

April 23, 2026

90% of College Bar-Goers Out Weekly, \$500 to Skip a Line: BREW Panel on the Occasions Economy

Dear Client:

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WHAT WOULD SEN. PAUL'S INTOXICATING HEMP "OPT OUT" BILL MEAN FOR WHOLESALERS?

Kentucky Senator Rand Paul introduced a bipartisan hemp bill earlier this week (as CBD reported) that would empower states to maintain their own intoxicating hemp marketplace by giving them the option to "opt out" of the federal ban attached to the 2026 agriculture appropriations bill set to go into effect in November.

"Half the states have already set up their own smart rules, THC limits, age restrictions and safety standards that let hemp farmers grow, manufacturers innovate and consumers stay safe," Paul said. "... This bill gives states the freedom to regulate hemp responsibly while keeping dangerous synthetics off the market and ensuring products can move freely between states."

If enacted, the bill, known as the Hemp Safety Enforcement Act, would, among other things:

Give states and Tribes an opt out: Any state or Tribal government can simply notify the federal government and take full control of hemp regulation.

Build in safety protections: States choosing self-regulation must enforce a minimum age for buying hemp-derived cannabinoid products and

keep the ban on synthetic cannabinoids that do not naturally occur in the hemp plant.

And protect interstate commerce: No state can block legal hemp or hemp-derived products from moving to or from other states that have also opted out.

Hemp advocate Paul was joined by Sens. Amy Klobuchar (D-MN) and Joni Ernst (R-IA), who cosponsored the bill.

Klobuchar acknowledged Minnesota's position as "a national leader in hemp products," saying she's "heard loud and clear from brewers, farmers and small businesses in Minnesota" that a federal hemp ban "will be devastating."

BUT WHAT DOES IT MEAN FOR WHOLESALER FEDERAL PERMITS? But would the passage of such a bill — possibly a long shot in this environment — mean for beer wholesalers' continued ability to carry such beverages, considering their own federal permits?

Tannenbaum Helpert partner James Rieger, who leads the firm's cannabis practice, believes that the provision would remove the federal issue for federal permit-holding wholesalers in states that opt out of a ban.

"I believe a fair reading [of the bill] is that this is an effort to put intoxicating hemp products back to where they were before the ban in last fall's spending bill for those states that opt into regulating hemp — that is, legal on the federal level," he shared with BBD. "Marijuana is illegal federally because there isn't any analogous legislation to this proposed bill and Marijuana is a Schedule 1 substance. The 'Farm Bill Loophole' took hemp out of Schedule 1."

In other words, as the partner, and chair of its Corporate and Distribution practices, Andre (Drew) Jaglom puts it, "if a state opts out then sale in that state is legal under both state and federal law."

Stay tuned.

* * *

Until tomorrow,

Jenn, Jordan, Bianca, and Harry

“I may not have gone where I intended to go, but I think I have ended up where I needed to be.” – Douglas Adams

----- *Sell Day Calendar* -----

Today’s Sell Day: 16

Sell days this month: 21

Sell days this month last year: 21

This month ends on a: Thurs.

This month last year ended on a: Wed.

YTD sell days Over/Under: 0

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