000 square feet. Having designed and commissioned cannabis cultivation facilities across multiple markets, I can tell you that cultivation licensing is where application strategy, budget, production planning, and facility engineering meet. This guide explains the enacted tier structure, the initial licensing pathways, and what each choice means for your facility and business model.

A note up front: the five tiers and their maximum canopy limits are established in the enacted framework. What remains for the CCA to finalize are the detailed application periods, license fees, operating standards, outdoor cultivation security requirements, and other regulations needed to implement the market. The CCA must announce which license types and quantities will be available during each licensing period, so applicants should not assume that every cultivation tier will be offered in the first general application window. There is still a good bit of nuance that will become more clear as the CCA releases draft regulations in September.

Why Virginia Uses a Tiered Cultivation System

Virginia establishes five cultivation license tiers based on flowering canopy. Tier I and Tier II may operate indoors or outdoors, while Tiers III through V are limited to indoor cultivation. The tiered system allows the CCA to balance supply with market demand while creating entry points for businesses of different scales. It also means that the chosen tier directly affects facility size, utility demand, capital requirements, staffing, production capacity, and commercial risk.

Virginia's statutory definition of canopy is broader than the footprint occupied by plants. It includes the area used to produce flowering plants, such as pathways, walkways, and space between rows. Mother plants, clones, immature or nonflowering plants, drying, curing, processing, storage, offices, and other nonproduction areas are excluded. In a multilayer system, the surface area of every flowering level counts toward the canopy. Applicants must therefore design the facility and production model around the state's measurement method, not simply the nominal dimensions of the flower benches.



Leif Olsen
Co-Founder & Chief
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EXPERT INSIGHT

Match your tier to your whole business, not just your ambition. The instinct is to pursue the largest tier available on the theory that more canopy automatically means more revenue. In practice, the right tier is the one your capital can build, that fits within the constraints of your site and your team can operate, and that the market can absorb. A larger facility that outruns its funding, labor capacity, or sales channels becomes a liability. Model each tier using realistic sell-through, price compression, production yield, annual cycles, operating costs, and working capital needs before choosing a scale.

What HB 30 Establishes

The framework gives the CCA flexibility to adjust authorized canopy within the statutory parameters based on market demand, utilization, sales, transfers, inventory, and licensing activity. It may also increase canopy beyond those parameters when doing so would assist or encourage impact licensee participation. Before January 1, 2028, however, only five Tier V licenses may be issued. Beginning in 2028, the CCA may make additional Tier V licenses available; if it does, the number reserved for impact licensee applicants must be at least equal to the number available to other applicants.

<u>Parameter</u>	<u>Enacted requirement</u>
Tier I	Indoor or outdoor cultivation; maximum canopy of 5,000 square feet
Tier II	Indoor or outdoor cultivation; maximum canopy of 10,000 square feet

<u>Parameter</u>	<u>Enacted requirement</u>
Tier III	Indoor cultivation only; maximum canopy of 15,000 square feet
Tier IV	Indoor cultivation only; maximum canopy of 25,000 square feet
Tier V	Indoor cultivation only; maximum canopy of 35,000 square feet; no more than five licenses before January 1, 2028
Canopy measurement	Includes flowering production areas, pathways, walkways, and row spacing; each flowering level in a multilayer system is counted
Initial hemp pathway	Up to 10 cultivation licenses may be issued by May 1, 2027 to qualifying legacy industrial hemp growers or processors through a streamlined process and a \$500,000 fee
Application timing	The CCA may accept applications on or after February 1, 2027 and issue licenses on or after May 1, 2027; each licensing period will identify the tiers and number of licenses available

The initial rollout also includes a separate pathway for certain industrial hemp growers and processors whose Virginia registrations date to before January 1, 2021. By May 1, 2027, the CCA must issue no more than 10 cultivation licenses through that pathway. Eligible applicants must satisfy the licensing requirements and pay a one-time \$500,000 fee, which may be paid through an approved installment plan lasting no more than three years. This is a specialized early entry route and should not be confused with the general cultivation licensing periods.

Cultivation Success is a Facility Engineering Equation

In a tiered, canopy-capped system, profitability depends on how effectively an operator converts authorized flowering space into consistent, saleable product. The relevant levers extend beyond yield per square foot. They include crop turns, grade ratios, genetic selection, labor efficiency, energy intensity, pest and pathogen prevention, post-harvest capabilities, testing outcomes, and the ability to sell production at sustainable prices. Facility design must support the full production system rather than maximizing flower room area at the expense of propagation, drying, curing, sanitation, storage, and workflow.

The performance of a cultivation facility depends on lighting intensity and uniformity, precise control of temperature and humidity, irrigation and fertigation, airflow, CO2 strategy, IPM, biosecurity, and the reliability of the mechanical and electrical systems that maintain stable conditions.

Virginia will also permit outdoor cultivation under Tier I and Tier II. A secure agricultural greenhouse is considered indoor cultivation when it is surrounded by a privacy fence at least 8 feet high and has monitored ingress and egress. Only one license authorizing outdoor cultivation may be issued for a parcel, and contiguous parcels under common ownership or control cannot be used to multiply outdoor cultivation licenses.

<u>Profitability lever</u>	<u>Why it matters under a canopy cap</u>
Saleable yield and grade ratios	Revenue depends on the sales price for the various components that make up Usable Plant Material (UPM), not total harvested biomass
Product quality and consistency	Potency, appearance, terpene expression, safety, and consistency affect demand and price
Annual crop cycles and downtime	Efficient room turnover optimizes annual output within confined canopy allotment
Environmental uniformity	Stable conditions across all cultivation, post-harvest and operational areas protects yield, and crop health
Labor and energy efficiency	Cost per pound is shaped by yield, workflow, automation, utility demand, and equipment performance
Post-harvest recovery	Drying, curing, trimming, storage, and testing determine how much cultivated material becomes saleable inventory and sales price.
System reliability	Redundancy, alarms, maintenance, and commissioning reduce the risk of catastrophic crop loss



**Michael
Williamson**
Chief Operating
Officer

EXPERT INSIGHT

Design for your tier's economics before you build. I've seen cultivation businesses struggle not because their license was wrong, but because their facility was improperly designed, engineered, built, commissioned, operated, and all the above. In a capped-canopy environment, every flowering square foot must perform, but the supporting spaces and systems must also be sized correctly. Retrofitting an underperforming grow is far more expensive than building it correctly (even in a modular way), and the lost production during remediation can threaten the entire business.

How to Prepare Now

Because the CCA will announce the license types, quantities, opening date, and closing date for each licensing period, cultivation applicants should use the current runway to:

- **Confirm your licensing pathway and likely tier**, including whether the specialized legacy hemp pathway applies or whether you will compete in a general licensing period.
- **Identify and diligence a suitable site** with workable zoning, adequate electrical service, water, drainage, fire access, structural capacity, and room for future operations. Final licensure requires possession of the licensed premises, but applicants selected for preliminary approval generally have up to 18 months to finalize the required site information.
- **Design around the statutory canopy limits** so flowering rooms, aisles, row spacing, and every level of a single-level or multilayer system are counted accurately, while sufficient support space remains for propagation, drying, curing, storage, sanitation, and employee flow.
- **Choose the cultivation method carefully** because only Tiers I and II allow for outdoor cultivation, and greenhouses treated as indoor cultivation must satisfy the statutory fencing and monitored access conditions.
- **Build a capital and operating plan** that covers design, construction, commissioning, genetics, labor, testing, inventory holding, payment terms, and operations through the first successful sales cycles. Not merely through the first harvest. Finally, and possibly most importantly, build in contingency, because no project ever goes quite according to plan; it's always good to build in a little padding.
- **Structure ownership and monitor the CCA** because all license transfers and ownership or control changes require prior written Board approval. In contrast, the five-year restriction on transferring more than 49% applies specifically to impact licensees. Track the CCA's licensing period announcements, fees, application rules, and outdoor cultivation regulations.

WORK WITH CATALYST BC

On Your Virginia Cultivation License

A cultivation license in Virginia's new market is where licensing strategy, budgeting, capital raising, production planning, and facility engineering converge. The enacted tiers provide clear maximum canopy limits, but successful applicants must still choose a commercially appropriate scale, understand how Virginia counts canopy, identify a viable site, and build a facility that can produce consistent quality at a sustainable cost. Catalyst BC supports cultivation licensing strategy, financial modeling, tier and capacity modeling, site evaluation, facility programming, environmental design coordination, commissioning, and Owner's Representative services. Whether you are looking to apply under the general, impact, or the specialized legacy hemp pathway, the design and financial planning should begin before the application window opens. Reach out through catalyst-bc.com to begin planning towards a Virginia cultivation operation engineered to perform.

About the authors: This guide was prepared by the Catalyst BC cannabis consulting team. Catalyst BC advises cannabis operators on state licensing strategy and cannabis facility design, environmental control, commissioning, and yield optimization across U.S. and international markets. Our consultants bring direct experience with cultivation facility design, engineering, operations, and Owner's Representative services for new market entrants. This article is provided for informational purposes only and does not constitute legal advice; applicants should confirm current cultivation tier requirements with the CCA and consult qualified professionals regarding their specific circumstances.

Frequently Asked Questions

What is a Virginia cannabis cultivation license?

It authorizes the licensee to cultivate, label, and package marijuana; acquire plants and seeds from other cultivation facilities; and transfer or sell authorized marijuana, plants, and seeds to other licensed establishments. It does not authorize direct adult-use retail sales to consumers.

How many cultivation tiers does Virginia have?

Five. Tier I allows up to 5,000 square feet of indoor or outdoor canopy; Tier II allows up to 10,000 square feet indoors or outdoors; Tier III allows up to 15,000 square feet indoors; Tier IV allows up to 25,000 square feet indoors; and Tier V allows up to 35,000 square feet indoors.

Are there limits on the largest cultivation licenses?

Yes. No more than five Tier V cultivation licenses may be issued before January 1, 2028. Beginning in 2028, the CCA may determine whether to make additional Tier V licenses available, with at least equal availability for impact licensee applicants if more are issued.

How do I choose the right cultivation tier?

Match the tier to available capital, site infrastructure, management depth, production economics, and realistic sales demand. The largest tier is not automatically the best choice; unused capacity and an underfunded build-out can be more damaging than a smaller, disciplined operation.

What determines profitability in a tiered cultivation system?

Profitability depends on saleable yield and grade ratios, product quality, crop turns, labor and energy efficiency, post-harvest recovery, testing outcomes, system reliability, and market pricing. Canopy is only one part of the production model.

How does Virginia measure cultivation canopy?

Canopy includes flowering production space, pathways, walkways, and space between rows. Mother plants, clones, immature or nonflowering plants, drying, curing, processing, storage, offices, and other nonproduction areas are excluded. Every tier in a multilayer system is counted.

When can I apply for a cultivation license?

The CCA may begin accepting applications on or after February 1, 2027, but it must first announce the specific license types, quantities, and application dates for each licensing period. A separate streamlined process applies to certain legacy industrial hemp growers and processors.

Are there restrictions on selling or transferring a cultivation license?

Yes. A license cannot be assigned, sold, transferred, relocated, or subjected to an ownership or control change without prior written CCA Board approval. The five-year restriction on transferring a controlling interest of more than 49% applies specifically to licenses issued with an impact designation.

What kind of site does a cultivation facility need?

A viable site needs workable zoning, sufficient electrical and mechanical capacity, water and drainage, fire and emergency access, security, waste handling, and space for cultivation and support functions. Applicants selected for preliminary approval generally have 18 months to provide final site information, and licensees must maintain possession of the licensed premises.

Is the cultivation framework final?

The five tiers, maximum canopy limits, indoor and outdoor permissions, and initial hemp operator pathway are established in the enacted framework. The CCA still must finalize detailed regulations, fees, licensing period availability, outdoor security requirements, and application procedures.

Virginia Cannabis Microbusiness License (2027)

Eligibility & the Two-Location Model

Among Virginia's new adult-use license types, the microbusiness license is one of the most distinctive. It can authorize a smaller operator to conduct activities related to cultivation, processing, and retail under a single license, as determined by the Cannabis Control Authority (CCA). But it is not an unrestricted vertically integrated license, and it is not limited exclusively to impact applicants. The enacted framework establishes specific cultivation limits, strict ownership restrictions, and a two-location structure that must be planned carefully.

This guide explains the initial eligibility pathways for the licenses the CCA may issue by May 1, 2027, the difference between a microbusiness license and an impact designation, the indoor and outdoor cultivation limits, the precise rules governing two locations, and the financial, security, and operational readiness standards applicants should prepare to demonstrate. Several implementation details, including fees and the specific combination of privileges the CCA will authorize, still depend on forthcoming regulations.

What the Microbusiness License Is

A Virginia microbusiness license may authorize activities otherwise permitted for cultivation facilities, processing facilities, and retail marijuana stores, but only to the extent determined by the Board. If cultivation is authorized, the license allows no more than 5,000 square feet of indoor canopy and 10,000 square feet of outdoor canopy, unless the Board establishes comparable limits by regulation. A person holding an interest in a microbusiness may not hold an interest in any other marijuana establishment license.

The initial rollout is narrower than SB 542, the vetoed 2026 standalone bill indicated. HB 30's enacted microbusiness provisions are the controlling text. On or before May 1, 2027, the CCA may issue up to 100 microbusiness licenses to applicants that qualify through one of three pathways: certain legacy Virginia industrial hemp growers or processors, impact license applicants, or farmers meeting.

U.S. Department of Agriculture qualifications. Every applicant must also satisfy the applicable licensing requirements and the CCA's financial, security, and operational readiness criteria. The 100-license figure applies to this initial issuance mandate; HB 30 does not clearly establish it as a permanent, lifetime cap on all future microbusiness licenses.

<u>Element</u>	<u>HB 30 as enacted</u>
Initial issuance	The CCA may issue up to 100 microbusiness licenses on or before May 1, 2027
Initial eligibility	Qualifying legacy hemp grower or processor, impact license applicant, or qualifying USDA farmer, plus applicable readiness requirements
Authorized activities	Cultivation, processing, and retail activities, in the combination determined by the Board
Cultivation limits	Up to 5,000 square feet of indoor canopy and 10,000 square feet of outdoor canopy, or comparable limits established by regulation
Locations	No more than two locations, within 20 miles of one another, under the same license and common ownership and control
Privilege limitation	Cultivation, processing, or retail sales may not be exercised at more than one location each
Other license interests	A microbusiness owner may not hold or control an interest in another marijuana establishment license
Impact support	Equity Fund assistance is reserved for impact licensees; the Cannabis Impact Business Support Team assists potential applicants more broadly

<u>Element</u>	<u>HB 30 as enacted</u>
Application timing	The CCA must begin accepting applications for the initial microbusiness licenses on or before February 1, 2027

The Two Location Model: Why It Matters

Virginia permits a microbusiness to conduct authorized activities at no more than two separate locations. The locations must be appropriately zoned and approved by their localities, must be within 20 miles of one another, and must operate under the same license and common ownership and control. The key restriction is that no single privilege may be duplicated: cultivation, processing, and retail sales may each be exercised at only one location.

That means the two-location allowance does not permit operating two stores or two cultivation sites. A workable model might place cultivation and processing at one location and retail at the second, or use a different allocation approved by the CCA. A second location is optional, not mandatory, and it should be used only when the operational benefit justifies the additional zoning, security, build-out costs, staffing, transportation, and compliance burden.



Andy Schnack
Operations Advisor

EXPERT INSIGHT

Map the privileges before you choose the properties. Start with the operating model, not with two attractive pieces of real estate (two locations can mean double the costs). Decide where cultivation, processing, storage, retail, and product movement will occur; confirm that each privilege appears at only one location; then test the 20-mile limit, zoning, security, utilities, workflow, and transportation costs. The best two-location plan functions as a single coordinated operation rather than two loosely connected businesses.

Eligibility and Equity Criteria

Eligibility for the initial microbusiness issuance is defined more precisely in HB 30 than in the introduced version of SB 542. Applicants who prepared against the earlier bill should reverify their pathway against the enacted language. An applicant must qualify as one of the following: (1) a qualifying Virginia industrial hemp grower or processor whose registration dates to before January 1, 2021, and who satisfies the applicable good standing conditions; (2) an impact license applicant; or (3) a farmer meeting U.S. Department of Agriculture qualifications. These are alternative pathways into the initial microbusiness pool, not requirements that every applicant satisfies simultaneously.

An impact designation is not synonymous with a microbusiness license. It is a designation that can attach to a license when at least 51% of the applicant is owned and directly controlled by qualifying individuals who meet Virginia's geographic and personal eligibility standards. A microbusiness may enter through the impact pathway, but it may also qualify through the legacy hemp or USDA farmer pathways. Regardless of pathway, the CCA may require proof of financial responsibility, security planning, operational readiness, disclosed ownership, and compliance with the general licensing standards.

The Anti-Predatory Guardrails

Virginia applies ownership transparency and anticircumvention rules across the market. License assignments, sales, transfers, and changes in ownership or control require prior written Board approval, and the CCA may review financing, management, and brand licensing agreements for undue influence. A microbusiness also cannot be paired with an ownership interest in another marijuana establishment. The five-year transfer restriction, however, applies specifically when the microbusiness also holds an impact designation: an impact licensee may not transfer a controlling interest of more than 49% during the first five years, subject to limited regulatory exceptions.



Leif Olsen
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EXPERT INSIGHT

Separate legitimate capital from disguised control. Investors and service providers can support a business without controlling it. HB 30 presumes that passive investments below 10% and management or brand agreements without actual or contractual control are permissible unless the facts show undue influence. For an impact-designated microbusiness, qualifying owners must retain at least 51% ownership and direct control. Document decision rights, economics, financing terms, intellectual property arrangements, and exit provisions clearly, and have qualified Virginia counsel review the complete structure rather than evaluating each agreement in isolation.

How to Prepare Now

The CCA must begin accepting applications for the initial microbusiness licenses on or before February 1, 2027, and may issue up to 100 by May 1, 2027. Prospective applicants should focus on the following:

- **Confirm the correct eligibility pathway** and assemble evidence supporting legacy hemp status, impact eligibility, or USDA farmer qualification, together with complete ownership disclosures.
- **Design the privilege and location plan** before committing to real estate. A second site is optional; both locations must be within 20 miles of each other, and cultivation, processing, and retail may not be duplicated.

- **Build a readiness file** covering capital, sources of funds, security, operations, staffing, compliance systems, supply chain, and a realistic path from preliminary approval to operation.
- **Diligence sites without overcommitting too early** because state law does not require possession of the premises until the final licensing stage. Selected applicants generally receive up to 18 months to provide final site information, subject to extension rules; any retail location must also comply with zoning and applicable 1,000-foot buffers.
- **Use support programs accurately** by engaging the Cannabis Impact Business Support Team for business planning and application assistance, while recognizing that Equity Business Loan Fund grants, loans, and services are reserved for impact licensees and are not guaranteed financing.

WORK WITH CATALYST BC

On Your Virginia Microbusiness License

Virginia's microbusiness license creates a meaningful, small-scale, potentially vertically integrated entry path, but it is more structured than a simple two-location license. Applicants must qualify through an authorized initial pathway, select a commercially sensible combination of privileges, respect the indoor and outdoor canopy limits, build a compliant ownership structure, and show that the business is financially and operationally ready. Catalyst BC helps applicants evaluate eligibility, model cultivation/processing/retail configurations, develop one or two location operating plans, assess sites and utilities, prepare compliance and security systems, and coordinate ownership and financing analysis with qualified counsel. With the CCA required to begin accepting initial microbusiness applications on or before February 1, 2027, the work should begin now. Reach out through catalyst-bc.com to build a microbusiness strategy designed to earn approval and operate sustainably.

About the authors: This guide was prepared by the Catalyst BC cannabis consulting team. Catalyst BC advises cannabis operators on state licensing strategy, impact, and microbusiness compliance; ownership structuring; regulatory affairs; and cannabis facility design and commissioning across U.S. and international markets. This article is provided for informational purposes only and does not constitute legal advice; applicants should confirm current microbusiness eligibility and requirements with the Virginia Cannabis Control Authority and consult qualified counsel regarding their specific circumstances.

Frequently Asked Questions

What is a Virginia cannabis microbusiness license?

It is a limited license that may authorize cultivation, processing, and retail activities in a combination determined by the CCA. It carries cultivation, location, ownership, security, tracking, and operating restrictions and is not automatically an unrestricted vertically integrated license.

How many microbusiness licenses will Virginia issue?

The CCA may issue up to 100 initial microbusiness licenses on or before May 1, 2027. That figure governs the initial rollout and should not be described as a confirmed permanent lifetime cap on all future microbusiness licenses.

What makes Virginia's microbusiness license unusual?

It can combine cultivation, processing, and retail privileges under a single license and may operate up to two locations. The sites must be within 20 miles of each other and under common ownership and control, and no individual privilege may be exercised at both locations.

Who is eligible for an initial microbusiness license?

Applicants must qualify as certain legacy Virginia industrial hemp growers or processors, impact license applicants, or farmers meeting USDA qualifications. They must also satisfy the CCA's applicable licensing, financial, security, and operational readiness standards.

What support is available for microbusiness applicants?

The Cannabis Impact Business Support Team provides business planning, administrative, and outreach assistance to potential licensees. The Cannabis Equity Business Loan Fund provides grants, loans, and other support specifically to impact licensees; it is not automatic funding for every microbusiness.

Can I operate two stores under one microbusiness license?

No. A microbusiness may use up to two approved locations within 20 miles, but retail sales may be exercised at only one location. The same restriction applies separately to cultivation and processing.

Are there restrictions on selling or transferring my license?

Yes. Any assignment, sale, transfer, or change in ownership or control requires prior written approval of the Board. The separate five-year restriction on transferring a controlling interest of more than 49% applies when the license carries an impact designation.

How does the microbusiness license compare to a standard retail license?

A standard retail license primarily authorizes consumer sales. A microbusiness may combine Board-approved cultivation, processing, and retail privileges within smaller-scale limits. Still, its owners cannot hold interests in other marijuana establishments, and its cultivation and location rules are more specialized.

When should I start preparing?

Now. Confirm the eligibility pathway, ownership, privilege mix, capital plan, and potential sites before the CCA opens the initial process. Site possession is not required until the final stage, so use conditional arrangements and disciplined diligence rather than taking unnecessary real estate risk.

Is the microbusiness framework final?

HB 30 is enacted: initial eligibility categories, cultivation limits, two location conditions, other license restrictions, and application timing are established. The CCA must still finalize fees, application forms, operating regulations, and the precise privileges and corresponding limits it will authorize.

Virginia Impact Cannabis License (2027)

Social Equity & the Equity Business Loan Fund

HB 30 creates a meaningful pathway for applicants from communities and backgrounds affected by cannabis prohibition and enforcement. HB 30 does not create a separate, standalone impact license. Instead, it creates an impact licensee designation that qualifying applicants may pursue alongside an underlying marijuana establishment license, such as retail, cultivation, processing, microbusiness, transportation, delivery, or testing. Impact status can provide priority licensing opportunities, access to dedicated business funding and technical assistance, and ownership protections intended to preserve eligible control.

The core eligibility structure is established in HB 30. The applicant must be at least 51% owned and directly controlled by qualifying individuals who meet both a geographic connection requirement and at least one of six additional criteria. The Cannabis Control Authority still must identify the qualifying geographic areas, publish documentation standards and application forms, establish licensing periods, and implement the funding and ownership review processes. This guide separates what is already confirmed from the details still being developed.

What the Impact Licensee Designation Is

Impact status is a designation applied to a qualifying applicant or licensee; it is not a separate license type with its own operating privileges. An impact applicant must still choose and qualify for an underlying license appropriate to the proposed business model. The designation affects how the applicant may participate in a capped licensing process, which support programs may be available, and which ownership and transfer restrictions apply after licensure.

Who Qualifies for Impact Status

To qualify, an applicant must be at least 51% owned and directly controlled by one or more individuals who satisfy a two-part test. First, the qualifying owners must have either resided between 1999 and 2025 in a jurisdiction the CCA determines was disproportionately policed for marijuana crimes or resided for at least three of the past five years in a historically economically disadvantaged community. Second, those owners must meet at least one of the following six criteria:

- Have been convicted of or adjudicated delinquent for a qualifying marijuana offense, or a substantially similar offense in another jurisdiction.
- Be the parent, child, sibling, or spouse of a person convicted of or adjudicated delinquent for a qualifying marijuana offense.
- Have attended a public elementary or secondary school in a historically economically disadvantaged community for at least five years.
- Have received a Federal Pell Grant or attended for at least two years a college or university where at least 30% of students, on average, were eligible for Pell Grants.
- Be a veteran of the Armed Forces of the United States.
- **Have qualified for U.S. Department of Agriculture financial assistance or relief as a distressed farmer within the past five years.**



**Michael
Williamson**
Chief Operating
Officer

EXPERT INSIGHT

The geographic requirement is a gate, not an alternative. An applicant does not qualify merely because an owner is a veteran, received a Pell Grant, or meets another listed criterion. The qualifying owners must also satisfy one of the law's geographic residency conditions and must collectively hold at least 51% ownership and direct control. Build the eligibility file around both parts of the test.

How Impact Status Changes the Licensing Process

Impact status does not guarantee a license, but it can materially change how an applicant competes when a license type is capped. If impact applicants outnumber the licenses reserved for impact applicants, the CCA must first conduct a lottery limited to that group. An impact applicant not selected in the impact-only lottery is then included in the general qualified applicant pool for the same license type.

- **Reserved opportunities.** When the CCA caps a license type not otherwise fixed by statute, the number made available to impact applicants must be equal to or greater than the number made available to all other applicants.
- **A second opportunity in the general pool.** An unsuccessful impact applicant remains eligible for the general lottery for that license type, rather than being eliminated after the impact-only drawing.



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Operations Advisor

EXPERT INSIGHT

Choose the underlying license before chasing the designation. Impact operating plan and market strategy. Priority is valuable only if the business behind the application is viable. Status can improve access to a capped licensing process, but it does not repair a weak business model. Applicants still need to choose a license type that fits their experience, capital, operating plan, and market strategy. Priority is valuable only if the business behind the application is viable.

The Equity Funding and Support Structure

Virginia's framework pairs the impact designation with dedicated capital and technical support. These programs are meaningful, but applicants should distinguish between resources available to impact licensees and broader community reinvestment funding that is not direct startup capital.

<u>Mechanism</u>	<u>What it does</u>
Virginia Cannabis Equity Business Loan Fund	Receives 75% of marijuana establishment annual license fees collected from May 1, 2027 through May 1, 2028. The program may provide grants, low interest loans, zero interest loans, conditional loans, and other support and services to impact licensees.
Cannabis Impact Business Support Team	Analyzes barriers to entry; provides business planning and technical assistance; publicizes opportunities; and conducts outreach in communities affected by cannabis prohibition and enforcement.

<u>Mechanism</u>	<u>What it does</u>
Cannabis Equity Reinvestment Fund	Supports broader community priorities such as scholarships, workforce development, mentoring, job training, reentry services, indigent defense, and contributions to the business loan fund. It is not the same as direct applicant financing.

The Virginia Cannabis Equity Business Loan Fund is especially significant because it can provide more than conventional debt financing: HB 30 authorizes grants, low-interest loans, zero-interest loans, conditional loans, and other forms of support. However, the fund is directed to impact licensees, and the CCA still must establish program timing, underwriting, award amounts, monitoring, and application procedures. Applicants should not assume that the fund will be available before licensure or that it will cover the full cost of application, real estate, construction, inventory, or working capital.



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EXPERT INSIGHT

Treat equity funding as supplemental capital, not the entire capital plan. Build a financing strategy with contingencies and enough runway to withstand delays, limited awards, or program conditions. The strongest applicants will understand how these funds may fit into the capital stack while preserving sufficient independent funding to achieve licensure and operations.

The Five-Year Ownership and Transfer Protections

HB 30 directly addresses the risk that a qualifying owner could be used to obtain impact status and then lose control to a better capitalized party. The protections are significant, but they are more precise than a blanket prohibition on investment or every ownership change:

- **Five-year controlling interest restriction.** For five years after issuance, an impact licensee and its beneficial owners may not sell, assign, or transfer a controlling interest of more than 49% to another person or entity.
- **Prior approval for ownership changes.** No marijuana establishment license may be assigned, sold, transferred, or undergo a change in ownership or control without the CCA Board's prior written approval.
- **Possible estate planning exception.** The Board may create a limited exception for transfers to family members or trusts established for the licensee's immediate family.
- **Review of financial relationships.** The CCA must establish a process to evaluate ownership, financing, management, and brand licensing agreements for undue influence and commercial reasonableness.

- **Enforcement for predatory arrangements.** Fraudulent financial transactions, predatory operating agreements, or prohibited transfers can trigger revocation proceedings and repayment of waived fees.

HB 30 does not prohibit every outside investment or services agreement. Regulations must presume that passive investments below 10% and management or brand licensing agreements without actual or contractual control are permissible unless the arrangement produces undue influence. The practical question is who truly controls pricing, management, staffing, operations, financing, and the economic value of the business.



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EXPERT INSIGHT

Capital can support an impact business without controlling it. Investors, lenders, managers, and brand partners may have legitimate roles, but the qualifying owners must retain at least 51% ownership and direct control. Review the complete package of operating, financing, management, licensing, and transfer agreements together with qualified Virginia counsel; a compliant-looking document can still create undue influence when combined with the rest of the deal.

What's Confirmed vs. What's Pending

To prepare effectively, you need to know what to build on now versus what to watch for:

Confirmed in HB 30: the impact licensee designation; the 51% ownership and direct control standard; the two part eligibility test; priority impact lotteries; continued access to the general applicant pool; reserved licensing opportunities when certain license types are capped; the Equity Business Loan Fund and Business Support Team; the five year restriction on transfers of more than 49% controlling interest; and the CCA's authority to audit ownership and financial relationships.

Pending and to be finalized: the census tracts and communities that satisfy the geographic requirements; the documents applicants must submit; the dates, license types, and quantities included in each licensing period; application and annual license fees; the funding program's application, underwriting, and award procedures; and detailed regulations governing ownership, financing, management, and brand licensing agreements.

The practical implication is to prepare parts of the file that are already knowable while avoiding premature commitments based on unfinished rules. Applicants can map ownership and control, identify the likely eligibility basis, collect historical residency and qualifying records, evaluate the underlying license type, and build a conservative capital plan now. Binding real estate commitments can generally wait as applicants selected for preliminary approval will have up to 18 months to provide a final site, subject to the CCA's rules and any extension.

How to Prepare Now

- **Choose the underlying license type.** Impact status is a designation, not a substitute for a retail, cultivation, processing, microbusiness, transportation, delivery, testing, or other license.
- **Map ownership and direct control.** Confirm that qualifying individuals will hold at least 51% ownership and retain genuine authority over management and operations.
- **Build both halves of the eligibility file.** Document the required geographic connection and at least one of the six additional qualifying criteria for each person supporting the 51% threshold.
- **Review investment and operating agreements together.** Evaluate financing, management, brand, voting, and transfer provisions for undue influence alongside qualified Virginia counsel.
- **Build a conservative capital plan.** Treat the loan fund and state support as potential supplements rather than guaranteed pre-license financing.
- **Monitor the CCA closely.** Watch for qualifying area maps, licensing period announcements, documentation standards, fee schedules, and funding program rules.

WORK WITH CATALYST BC

On Your Virginia Impact Strategy

Virginia's impact designation can provide meaningful advantages: priority access within capped licensing processes, potential access to grants and flexible financing, technical assistance, and a framework designed to preserve qualifying ownership. Capturing those advantages requires more than checking an eligibility box. Applicants must select the appropriate underlying license, document both parts of the eligibility test, preserve 51% ownership and direct control, structure outside capital without undue influence, and build a business capable of achieving final licensure and operational readiness. Catalyst BC helps applicants evaluate license strategy, ownership and operational roles, capital needs, facility and market planning, and application readiness while coordinating with qualified Virginia counsel on governing agreements. With the CCA authorized to begin accepting applications on or after February 1, 2027, the work should begin now. Reach out through catalyst-bc.com to build an impact strategy designed to qualify, compete, and operate for the long term.

About the authors: This guide was prepared by the Catalyst BC cannabis consulting team. Catalyst BC advises cannabis operators on state licensing strategy, impact applicant preparation, ownership and operational planning, regulatory compliance, capital and facility planning, and cannabis facility design and commissioning across U.S. and international markets. This article is provided for informational purposes only and does not constitute legal or financial advice; applicants should confirm current requirements with the Virginia Cannabis Control Authority and consult qualified Virginia counsel and financial advisors regarding their specific circumstances.

Frequently Asked Questions

What is a Virginia impact cannabis license?

Virginia does not create a separate, standalone impact license. Impact status is a designation available to qualifying applicants for an underlying marijuana establishment license. It can affect lottery priority, access to support programs, and ownership restrictions.

Who qualifies for impact status?

The applicant must be at least 51% owned and directly controlled by qualifying individuals who satisfy one of two geographic residency conditions and at least one of six additional criteria: a marijuana conviction, a family relationship, school attendance, Pell Grant history, veteran status, or distressed farmer assistance.

How does impact status improve an applicant's licensing opportunity?

When a capped license type is oversubscribed, the CCA first conducts a lottery for impact applicants competing for impact-designated opportunities. Impact applicants not selected in that drawing are then included in the general qualified applicant pool for the same license type.

What financial support is available to impact licensees?

The Virginia Cannabis Equity Business Loan Program may provide grants, low-interest loans, zero-interest loans, conditional loans, technical assistance, and other support. Program timing, underwriting, award amounts, and application procedures still must be implemented by the CCA.

What are the five-year ownership protections?

For five years after issuance, an impact licensee and its beneficial owners may not transfer a controlling interest of more than 49%. All license assignments, transfers, and changes of ownership or control also require prior written CCA approval. A limited estate planning exception may be created by regulation.

How much money will go into the Equity Business Loan Fund?

From May 1, 2027, through May 1, 2028, the CCA must deposit 75% of Marijuana establishment annual license fees into the fund. The total will depend on the number and types of licenses issued and the annual fees collected.

Can an impact business accept outside investment?

Yes, but the qualifying owners must retain at least 51% ownership and direct control, and the arrangement cannot create undue influence. Passive investments below 10% and noncontrolling management or brand agreements are presumed permissible under HB 30 unless the facts show otherwise.

When can applicants apply?

The CCA may begin accepting applications for marijuana establishments on or after February 1, 2027. Still, it must announce each licensing period, the license types and quantities available, and the opening and closing dates. February 1 is authorization to begin, not necessarily the opening date for every license type.

Do I need a final property before applying?

HB 30 allows applicants selected for preliminary approval up to 18 months to provide the final address, legal property description, locality, and related site information, subject to CCA regulations and a possible one-time extension.

What is confirmed and what is still pending?

The eligibility structure, priority lottery process, funding authority, support team, and five-year transfer restriction are established in law. The CCA still must publish qualifying geographic areas, documentation requirements, licensing periods, fees, fund procedures, and detailed ownership and financing regulations.

Virginia Dual-Use Cannabis Conversion (2027)

The \$10M Medical to Adult-Use Pathway

For Virginia's existing medical cannabis operators, HB 30 created a distinct transition: pharmaceutical processors may apply for verification to exercise dual-use privileges and serve both registered medical patients and adult-use customers. The pathway covers the processor and its permitted cannabis dispensing facilities, and it carries a one-time \$10 million fee, a required medical cannabis program preservation plan, an impact licensee business accelerator commitment, and a firm May 1, 2027, payment or installment plan deadline. Adult-use retail sales begin July 1, 2027. For incumbents, this is not merely an optional expansion decision: a processor that does not apply for dual-use verification and pay the fee in full, or enter into an approved installment plan, by May 1 may not renew its permit, and previously issued permits do not remain valid after June 1, 2027, without dual-use verification.

What Dual-Use Conversion Is

Under HB 30, a permitted pharmaceutical processor must apply to the Virginia Cannabis Control Authority Board for verification to exercise dual-use privileges. This is more precise than a simple license conversion. Once verified, the pharmaceutical processor holds the privileges of, and is generally subject to the laws and regulations applicable to, a marijuana cultivation facility, marijuana processing facility, and retail marijuana store. It's permitted for cannabis dispensing facilities to receive retail marijuana store privileges. The operator must continue satisfying its medical-cannabis obligations while also complying with the adult-use requirements applicable to those activities.

<u>Element</u>	<u>Detail</u>
Who it applies to	Existing permitted Virginia pharmaceutical processors; verified privileges also extend to their permitted cannabis dispensing facilities
What it grants	The processor receives adult-use cultivation, processing, and retail privileges; its dispensing facilities receive adult-use retail privileges while medical operations continue
Application requirements	CCA must create a streamlined process by February 1, 2027; the processor must apply as directed and obtain approval of a detailed medical cannabis program preservation plan
Conversion fee and deadline	One time \$10 million fee, paid in full or placed under a Board approved installment plan on or before May 1, 2027
Additional commitment	Agreement to participate in an impact licensee business accelerator plan for at least three years after verification
Permit and launch timeline	A processor that does not complete the required application and payment step may not renew its permit; previously issued permits require verification to remain valid after June 1, 2027; adult use retail begins July 1, 2027

The \$10 Million Fee and Payment Options

HB 30 imposes a one-time \$10 million conversion fee. A pharmaceutical processor may either pay the fee in full by May 1, 2027, or enter into an installment payment plan approved by the CCA Board by that date. HB 30 does not specify the installment term, down payment, interest treatment, or security requirements; those details will depend on the Board's approved plan and implementing guidance. Operators must model the full \$10 million obligation alongside facility expansion, inventory, staffing, technology, compliance, and working capital needs

rather than assuming the installment option materially reduces the total cost. HB 30's separate provision directing that 75% of certain annual marijuana establishment license fees be allocated to the Cannabis Equity Business Loan Fund does not expressly apply to the \$10 million conversion fee.

The May 1, 2027 Timeline

Timing is tight and consequential. By February 1, 2027, the CCA must create a streamlined application process for pharmaceutical processors, and each processor must apply in the manner and by the date prescribed by the Board. On or before May 1, the processor must satisfy the applicable licensing requirements and either pay the \$10 million fee in full or enter an approved installment plan. The CCA must verify eligible processors' dual-use privileges by that point. Beginning June 1, 2027, a previously issued pharmaceutical processor permit does not remain valid without dual-use verification. Adult-use retail sales begin July 1, 2027.

The application is not simply a payment election. Each processor must submit and obtain approval for a detailed medical cannabis program preservation plan that explains how it will prioritize patient access, manage customer traffic, prevent medical product shortages, and maintain appropriate staffing. The processor must also agree to participate in an impact licensee business accelerator plan for at least three years after verification. These requirements should be treated as core operating commitments, not paperwork completed at the end of the process.

About the authors: This guide was prepared by the Catalyst BC cannabis consulting team. Catalyst BC advises cannabis operators on state licensing strategy, market entry and expansion, capacity and facility planning, regulatory compliance, and cannabis facility design and commissioning across U.S. and international markets. This article is provided for informational purposes only and does not constitute legal or financial advice; operators should confirm current dual-use conversion requirements with the Virginia Cannabis Control Authority and consult qualified counsel and financial advisors regarding their specific circumstances.

Frequently Asked Questions

What is dual-use conversion in Virginia?

HB 30 describes this as verification to exercise dual-use privileges. A permitted pharmaceutical processor that applies, satisfies the requirements, and pays the \$10 million fee or enters an approved installment plan may exercise adult-use cultivation, processing, and retail privileges. Permitted cannabis dispensing facilities may exercise adult-use retail privileges, while the medical program continues.

How much does dual-use verification cost?

The one-time conversion fee is \$10 million per pharmaceutical processor. It must be paid in full, or the processor must enter a CCA Board-approved installment plan on or before May 1, 2027.

Who is eligible to apply?

The pathway applies to pharmaceutical processors holding permits under Virginia's medical cannabis program. Their permitted cannabis dispensing facilities receive dual-use retail privileges through the processor's verification; this is not a pathway for new general applicants.

What are the key deadlines and consequences?

The CCA must create a streamlined process by February 1, 2027. Each processor must apply as directed and, by May 1, pay the fee in full or enter an approved installment plan. A processor that does not complete those steps may not exercise dual-use privileges or renew its permit, and previously issued permits require verification to remain valid after June 1, 2027. Adult-use retail begins July 1, 2027.

What is the medical cannabis program preservation plan?

It is a detailed plan that must be submitted to and approved by the CCA. It must explain how the processor will prioritize medical patient access, manage customer traffic, prevent medical product shortages, and maintain appropriate staffing while adding adult-use operations.

What is the impact of the licensee accelerator requirement?

A pharmaceutical processor must agree to participate in an impact licensee business accelerator plan for at least three years after dual-use verification. The Cannabis Impact Business Support Team and CCA will define the applicable program requirements.

Can the conversion fee be paid over time?

Yes. The processor may enter an installment payment plan approved by the CCA Board on or before May 1, 2027. HB 30 does not specify the detailed payment terms, interest treatment, security, or other conditions, so operators should wait for the Board's published terms before relying on any particular structure.

Are there ownership or license restrictions?

Yes. A person holding at least a 10% direct or indirect ownership, voting, or economic interest in a pharmaceutical processor generally may not hold an interest in another marijuana establishment license, except for the cannabis dispensing facility permits associated with the processor. Operators should have qualified counsel review ownership and affiliate structures.

Is the dual-use framework final?

HB 30 establishes the pathway, a \$10 million fee, a preservation plan requirement, an accelerator commitment, and major deadlines. The CCA still must publish the streamlined application, installment plan terms, verification procedures, and implementing regulations. Pharmaceutical processors should plan for the enacted requirements while closely monitoring CCA guidance.

Facility Design & Build-Out

Designing & Commissioning for the 2027 Market

Most of the conversation around Virginia's new cannabis market focuses on licenses. Who can apply, when, and for what. But a license does not replace the need for a compliant, functional premises, and the businesses that open efficiently and operate profitably will be the ones that treat facility planning as seriously as the application itself. Virginia's adult-use framework, enacted through HB 30 in June 2026, took effect July 1, 2026, general retail sales are authorized to begin July 1, 2027, and the Cannabis Control Authority (CCA) may begin accepting applications on or after February 1, 2027 through licensing periods it announces. Having designed and commissioned cannabis facilities across multiple markets (US and International), our team can tell you that the facility is where compliance, cost, workflow, and long-term performance are won or lost. The right work to begin now is site screening, programming, budgeting, and technical due diligence — not irreversible construction based on rules that have not yet been finalized.

This guide covers the major considerations involved in planning and building a Virginia cannabis facility, with a focus on retail and cultivation operations and additional considerations relevant to processors and microbusinesses. It is written from the build side of the business, because that is where many otherwise-strong applicants stumble: they underestimate utility needs, local approvals, security infrastructure, commissioning, and the time required to convert a site into an inspection-ready operation.

Why Facility Planning Can't Wait for a License

The timing is more flexible and more complicated than a simple five-month race from application to market launch. The CCA may begin accepting applications on or after February 1, 2027, but it must announce licensing periods for the relevant license types. Applicants selected through a lottery receive preliminary license approval and generally have 18 months to provide the final site and required facility information, with a possible one-time extension of up to six months for good-faith progress. After a final license is issued, the licensee must become operational within 12 months or risk revocation. July 1, 2027 is the statewide retail-market launch date, not a universal opening deadline for every new licensee.

Virginia Cannabis Facility Design & Build Out for the 2027 Market

Designing & Commissioning for the 2027 Market

Most of the conversation around Virginia's new cannabis market focuses on licenses. Who can apply, when, and for what. But a license does not replace the need for compliant, functional premises, and the businesses that open rapidly and efficiently and operate profitably will be the ones that treat facility planning as seriously as the application itself. Virginia's adult-use framework, enacted through HB 30 in June 2026, took effect July 1, 2026. General retail sales are authorized to begin July 1, 2027, and the Cannabis Control Authority (CCA) may begin accepting applications on or after February 1, 2027, through licensing periods it announces. Having designed, commissioned, and operated cannabis facilities across multiple markets (US and International), our team can tell you that the facility is where compliance, cost, workflow, and long-term performance are won or lost. The right work to begin now is site screening, programming, budgeting, and technical due diligence. Not irreversible construction based on rules that have not yet been finalized.

This guide covers the major considerations for planning and building a Virginia cannabis facility, with a focus on retail and cultivation operations, as well as additional considerations relevant to processors and microbusinesses. It is written from a build/development perspective, because that is where many otherwise strong applicants stumble: they underestimate utility needs, local approvals, security infrastructure, specialized equipment, commissioning, and the time required to convert a site into an inspection-ready, efficient operation.

Why Facility Planning Can't Wait for a License

The timing is more flexible and more complicated than a simple five-month race from application to market launch. The CCA may begin accepting applications on or after February 1, 2027, but it must announce licensing periods for the relevant license types. Applicants selected through a lottery receive preliminary license approval and generally have 18 months to provide the final site and required facility information, with a possible one-time extension of up to 6 months for good-faith progress. July 1, 2027, is the statewide retail market launch date, not a universal opening deadline for every new licensee.



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EXPERT INSIGHT

Start planning early without locking in bad assumptions. Facility programming, utility analysis, site screening, preliminary layouts, budgets, and local conversations can begin before the CCA publishes every technical rule. Virginia does not require an applicant to secure premises until the final stage of license approval, so use contingencies and preserve flexibility. The goal is to be ready to execute after preliminary approval. Not to commit to an expensive site or construction scope that later proves incompatible with the rules or license awarded.

Designing a Compliant Dispensary

A cannabis dispensary is a specialized retail environment governed by security, tracking, sanitation, recordkeeping, and consumer protection requirements that ordinary retail does not face. HB 30 establishes the framework, but the CCA still must finalize many of the technical standards. A sound design should therefore satisfy the confirmed requirements while preserving enough infrastructure and flexibility to incorporate the final regulations.

<u>Design element</u>	<u>Consideration</u>
Location compliance	A retail store or retailing microbusiness may be refused if it is within 1,000 feet of a hospital; a public, private, or parochial school or institution of higher education; or a child day program. Confirm the CCA's measurement rules and all local zoning and land use requirements. Note: There is a 2,500 Sq Ft Limitation to consider.
Security and surveillance	Plan camera coverage, alarms, access control, secure communications, and data retention with capacity to meet the CCA's final technical standards.
Secure storage	Provide restricted access storage for cannabis products and cash, with receiving, quarantine, returns, and waste workflows separated as appropriate.
Seed-to-sale integration	Coordinate point of sale, inventory, receiving, labeling, and recordkeeping with the state seed to sale system the CCA must establish.

<u>Design element</u>	<u>Consideration</u>
Customer and employee flow	Design age verification, queuing, controlled access, secure receiving, staff circulation, accessibility, and transaction throughput as one coordinated workflow.
Build and permitting	Comply with local building, fire, accessibility, signage, occupancy, and business requirements, and preserve flexibility for the CCA's final facility rules and site inspection.

The strongest dispensaries balance regulatory control with genuine retail experiences in a space that supports secure operations and inspection readiness while also delivering efficient receiving, inventory control, employee movement, customer throughput, accessibility, and merchandising. Localities cannot broadly opt out of the market. Still, they retain authority over zoning, land use, construction, and business regulation, so a site that works under state law can still fail at the local level.

Designing a Cultivation Facility

Cultivation facilities present a different and complex engineering challenge. HB 30 creates tiered cultivation licenses with canopy limits, so facility quality directly affects how much saleable production an operator can generate from the licensed area. Profitability is not determined by yield alone; it depends on yield and quality per square foot, crop turns, genetics, labor efficiency, energy use, product mix, biosecurity, and the reliability of the facility's mechanical and control systems. The final regulations will also govern outdoor and greenhouse security, sanitation, and operating requirements, so the facility concept must align with both the intended cultivation method and the license tier.

<u>System</u>	<u>What & Why it Matters</u>
Lighting	Intensity, spectrum, uniformity, fixture layout, and controls influence yield, quality, energy use, and heat load across the licensed canopy.
HVAC and environmental control	Temperature, humidity, dehumidification, pressurization, and filtration must remain stable through changing crop and weather loads.
Irrigation, fertigation, and drainage	Water quality, nutrient delivery, runoff management, sanitation, and drainage design underpin repeatable production and protect the building.
Airflow, filtration, and CO2	Uniform air movement and appropriate filtration support plant health; any CO2 enrichment must be integrated with life safety monitoring, controls, and applicable code requirements.

<u>System</u>	<u>What & Why it Matters</u>
Electrical and utility capacity	Load calculations must account for lighting, HVAC, dehumidification, irrigation, processing, controls, and future operating conditions; inadequate service can derail a site.
Redundancy, alarms, and response	Critical system redundancy, remote alarms, emergency procedures, spare parts planning, and trained response personnel reduce the risk of a localized failure becoming a crop loss.

A cultivation facility is a controlled environment agriculture manufacturing system, not simply a collection of grow rooms. Architecture, structure, mechanical systems, electrical distribution, water, drainage, controls, sanitation, workflow, and cultivation strategy must be designed as one integrated operating system. A high-performing design should also account for maintenance access, cleanability, pest exclusion, material and personnel flow, waste handling, drying or post-harvest needs, and the consequences of equipment downtime.



Leif Olsen
Co-Founder & Chief
Executive Officer

EXPERT INSIGHT

Commission before you cultivate, process, or open. Installation is not proof of performance. Commissioning should verify that environmental systems maintain setpoints under representative loads, lighting is uniform, irrigation and drainage operate as intended, alarms and controls communicate correctly, security devices cover the designed areas, and staff understand the response procedures. Discovering those problems before plants, inventory, or customers enter the facility is far less expensive than correcting them during operation.

Compliance Infrastructure Both Facility Types Need

Whether retail or cultivation, Virginia marijuana establishments will need compliance infrastructure built into the premises. HB 30 requires seed-to-sale tracking, complete and accessible records, sanitary and security standards, inspections, and controls over licensed products and restricted areas. The CCA must still publish the detailed technical regulations, so designs should reserve sufficient capacity for cameras, data, access control, power, storage, and recordkeeping to adapt. Processing facilities that produce edible products must also account for applicable Virginia food law and Department of Agriculture and Consumer Services inspection requirements. Microbusinesses will be subject to the relevant cultivation, processing, and retail requirements based on their activities.

The Build Out Roadmap

For most facility types, the path from early planning to operation follows a similar arc:

- **License strategy and facility programming:** Define the license type, operating model, capacity, workflow, utility needs, equipment, staffing, budget, and site selection criteria before committing to a property.
- **Site screening and contingent control:** Evaluate zoning, the applicable 1,000-foot retail and microbusiness buffers, power, water, sewer, fire access, building condition, security, neighbors, transportation, and expansion constraints. Virginia does not require secured premises until the final approval stage.
- **Preliminary approval and site finalization:** A lottery-selected applicant generally has 18 months to provide the final address and legal property description, identify the locality, update the security plan, and provide applicable agricultural inspection information, with one possible six-month extension for good-faith progress.
- **Local approvals and detailed design:** Finalize possession of the premises, confirm zoning and land use compliance, and complete architectural, structural, mechanical, electrical, plumbing, security, process, and code design for permitting.
- **Construction and systems integration:** Build the space and coordinate utilities, environmental controls, lighting, irrigation, processing equipment, security, point-of-sale, seed-to-sale, data, and life safety systems.
- **Commissioning and operational readiness:** Test systems under representative conditions, correct deficiencies, train staff, finalize SOPs, and verify that workflows, alarms, records, and emergency procedures function together.
- **CCA inspection and final authorization:** The CCA will notify the locality, schedule a site inspection, and require the applicable license fee. The locality may submit objections, and final authorization depends on the site, background review, zoning, information, and fees satisfying the statutory requirements.
- **Operation and ongoing compliance:** Maintain possession of the licensed premises, operate the tracking, security, sanitation, and recordkeeping systems, and become operational within 12 months after license issuance or risk revocation.

These activities overlap, but they still have critical dependencies. A phased approach allows applicants to advance due diligence and design far enough to understand cost and feasibility while delaying irreversible commitments until the license type, preliminary approval, site, local approvals, and final CCA rules are sufficiently clear.

WORK WITH CATALYST BC

On Your Virginia Cannabis Facility

A license provides access to Virginia's market; a well-planned, properly built facility determines whether the operator can obtain final approval and perform once open. Catalyst BC supports facility programming, site and utility diligence, design coordination, environmental and production systems, build-out oversight, commissioning, operational readiness, and Owner's Representative services for retail, cultivation, processing, and microbusiness projects. Our team helps operators translate HB 30 into a facility plan that is technically credible today and flexible enough to incorporate the CCA's final regulations. With adult-use sales authorized to begin July 1, 2027, and licensing periods still to be announced, the priority now is disciplined preparation rather than premature construction. Reach out through catalyst-bc.com to develop a Virginia cannabis facility strategy engineered for compliance, operability, and long-term performance.

About the authors: This guide was prepared by the Catalyst BC cannabis consulting team. Catalyst BC advises cannabis operators on facility programming, site and utility diligence, environmental control, build-out, commissioning, operational readiness, and Owner's Representative services, as well as state licensing strategy and regulatory compliance, across U.S. and international markets. This article is provided for informational purposes only and does not constitute legal, engineering, architectural, or construction advice; applicants should confirm current facility requirements with the Virginia Cannabis Control Authority and retain appropriately licensed professionals for their specific project.

Frequently Asked Questions

When should I start planning my cannabis facility in Virginia?

Begin now with programming, site screening, utility analysis, budgeting, and local due diligence. Licensing periods and technical rules must still be announced, so plan flexibly in advance and avoid irreversible construction commitments until the approval path is clearer.

What are the location requirements for a dispensary facility?

A retail store or retailing microbusiness may be refused if it is within 1,000 feet of a hospital; a public, private, or parochial school or institution of higher education; or a child care program. Local zoning and land use requirements also apply.

What makes cultivation facility design so important?

Virginia's cultivation licenses are tiered by canopy, so profitability depends on how effectively the operator uses the licensed area. Yield and quality matter, but so do crop turns, labor, energy, product mix, biosecurity, and system reliability.

What systems does a cultivation facility need?

The design may include lighting, HVAC, and dehumidification, environmental controls, irrigation and fertigation, drainage, airflow and filtration, electrical distribution, water treatment, controls, alarms, sanitation infrastructure, and critical system redundancy. CO2 enrichment, if used, must comply with life safety requirements.

What is commissioning, and why does it matter?

Commissioning verifies that installed systems perform together under representative conditions before plants, inventory, or customers enter the facility. It identifies deficiencies while they are less disruptive and expensive to correct.

What compliance systems must my facility include?

Virginia requires seed-to-sale tracking, accessible records, sanitary and security controls, restricted areas, and inspection access. The CCA will establish final technical standards. Edible processors must also plan for applicable food law and agriculture inspection requirements.

How long does a cannabis facility build-out take?

The schedule depends on the facility, utilities, local approvals, equipment, and final CCA rules. The Catalyst team is well-versed in developing highly accurate price and time forecasts based on each project's unique variables. Preliminary approvals generally allow 18 months to complete final licensing requirements, with a possible six-month extension.

Can I retrofit an existing building?

Often, yes, but feasibility depends on zoning, buffers, power, water, sewer, structure, drainage, fire access, security, and existing system condition. A low-cost lease can become expensive if major upgrades are required.

Do dispensaries and cultivation facilities have different design needs?

Yes. Dispensaries prioritize secure receiving and storage, customer flow, age verification, POS, accessibility, and throughput. Cultivation facilities prioritize environmental systems, utilities, sanitation, biosecurity, material flow, and crop reliability. Processing and microbusiness facilities may combine multiple categories.

How does facility design affect my license application?

Premises are not required until the final approval stage, but applicants still need a credible operating, financial, security, and facility strategy. Early programming and site diligence demonstrate readiness without forcing premature commitment to a noncompliant or uneconomic property.



CATALYST BC IN THE FIELD

Measured, Not Guessed

PAR mapping, airflow and temperature surveys, environmental audits, and canopy diagnostics — the measurements behind consistent yield, repeatable quality, and facilities that perform the way they were designed to.







WORK WITH CATALYST BC

Prepare before the window opens.

Virginia's regulated market becomes real on July 1, 2027 under HB 30, with the CCA authorized to begin accepting applications on or after February 1, 2027, subject to the licensing periods it announces. The operators who win licenses — and open successfully — will be the ones who used this runway to plan. Catalyst BC helps applicants choose the right license, build application-ready ownership and capital structures, screen sites without unnecessary risk, and carry projects through design, build-out, commissioning, and opening.

Start your Virginia strategy → catalyst-bc.com/contact-us

Informational only; not legal or financial advice. Confirm current requirements with the Virginia Cannabis Control Authority and qualified Virginia professionals.