



Cannabis Lounges as New Social Venues December 13, 2022

DISCUSSION TOPICS

- What changes are taking place in your city and state with the legalization of cannabis?
- Should cities allow cannabis lounges?
- What have been the most significant impacts of cannabis legalization?
- Should cannabis regulation be local, county, or state?

BACKGROUND

U.S. BACKGROUND

Jocelyn Kane, Senior Policy Consultant for RHI and Vice President, Coachella Valley Cannabis Alliance Network, provided background on the subject of U.S. cannabis policy and regulations:

- A **“social consumption lounge”** is a venue where a customer can purchase and then consume cannabis on the premises for social purposes. Consumption may be done by smoking, vaping, consuming edibles, etc.
- **10 states have passed legislation to allow “social consumption lounges,”** including California, Alaska and Colorado. Several of these states (e.g. Massachusetts, Nevada, New Jersey) haven’t yet issued licenses for this type of establishment yet.
- **Cannabis Dispensaries vs. Bars:** There are about 8,000 dispensaries (retail cannabis stores) compared to about 71,000 bars and nightclubs in the U.S.

CANADIAN BACKGROUND

A call participant from Canada provided background on Canada’s stance towards consumption lounges:

- **Cannabis was legalized nationally in 2018** but each provincial government is in charge of regulation.
- **Municipalities determine whether smoking is permitted** inside.
- **Some provinces allow consumption lounges** e.g. Ontario.

CANNABIS GOVERNANCE

OFFICES OF CANNABIS

Similar to the movement to establish Offices of Nightlife, there is a corresponding movement to establish Offices of Cannabis in large cities such as New York.

The question of whether both offices are needed in smaller cities was debated during the call. Because of the prevalent link between cannabis consumption and nightlife participation, it was suggested that the two Office directors work closely together or, in some cases, with additional staffing, be combined.

It is anticipated that many of the lessons learned from the Night Manager movement can be applied to cannabis regulation, since it is another social substance consumed in social settings.

CITY CASE STUDIES

NEW YORK'S ROLL-OUT OF CANNABIS DISPENSARIES

An Office of Cannabis Management was established in December 2022:

The Marijuana Regulation and Taxation Act creates a first in the nation comprehensive regulatory structure to oversee the licensure, cultivation, production, distribution, sale and taxation of medical, adult-use and cannabinoid hemp within New York State." <https://cannabis.ny.gov/>

Similar to the model for the Office of Nightlife, the Director of the Cannabis NYC will begin a series of Listening Tours.

The first 30 retail license applicants were selected based on an equity lens (i.e. based on previous incarceration history due to cannabis). Retail spaces will be provided to support the opening of the dispensaries.

Legal home delivery has begun.

Unlicensed cannabis businesses are starting to open and operate at the same time that the city is rolling out licensed retail spaces. This creates a challenge for enforcement officers, as there is a concerted effort to minimize and reverse injustices based on the past "war on drugs."

In addition to legalizing cannabis from a social justice lens, there is also a desire to recognize the legacy of an industry that has successfully existed organically (outside of legal means) for many decades.

CALIFORNIA: A MATURE MARKET TESTING THE BOUNDARIES

In Sacramento, California, long-established dispensaries are now attempting to incorporate dance club-esque entertainment into their business model (e.g. DJ, dancing). However, many of the spaces that were approved as retail stores were not designed for assembly uses with the appropriate occupancy codes, emergency exits, etc. This has proven to be an area of overlap in compliance between traditional nightlife venues and cannabis dispensaries.

WASHINGTON, DC

Recreational use of cannabis has not been approved in Washington, DC, in large part because of the need for congressional approval. DC is surrounded by states with legal access to recreational cannabis, including Maryland and Virginia.

There is a robust medical cannabis program in DC. New enforcement capacity will be coming online in late December for dispensaries.

CANNABIS CONSUMPTION LOUNGES

ALCOHOL AND CANNABIS: FORCED SEPARATION OF CONSUMPTION SPACES

Currently, there is no legal crossover allowed in spaces licensed for alcohol consumption versus cannabis consumption (i.e. bars and clubs can't have a "cannabis night").

Whether the regulatory market allows for it or not, crossovers are already happening:

- It is well known that nightlife patrons either consume cannabis prior to going out to a bar/club or bring it with them to consume alongside beverage alcohol.
- Products such as cannabis tinctures in cocktails already exist.
- Social clubs, supper clubs and dinner parties have already incorporated cannabis in upscale dining.

VISIONING

What would a cannabis consumption lounge experience be like? Participants were asked to vision an ideal setting.

- **Education aspect:** highly trained staff to familiarize people with what kinds of products would be best for them, different consumption methods, and timed reactions
- **Food integration**
- **Booking an area for a certain amount of time** (e.g. 2hrs) for groups, depending on whether there is a timed delay to the product to be consumed.
- **Nook or booth seating**
- **Harm reduction and bystander intervention** training for staff.
- **Emotional support staff** (similar to the Fireside Project, which provides emotional support to someone who has over-indulged after a cannabis or psychedelic experience).

OBSTACLES TO CREATION OF SOCIAL CONSUMPTION LICENSES

There are many considerations for states to consider when legalizing social consumption licenses.

- **Concerns about odor impacts and smoke.** (Note: there are ways to use cannabis without igniting it, so social consumption is possible without smoke).
- **Difficulties in determining appropriate doses.** Different strains and endocannabinoids (naturally occurring, lipid-based neurotransmitters) affect people differently.
- **Different products available in different states.**
- **Timed delay vs. quick up-taking products:** Some products are quick up-taking edibles so consumers are not sitting around waiting for something to happen.
- **Staff training curricula** to educate consumers.
- **Security guidelines** for this venue type.
- **Procedures and indications** of when to cut someone off.
- **Driving while impaired:** no field sobriety test exists to definitely quantify current impairment due to cannabis.

EVENTS AS A PATH FORWARD

Jocelyn Kane suggested that allowing small, manageable events where consumers can be observed is a small step towards broader cannabis legalization.

Bringing policymakers to places like West Hollywood and Palm Springs, with established cannabis lounges, would be an ideal way to dispel concerns and misperceptions.