

## **Get Up, Stand Up – Dispensary Challenges City’s Local Permitting Decision in Court**

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As we [predicted](#) back in April, disputes between medical cannabis businesses and counties or municipalities over local zoning ordinances and permits are starting to arise. Participants in Mississippi’s medical cannabis program are moving swiftly to obtain licenses and set up operations, while some participating cities and counties are grappling with how to balance the directives of the Mississippi Medical Cannabis Act with the interests of their constituents. Given the stigma associated with cannabis and the infancy of the medical cannabis industry in Mississippi, conflict seems inevitable and such a dispute recently made it to the public arena.

On August 18, 2022, a medical cannabis dispensary sued the City of Canton, Canton’s planning and zoning commission, and the commission’s executive director alleging that the city arbitrarily and capriciously denied the dispensary a local privilege license. The dispensary, which has been licensed by the State of Mississippi, alleges that the city improperly rejected its local privilege license application because the city had reached an informal and undisclosed limit on the number of dispensaries that the governing authorities were going to allow in Canton. The lawsuit seeks injunctive relief in the form of a writ of mandamus and a declaratory judgment, ultimately requiring the city to issue a local privilege license to the dispensary.

The act gives participating local governments some discretion to regulate, via permits or ordinances, how medical cannabis businesses operate in their jurisdiction. But various components of Mississippi law, including the act itself, limit that discretion by, among other things, prohibiting the adoption of ordinances that would prohibit medical cannabis operations and providing aggrieved businesses potential relief if the local government over-reaches. We previously wrote on that topic [here](#) and [here](#).

As more medical cannabis businesses seek local approval to operate and as more and more counties and municipalities adopt local rules regulating these businesses, additional disputes like the one filed last week against Canton are sure to arise. And the outcome of those disputes will play a major role in shaping Mississippi’s new medical cannabis program.

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