

## Federal Government to Crack Down on States' Legal Marijuana Businesses

By [Cassandra Manna](#)

The federal Government has changed its view about legal marijuana businesses in the States. During President Obama's terms in office, three memorandums were issued by the Department of Justice (DOJ) stating that the federal government would not stand in the way of states legalizing marijuana so long as the laws did not cross state boundaries and kept the drug out of the hands of cartels and children. Specifically, the "Cole Memo" noted that DOJ officials would not prosecute companies and individuals for the use, possession, or distribution of marijuana as long as those companies and individuals complied with state marijuana laws.

Yesterday, the administration reversed the Cole Memo in a blow to marijuana advocates across the nation. The new policy will let U.S. DOJ attorneys across the country decide how aggressively to pursue and what federal resources to devote to fighting marijuana use in their districts based on internal, district-specific policies.

At this time, 29 states have legalized medical marijuana along with Washington, D.C., Guam, and Puerto Rico. There are eight states that have legalized recreational marijuana. In 2016 alone, Colorado's marijuana sales totaled \$1.3 billion and generated \$200 million in tax revenue.

The change to the federal government's approach comes shortly after openings of recreational dispensary centers in California and awards of cultivator licenses in the State of Ohio.

Roetzel will continue to provide updates as the situation evolves and federal enforcement strategies clarify. Please do not hesitate to reach out to us with any questions regarding corporate services, real estate zoning and land use issues, employment services, or government affairs as it relates to the medical marijuana industry.

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