

Troutman Pepper Cannabis Communications Newsletter – September 26, 2023

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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.

STATE UPDATES

SENATE BANKING COMMITTEE TO ADVANCE SAFER BANKING ACT

By [Agustin Rodriguez](#), [Jean Smith-Gonnell](#), and Christina Sava

The Senate Banking Committee is scheduled to mark up a new version of the SAFE Banking Act, now known as the "Secure And Fair Enforcement Regulation Banking Act" or the [SAFER Banking Act](#) (SB 2860). The revised bill addresses concerns around potential bad actors, but also establishes guardrails in the case that federal regulators may want to put pressure on banks to not service certain customers, such as "marijuana-related businesses" or other high-risk industries.

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LEGAL CANNABIS ON TRIAL: FEDERAL PREEMPTION AND CONNECTICUT'S CANNABIS CHALLENGE

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

On August 9, a lawsuit was filed in Connecticut that aims to stop all legal cannabis activity in the state and declare the state's 2021 legalization framework as unconstitutional. The complaint, filed by a local homeowners advocacy group against the Zoning Board of the City of Stamford and the Stamford Mayor, alleges that Connecticut's legalization framework, the Responsible and Equitable Regulation of Adult-Use Cannabis Act (RERACA), violates both the state and federal constitutions by legalizing federally prohibited conduct, and is therefore preempted under both. In addition, the complaint alleges that the state's social equity council violates the Connecticut constitution by providing exclusive public emoluments or privileges to certain groups based on race, and that the approval by certain board members of changes in zoning regulations was invalid due to several board members

terms having previously expired.

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THE EVOLVING CANNABIS INDUSTRY IN NEW YORK: FINAL REGULATIONS AND THE TRUE PARTY OF INTEREST RULE

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

On September 12, the New York Cannabis Control Board (CCB) approved final regulations governing the adult-use cannabis industry in New York, marking a long-awaited moment for industry participants and state regulators alike. The CCB's approval signifies a significant step forward for the state's cannabis market. The regulations are designed to govern all aspects of the industry, from cultivation and processing to distribution, retail, on-site consumption, and delivery services. Among these regulations, one rule stands out for its complexity and potential impact on industry participants: the definition of a "true party of interest."

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