

# Troutman Pepper Cannabis Communications Newsletter – September 12, 2023

## WRITTEN BY

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Troutman Pepper's Cannabis Practice helps clients throughout their business cycle enter or expand into the cannabis space. Our team combines the resources of attorneys in areas such as licensing and taxation, regulatory compliance, corporate and transactional, intellectual property, and real estate, among others, to provide comprehensive services.

Our Cannabis Practice provides advice on issues related to applicable federal and state law. Marijuana remains an illegal controlled substance under federal law.

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## HHS UPDATES

### HHS PROPOSES RESCHEDULING CANNABIS TO SCHEDULE III – WHAT IT MEANS FOR THE INDUSTRY

By [Agustin Rodriguez](#), Jean Smith-Gonnell, and [Cole White](#)

The cannabis industry in the U.S. is on the cusp of a potential transformation. On August 29, the U.S. Department of Health and Human Services (HHS) made a significant recommendation that could reshape the legal and regulatory landscape surrounding cannabis. In this post, we will delve into HHS's groundbreaking proposal to reschedule cannabis from its current classification as a Schedule I substance to Schedule III under the Controlled Substances Act (CSA), and the effect that rescheduling may have on cannabis industry participants. While this recommendation represents only the first step in the rescheduling processes, it is essential to understand the implications for various stakeholders.

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## PACKAGING RULES

### CANNABIS PLAIN PACKAGING RULES: EXAMPLES AND OPPORTUNITIES

By [Agustin Rodriguez](#) and Christina Sava

Much attention has recently been placed on hemp-derived products marketed in packaging that mimics popular snack foods.

According to the U.S. Food and Drug Administration and various state regulators, this type of packaging has

contributed to an increase in accidental consumption of intoxicating hemp products by minors.

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## STATE UPDATES

### NEW YORK STATE COURT ENJOINS LICENSING OF ADULT-USE CANNABIS DISPENSARIES STATEWIDE AMID RETAIL CANNABIS REGULATION DISPUTES

By [Troutman Pepper State Attorneys General Team](#) and [Agustin Rodriguez](#)

On August 18, 2023, a New York Supreme Court judge has [enjoined](#) New York cannabis regulators from further processing, approving, or investigating any new or pending applications for a state conditional adult-use retail dispensary (CAURD) license, leaving New York's nascent adult-use cannabis market in limbo.

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### CALIFORNIA AG PETITIONS STATE COURT FOR ORDER TO SEIZE ASSETS FROM AN UNLICENSED CANNABIS DISPENSARY

By [Troutman Pepper State Attorneys General Team](#), Jean Smith-Gonnell, and [Agustin Rodriguez](#)

California Attorney General (AG) Rob Bonta is asking the Los Angeles County Superior Court to enter a civil forfeiture order allowing the state to collect unpaid taxes and fees from an unlicensed marijuana business by seizing its assets.

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### CANNABIS INVENTORY TRACKING VENDOR URGES STATE COURT TO DISMISS LICENSED CULTIVATOR'S LAWSUIT

By [Michael Lafleur](#), [Agustin Rodriguez](#), and Jean Smith-Gonnell

Florida-based cannabis inventory tracking vendor [Metrc LLC](#) is asking a Colorado state court to toss a dispensary's lawsuit challenging its process for charging so-called "support fees" as violative of state anti-trust and consumer protection laws.

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### DIRECTOR OF THE MASSACHUSETTS CANNABIS REGULATOR IS DEPARTING AMID AGENCY'S PROMULGATION OF NEW CANNABIS CAFÉ RULES

By [Agustin Rodriguez](#) and [Michael Lafleur](#)

The Massachusetts Cannabis Control Commission's first and only executive director is supposedly planning to leave the agency, which is in the midst of implementing the state's new [cannabis equity law](#), enacted in August 2022. This law includes new regulations concerning licensed "[marijuana social consumption establishments](#),"

which are more commonly known as cannabis cafés.

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