

Department of Planning and Budget
2026 General Assembly Session
State Fiscal Impact Statement

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ORIGINAL

Bill Number: SB543

Patron: Aird

Bill Title: Marijuana and hemp products; enforcement.

Bill Summary: Amends various provisions of law to increase enforcement and penalties related to the illegal sale of marijuana or marijuana products by persons licensed by the Virginia Department of Agriculture and Consumer Services (VDACS), the Virginia Alcoholic Beverage Control Authority, and the Virginia Cannabis Control Authority (CCA). The bill also requires the Board of Directors of the CCA to (i) establish, advertise, and administer a tip line, which may be accessed by phone and by internet, for members of the public to anonymously report concerns about, or suspected instances of, illicit retail marijuana practices in violation of current law and (ii) create and require a decal for retail marijuana store licensees to prominently display on the premises of such store that allows consumers to electronically verify the validity of such store's license from the Board. The bill requires such decal to be displayed by licensees, with a civil penalty of \$10,000 for each day that such decal is not displayed in the establishment. The bill also creates a \$10,000 civil penalty for creating or falsifying such decal.

Lastly, the bill allows the Board to issue a notice of violation and order to cease unlicensed activity to any person who is engaged in the cultivation, processing, distribution, or selling of marijuana or marijuana products in violation of current law, and if the Board issues such notice and order, it may also order the seizure of such marijuana or marijuana products. The bill requires the person receiving such notice and order to (a) cease all activities, (b) allow the Board to post a copy of such notice and order to the front window, door, or exterior wall of the location where such unlicensed activity is occurring, and (c) post one or more warning stickers at or near the front door or other opening to such location where customers enter from the street advising the public that the business is ordered to stop the unlawful activity and of the public health and safety concerns relating to illicit marijuana and marijuana products. Any person who intentionally removes such notice and order or sticker without authorization of the Board is subject to a civil penalty prescribed by the Board, not to exceed \$5,000.

Budget Amendment Necessary: Yes

Items Impacted: 391 and 491

Explanation: See Below

Fiscal Summary: According to the Cannabis Control Authority (CCA), it will need three new employees, totaling \$356,981 annually. CCA will also incur additional operational expenses, totaling \$130,683 in fiscal year 2027, and \$37,176 in subsequent years. According to the Department of Criminal Justice Services (DCJS), it will need three new employees, totaling \$453,594 annually.

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General Fund Expenditure Impact

Agency	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031
DCJS	0	\$453,594	\$453,594	\$453,594	\$453,594	\$453,594
TOTAL	0	\$453,594	\$453,594	\$453,594	\$453,594	\$453,594

Nongeneral Fund Expenditure Impact:

Agency	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031
CCA	0	\$487,664	\$394,157	\$394,157	\$394,157	\$394,157
TOTAL	0	\$487,664	\$394,157	\$394,157	\$394,157	\$394,157

Position Impact:

Agency	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031
CCA	0	3	3	3	3	3
DCJS	0	3	3	3	3	3
TOTAL	0	6	6	6	6	6

Fiscal Analysis:

Cannabis Control Authority (CCA): Under SB543, every adult use cannabis retail store in Virginia is required to prominently display a decal, to be created by the CCA, on the premises that allows consumers to electronically verify the validity of such store's license from the Board. CCA will require additional resources for the creation of a secure decal and dissemination to licensees.

This bill also requires the CCA to establish, advertise, and administer a tip line, which may be accessed by phone and by internet, for members of the public to anonymously report concerns about, or suspected instances of, illicit retail marijuana practices in violation of current law. According to CCA, it will need a total of three additional staff for administrative proceedings, compliance, and enforcement: two Inspectors and one Administrative Proceedings Officer. The cost for three additional FTE's is \$356,981 annually for salary and benefits. CCA will also need resources for IT services and equipment, motor vehicles, secure storage space, and travel within the Commonwealth of Virginia. The costs for these expenses will be \$130,683 in the first year, and \$37,176 in subsequent years. CCA anticipates these needs will be supported by taxes and/or licensing fee revenue. The fiscal impact of this bill assumes the creation of an adult-use retail market, with accompanying fiscal support from that legislation. If an adult-use retail market framework is not passed and this bill stands alone, additional fiscal impact will need to be added.

Virginia Department of Agriculture and Consumer Services (VDACS): VDACS anticipates being able to absorb any changes associated with the implementation of SB543.

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Department of Criminal Justice Services (DCJS): Under this bill, DCJS will need to create new mandatory basic and in-service training standards for law enforcement officers focused on Virginia's marijuana and hemp laws. The required training would need to address the legal framework, methods for identifying unlawful marijuana and hemp products, available enforcement mechanisms and penalties, and coordination with the state agencies that oversee cannabis, alcohol, and agriculture.

According to DCJS, it anticipates the need for two Criminal Justice Analysts to design statewide training standards, coordinate with partner agencies, draft and update model policies, assist academies and law enforcement agencies as they adopt the new requirements, monitor compliance, and regularly revise training materials as laws and enforcement practices evolve, totaling \$278,202 annually for salary and benefits. Also, DCJS anticipates the need for a curriculum development and model policy supervisor to serve as a subject matter expert and oversee the creation and maintenance of model policies and lesson plans for basic, in-service, and advanced training, totaling \$175,392 annually for salary and benefits.

Other: None.